



CD PROJEKT®

# CD PROJEKT GROUP'S 2021 SUSTAINABILITY REPORT



## Disclaimer

This English language translation has been prepared solely for the convenience of English-speaking readers. Despite all the efforts devoted to this translation, certain discrepancies, omissions or approximations may exist. In case of any differences between the Polish and the English versions, the Polish version shall prevail. CD PROJEKT, its representatives and employees decline all responsibility in this regard.

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## GRI 102-14

**Dear stakeholders,**

I hereby convey to you the CD PROJEKT Group's Sustainability Report. This is our first attempt at providing a thorough description of how we manage ESG issues in the CD PROJEKT Group in accordance with the GRI reporting standard, namely: environment (E), social (S) and (G) governance.

We spent the last year implementing important and expected changes within the company, and besides that, we worked hard on further improvements to Cyberpunk 2077 and totally new projects. In keeping with the announcements we made when presenting the CD PROJEKT Group strategy update, the transformation of the CD PROJEKT RED studio referred to as RED 2.0 started in 2021. In addition to changes to streamline the game production process in the spirit of being agile, we have taken an important step towards the Group's sustainability. For the first time in our history, through internal workshops and surveys we have defined the top priority non-financial areas that are crucial from the vantage point of long-term development. For the first time we also stated our intended non-financial objectives whose achievement will underpin the CD PROJEKT Group's business development in subsequent years.



In 2021 we undertook a series of actions focusing on our team - we placed particular emphasis on offering the possibility of raising professional and personal skills, ensuring well-being and work comfort. In 2021 we acted to strengthen diversity and inclusivity because it is very important to us that every member of our team feels respected and treated and paid fairly in the workplace notwithstanding age, gender or origin. In 2021 we also commenced actions to measure and curtail our environmental impact.

This report, which I strongly encourage you to pursue, is our first step on the journey to governing the Group in compliance with the rules of sustainability. I am confident that this is the only equitable direction for our business, especially since the values on which this development is predicated – respect for everybody around us - gamers, our employees, associates and business partners as well as the environment in which we live, acting in compliance with the law and showing tolerance – have formed an integral part of our DNA from the very inception of CD PROJEKT.

Respectfully,

**Adam Kiciński**





## About the Report

GRI 102-10; GRI 102-46; GRI 102-47; GRI 102-48; GRI 102-49; GRI 102-50; GRI 102-51; GRI 102-52; GRI 102-53

In recognizing responsible governance and sustainable development as an indispensable factor contributing to the further dynamic growth of CD PROJEKT S.A. ("CD PROJEKT", "Company") and the CD PROJEKT Group, the Management Board of CD PROJEKT S.A. made the decision to prepare for the first time in the Group's history a Sustainability Report encompassing non-financial information for 2021 ("Report"). We voluntarily drafted this report even though CD PROJEKT does not fulfill the criteria described in the Accounting Act<sup>1</sup> that impose a duty on companies listed on Warsaw Stock Exchange S.A. to publish the non-financial information Statement or a separate Report.

This Report comprehensively describes how CD PROJEKT and the CD PROJEKT Group manage (E) environment, (S) social and (G) governance issues. The non-financial information is presented in accordance with the requirements of the accounting act, the Global Reporting Initiative international standard (GRI – 2016<sup>2</sup>) at the core level and by using selected sectoral indicators established by the Sustainability Accounting Standards Board (SASB).

Information pertaining to compliance with the requirements of the accounting act and tables presenting the GRI and SASB indicators can be found in attachments 1-3 to the Report.

Since 2018 the Company has reported selected data describing the non-financial aspects of its business in the Management Board Reports on the Activity of CD PROJEKT S.A. and the CD PROJEKT Group. This Report containing 2021 data is the first separate document devoted to these issues. The Report does not reclassify indicators. Nor were there any changes made to reporting. Information pertaining to the management of ESG issues in CD PROJEKT and the CD PROJEKT Group will be published annually in conjunction with the publication of the CD PROJEKT Group's annual report in the form of a separate sustainability report or as part of an integrated report.

The information in the Report is presented in accordance with the facts as at 31 December 2021 unless indicated otherwise.

Having regard for the nature of its business, which posits significant business and organizational independence on the part of its member companies, in the vast majority of cases the CD PROJEKT Group does not have policies and procedures implemented at the CD PROJEKT Group level that would be applicable to all of the subsidiaries (unless indicated otherwise in the Report).

<sup>1</sup> Accounting Act of 29 September 1994, Journal of Laws of 2021, item 217

<sup>2</sup> including the updates in 2018 and 2020.

Since CD PROJEKT, the holding company in the CD PROJEKT Group, accounts for 76% of all of the persons employed in the Group, 95% of the CD PROJEKT Group's assets and 78% of the consolidated revenue in 2021, we have described how ESG issues are managed chiefly from the perspective of this Company in the various sections.

In selected areas we have also presented information and data pertaining to the management of various areas in GOG Sp. z o.o. ("GOG") and in the overall Group. We are of the opinion that the other Companies whose financial results the Company consolidates and that conducted operating activity at the end of 2021, namely, CD PROJEKT Inc. and CD PROJEKT RED STORE sp. z o.o., do not satisfy the criterion of materiality on account of the limited scale of their business in the context of this report unless indicated otherwise.

The contents of this report have not undergone external verification.

The Investor Relations Department is responsible for coordinating and preparing the CD PROJEKT Group's 2021 Sustainability Report. On issues related to this report please contact:

Investor Relations at CD PROJEKT S.A.

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Registered seat:

CD PROJEKT S.A.

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03-301 Warsaw





# 01

## ABOUT THE CD PROJEKT GROUP

### IN THIS SECTION YOU WILL FIND THE FOLLOWING INFORMATION:

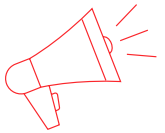
- what the CD PROJEKT Group does and what games we have in our portfolio,
- what values we are guided by in business,
- what the ownership structure of CD PROJEKT is,
- who manages the Company and who oversees it,
- what our business model is,
- what the CD PROJEKT Group's growth strategy is.

## Basic information

GRI 102-1; GRI 102-2; GRI 102-3; GRI 102-4; GRI 102-6; GRI 102-7; GRI 102-45; GRI 103-1

The CD PROJEKT Group does business in the global video games industry. The business conducted under the CD PROJEKT brand for more than twenty-seven years originally focused primarily on publishing and distributing foreign video games in Poland<sup>3</sup>.

At present, the CD PROJEKT Group conducts operating activity in two key business segments: CD PROJEKT RED and GOG.COM.



*Click [here](#) and make yourself familiar with the history and key achievements of the CD PROJEKT Group*

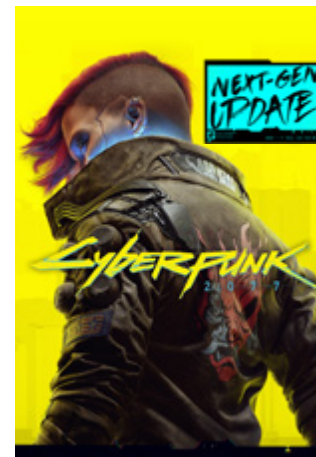
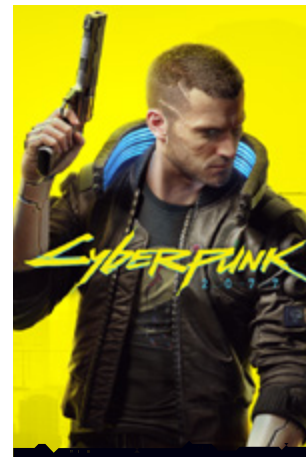
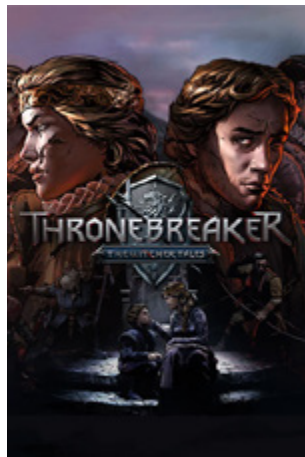
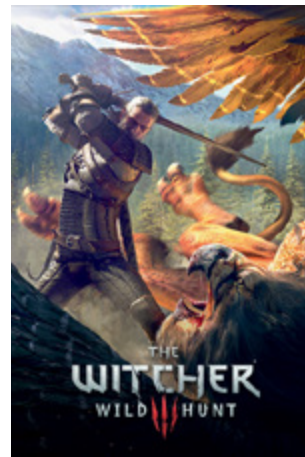
In the CD PROJEKT RED segment we produce and publish video games and accompanying products utilizing the brands CD PROJEKT owns – The Witcher and Cyberpunk 2077, while as part of GOG.COM we conduct the digital distribution of computer games using our proprietary GOG.COM platform and the GOG GALAXY app.



<sup>3</sup> this business in the form of CDP.pl was spun off in 2014 from the CD PROJEKT Group



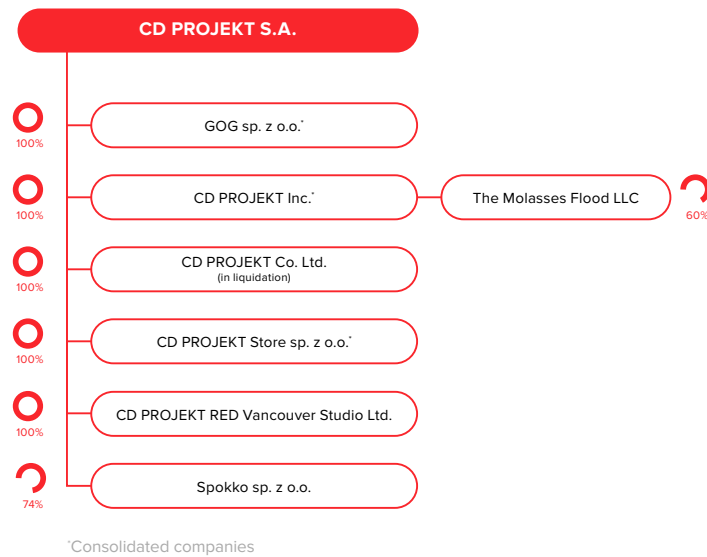
## OUR KEY PRODUCTS



## SELECTED LICENSE PARTNERSHIPS



## ORGANIZATIONAL STRUCTURE OF THE CD PROJEKT GROUP



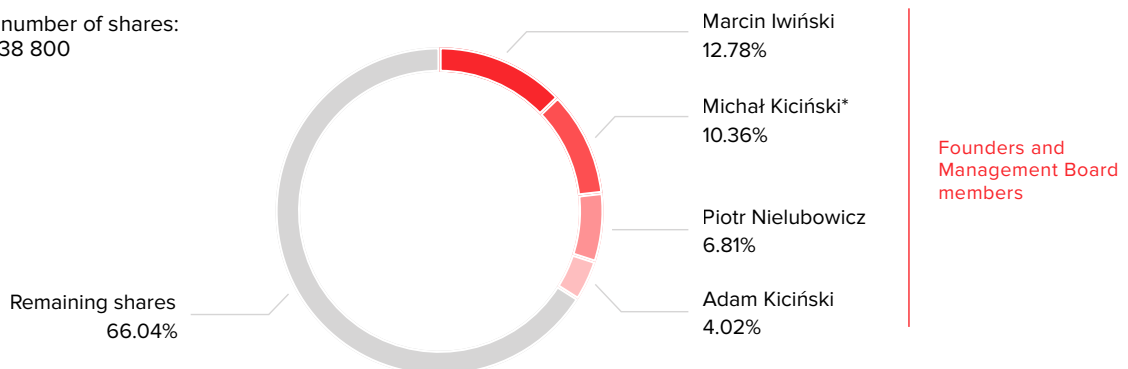
## OWNERSHIP STRUCTURE

GRI 102-5

The business conducted under the CD PROJEKT brand has been listed on Warsaw Stock Exchange S.A. since 2010<sup>4</sup>. 1 share gives the right to 1 vote at the General Meeting<sup>5</sup>.

**Scheme 1** The shareholder structure of CD PROJEKT S.A. on 14 April 2022

Total number of shares:  
100 738 800



\*according to a notice filed on 26 May 2021

4 In 2010, as a result of the investment agreement executed in 2009 by and between CDP Investment sp. z o.o.<sup>7</sup> and Optimus S.A. and the shareholders of the companies involved in these transactions, Optimus acquired a 100% equity stake in CDP Investment, while the then shareholders of CDP Investment subscribed for shares in Optimus S.A. The formal merger of the two companies transpired in December 2010.

5 According to §25a of the Articles of Association of CD PROJEKT S.A. the rights of every one of the Company's Shareholders are limited in such a way that no shareholder may exercise more than 20% of the total number of votes at the General Meeting on outstanding shares in the Company on the date of holding the General Meeting. The limitation on voting rights does not apply to an entity or entities that achieve or exceed the threshold of 50% of the total number of votes in the Company solely as a result of acquiring shares under a public takeover bid to buy all of the Company's other shares.



According to the status as of the publication date of this Report 35.35% of the shares in CD PROJEKT are held by the founders and current Management Board Members of CD PROJEKT S.A., while the remaining 64.65% of the shares represent the free float.

## Our mission and values

GRI 102-16

# CD PROJEKT VALUES AND CULTURE

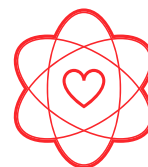


### MISSION

To create revolutionary story-driven RPGs, which go straight to the hearts of gamers from around the world

To be counted among the world's top three video game developer

To ensure a lasting place for our brands in the global popular culture



### CORE VALUES

Quality as our top priority

Passionate team as our greatest strength

Tolerance, fairness and openness at our heart

Independence

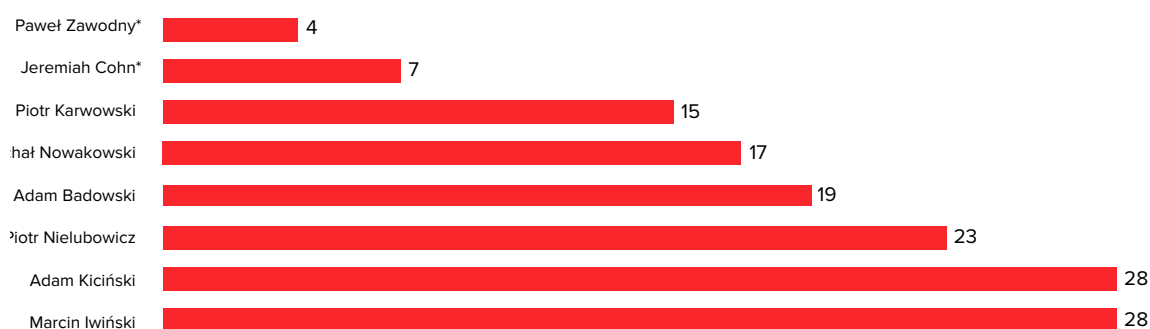
Gamer-centric approach



## Management Board and Supervisory Board

### COMPOSITION OF THE CD PROJEKT MANAGEMENT BOARD

**Scheme 2** Seniority in the CD PROJEKT Group (in years)



\*Paweł Zawodny and Jeremiah Cohn were appointed to serve as Management Board Members of the Company after the balance sheet date, with the effective date for both of them being 1 February 2022.



Click here to read through the CVs of the Management Board Members:

<https://www.cdprojekt.com/en/capital-group/board-of-directors/>

### COMPOSITION OF THE CD PROJEKT SUPERVISORY BOARD

Katarzyna Szwarc – Supervisory Board Chairwoman, member of the Audit Committee  
 Piotr Pągowski – Supervisory Board Deputy Chairman, independent member of the Audit Committee  
 Maciej Nielubowicz – Supervisory Board Secretary, member of the Audit Committee  
 Michał Bień – Supervisory Board Member, Chairman of the Audit Committee  
 Jan Wejchert\* – Supervisory Board Member, independent member of the Audit Committee

\*Jan Wejchert has been the Member of the Supervisory Board since 25 May 2021.



Click here to read through the CVs of the Supervisory Board Members::

<https://www.cdprojekt.com/en/capital-group/supervisory-board/>

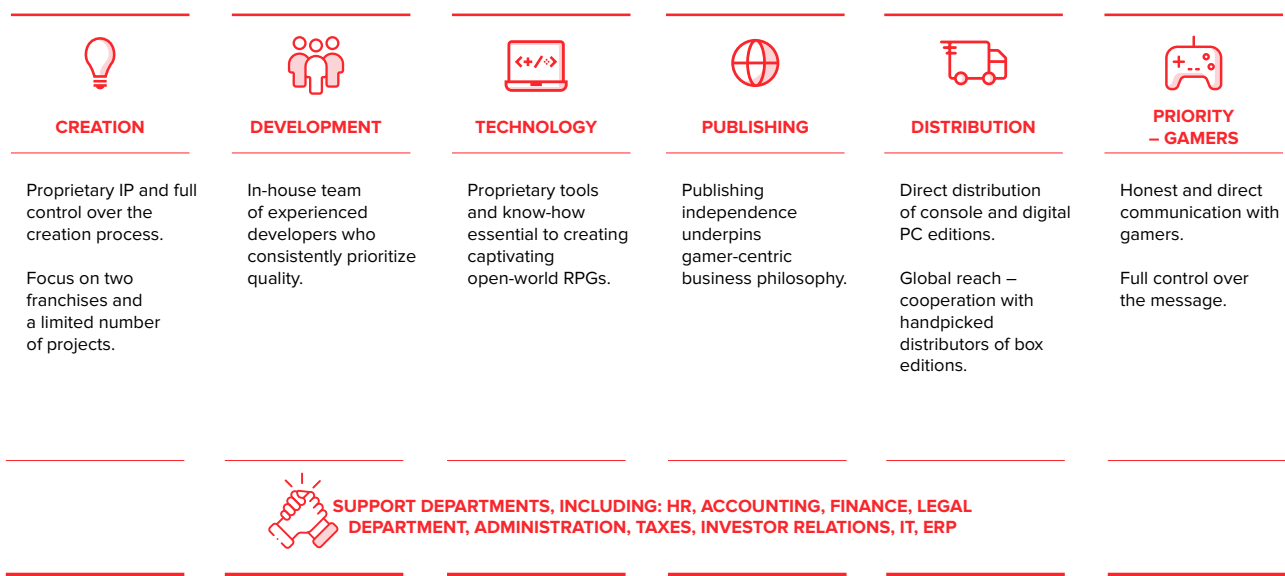


## Business model

GRI 102-9

For years our business philosophy has rested on two pillars – focusing on producing the highest quality games and services and retaining the independence required to do that, including creative and financial independence. We think that these factors are our key to attaining success in the competitive global electronic entertainment industry.

**Scheme 3** Business model for producing games as part of the business of CD PROJEKT S.A.



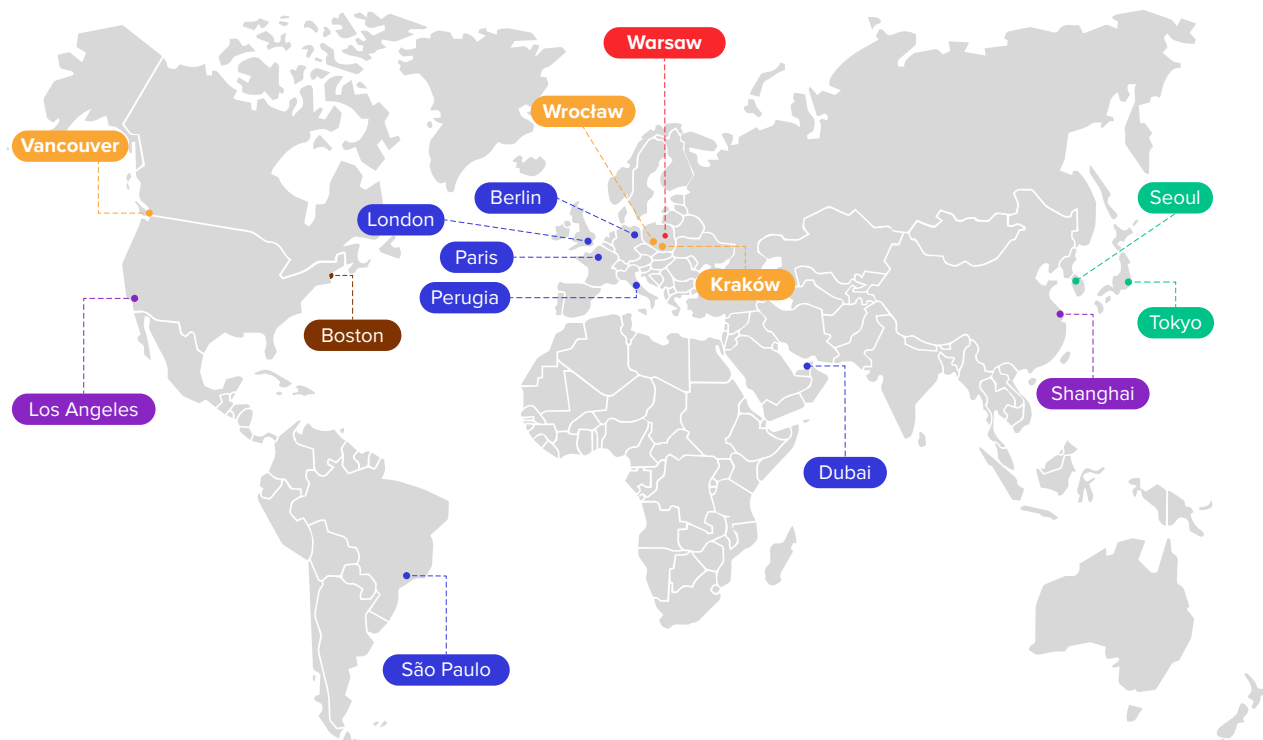
The business model used in its business sets the CD PROJEKT Group apart from other producers and publishers of games. It calls for exercising control over every significant stage of creating and selling games – creative vision, production processes, technological solutions specific to the games we develop, publishing process, promotion, distribution and direct connections with gamers.

Thanks to the GOG.COM segment we also have access to our own digital platform for the distribution of PC and Mac games and online entertainment, which is a part of a friendly ecosystem created specifically for gamers.

## Key financial and non-financial business indicators

### THE CD PROJEKT GROUP ACROSS THE WORLD

GRI 102-3; GRI 102-4; GRI 102-6; GRI 102-7; GRI 201-1



- Headquarters (CD PROJEKT RED, GOG and Spokko)
- CD PROJEKT RED dev studio
- Local subsidiaries of the Group
- Branch offices
- Media and community managers
- Studio The Molasses Flood

### SELECTED FINANCIAL AND BUSINESS INDICATORS IN 2021

- **PLN 888 million** consolidated sales revenue
- **PLN 233 million** consolidated operating profit
- **PLN 209 million** Group's net profit
- **98%** export sales stated as a percentage of total sales of the Group
- **86%** digital sales of games stated as a percentage of total sales in the CD PROJEKT Group
- **40+ million** copies of The Witcher 3: Wild Hunt sold
- **18+ million** copies of Cyberpunk 2077 sold<sup>6</sup>
- **PLN 5** dividend per share from 2020 profits paid out in 2021

<sup>6</sup> as of 14 April 2022.

## SELECTED 2021 NON-FINANCIAL INDICATORS

- **1 196 people (+1.6% yoy)** employed in the Group
- **64%** percentage of developers in the total number of people employed in the Group
- **29%** percentage of women in the total number of people employed in the Group
- **43 nationalities** represented in the Group
- **32** average age of the people employed in the Group
- **1.39 t CO<sub>2</sub>e/employee** carbon footprint in scope 1 and 2<sup>7</sup> per employee
- **0.12 t CO<sub>2</sub>e/m<sup>2</sup>** carbon footprint in scope 1 and 2<sup>8</sup> per m<sup>2</sup> of occupied space

## The CD PROJEKT Group's growth strategy

### KEY ASSUMPTIONS OF THE CD PROJEKT GROUP STRATEGY UPDATE

GRI 102-15

The CD PROJEKT Group Strategy Update was published in March 2021 in which we presented our mission and the core values that demarcate the direction and framework for the Group's development.

This document also stated the three major areas of change and development in the Group:

1. **RED 2.0** – transform the studio entailing a change in philosophy and the method of creating AAA games, implementing a more flexible production process supporting parallel product development under the two major brands, changing the method of management and the work environment focusing on team development, supporting talents and modifying the approach to communicating with gamers.
2. **Expand brands** – continue to go beyond RPG games from the AAA segment and tap into the potential in The Witcher and Cyberpunk brands through new products, license partnerships and new media and formats, which as a result should maximize reach, brand awareness and strength.
3. **Online development** – gradually introduce network elements in CD PROJEKT RED's productions.

The strong financial backbone the Company has built is one of the drivers of further development, retaining creative independence and constantly searching for new possibilities of improvement as a company and as a studio, and hence – achieving the targets set forth in the mission.

<sup>7</sup> emissions intensity indicator per employee/m<sup>2</sup> of occupied space according to the location-based method; this indicator incorporates the Polish companies in the Group; detailed information concerning the calculation methodology can be found in the Greenhouse Gas Emissions section

<sup>8</sup> emissions intensity indicator per employee/m<sup>2</sup> of occupied space according to the location-based method; this indicator incorporates the Polish companies in the Group; detailed information concerning the calculation methodology can be found in the Greenhouse Gas Emissions section



Create and release incremental  
gaming content



Expand into broader entertainment  
(e.g. TV series, music, merchandise)  
and co-ops with brands



Develop world-class AAA RPGs



Provide players with memorable  
experience

**65+ million**

units sold of  
The Witcher saga



Create and release incremental  
gaming content

Expand into broader entertainment  
(e.g. TV series, music, merchandise)  
and co-ops with brands



Develop world-class AAA RPGs

Updates and free DLC\* in 2021

Next Gen release and free  
Next Gen update in H2 2021

Expansions in progress

Addition of online elements

Provide players  
with memorable experience

**18+ million**

games sold  
as of 14 april 2022

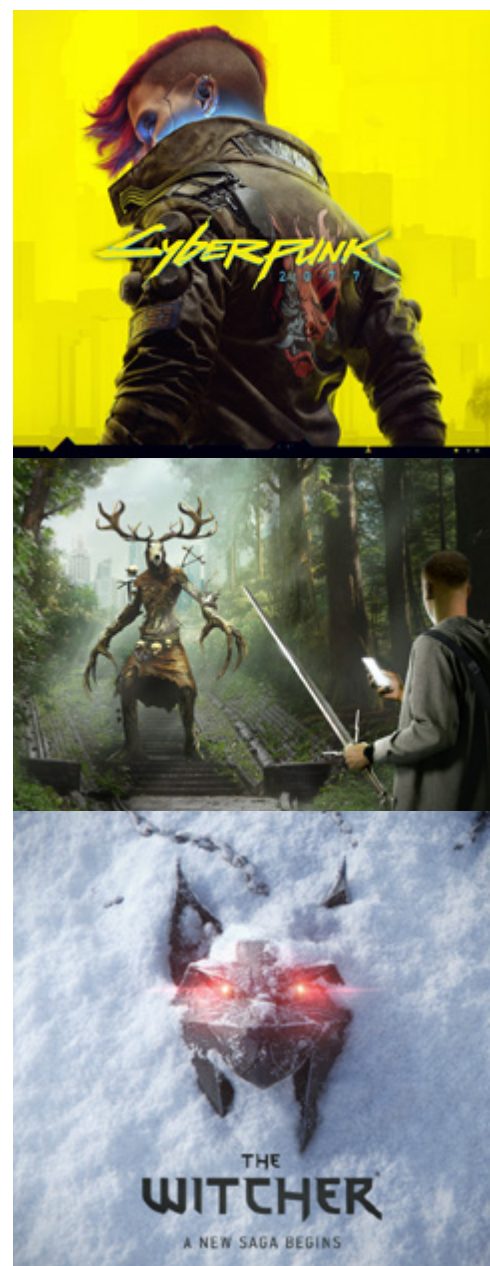
\*DLC –small additional content



## EXECUTION OF THE GROUP'S STRATEGY IN 2021

In 2021 we achieved the following objectives depicted in the Group's Strategy Update in March 2021:

- we conducted the **internal transformation process** in the studio. More information on the measures taken as part of the RED 2.0 transformation and its outcomes to date can be found in the following sections, among others: Managing the RED 2.0 transformation, Training and development, Incentivization and benefits, Dialogue with the team, Actions to benefit the health and well-being of the team, Communication with gamers,
- we published a **number of patches and fixes for Cyberpunk 2077**, substantially improving the quality of entertainment on all platforms on which the game is available; a free DLC set was included in one of the patches. Detailed information on the fixes made to the game in 2021 can be found in the Management Board Report on the Activity of the CD PROJEKT Group and CD PROJEKT S.A. in 2021,
- in July 2021 the studio Spokko owned by the CD PROJEKT Group published an **F2P mobile location-based game – The Witcher: Monster Slayer** that uses elements of extended reality. Information on the game's premiere and the steps taken by the Spokko team in 2021 can be found in the Management Board Report on the Activity of the CD PROJEKT Group and CD PROJEKT S.A. in 2021,
- **we extended GWENT: The Witcher Card Game** by making three new storyline expansion packs to the game available to gamers by rolling out, among others, 90 new cards and 4 new seasons of "Journey" – a unique system of progression in GWENT. In 2021 a portion of the GWENT team worked on a new spin-off project for a single player under the cryptonym "Golden Nekker". Information about the development of GWENT in 2021 can be found in the Management Board Report on the Activity of the CD PROJEKT Group and CD PROJEKT S.A. in 2021,
- on 15 February 2022 **we published Cyberpunk 2077 for next gen consoles along with patch 1.5** – in the influential Metacritic service this game received a score of 75/100 on the PlayStation 5 platform and 87/100 on Xbox Series X<sup>9</sup>,
- we carried out conceptual works on a new AAA game. In March, at the time of signing the strategic partnership agreement on collaboration with Epic Games we officially confirmed that part of the **CD PROJEKT RED team is working on a game under a new Witcher saga** that will be deployed on Unreal Engine 5. This is part of the preparations for the start of parallel work on AAA projects in 2022.



<sup>9</sup> As at 1 April 2022

## PRODUCTION PLANS IN 2022

For 2022 we made the following plans, among others:

- development work on an **expansion to Cyberpunk 2077**,
- **development work on a new Witcher game**. This work will be done on Unreal Engine 5 furnished by Epic Games as part of the strategic partnership of the two companies; we planned a series of training sessions for developers in 2022 to enable them to become familiar with the capabilities of the new engine and as a result smoothly transition to working on the new engine,
- further **ongoing support for Cyberpunk 2077**,
- having the development team of The Molasses Flood studio continue **work on the unannounced project being developed on the basis of one of the franchises held by the Company**,
- **development work on the next-gen version of The Witcher 3: Wild Hunt**,
- **the premiere of the Cyberpunk 2077: Edgerunners anime series** set in the same universe as Cyberpunk 2077 on the NETFLIX platform,
- **premiere of the spin-off to GWENT: The Witcher Card Game** under the working title of “Golden Nekker”,
- further support for free-2-play games – **GWENT: The Witcher Card Game** and **The Witcher: Monster Slayer**,
- **conceptual and research work** related to unannounced projects.







# 02

## APPROACH TO SUSTAINABILITY IN THE CD PROJEKT GROUP

### IN THIS SECTION YOU WILL FIND THE FOLLOWING INFORMATION

- how we conduct dialogue with our stakeholders,
- how we have defined the priority ESG issues in the CD PROJEKT Group,
- what goals we have defined in ESG areas for 2022,
- what risks we have identified in social, environmental and governance issues.



## Dialogue with stakeholders and materiality check

GRI 102-21; GRI 102-40; GRI 102-42; GRI 102-43; GRI 102-27

We regard active, direct and open dialogue with our stakeholders to be the basis of our market success and further development, in other words, dialogue with all of the people who are jointly shaping our company or who are interested in our business.

Before we prepared the CD PROJEKT Group's 2021 Sustainability Report we conducted a review of the key groups of stakeholders in the Company and the Group and tentatively defined, on the basis of proprietary and sector-specific analysis, the significant ESG issues for the Group to report. The stakeholders mapping process was done using the Johnson&Scholes matrix.

Next, as part of dialogue we administered an anonymized survey study and in-depth interviews regarding significant ESG disclosures from the vantage point of representatives of the groups of stakeholders. This study was conducted from June to September 2021 in collaboration with third party experts.



### ASSESSMENT OF THE MATERIALITY OF ESG TOPICS – SELECTED ASPECTS

#### Review of key stakeholders of the Company and its Group

##### Initial identification of key topics to include in the report:

- 22 topics identified as important for the market segment, based on the Company's own analysis and disclosures of other companies representing the global videogame industry

#### Dialogue with stakeholders:

- use of anonymous surveys and in-depth interviews to learn about stakeholders' expectations regarding priority ESG disclosures

#### Development of an ESG materiality matrix:

- approval by the Management Board of CD PROJEKT S.A. of the ESG materiality matrix and list of topics regarded as important from the point of view of ESG reporting

**Table 1** Major groups of stakeholders in the CD PROJEKT Group

Stakeholders	Type of engagement	Frequency of engagement
External stakeholders		
Gamers and customers	Proactive and reactive communication with gamers – direct communication during trade fairs and live meetings with the community hosted by the Group and indirect interactions through social media and portals.	High – current communication and participation in the most important trade events.
Capital market <ul style="list-style-type: none"> <li>■ institutional and retail investors</li> <li>■ rating agency analysts, including ESG rating agencies</li> <li>■ sell-side analysts</li> <li>■ buy-side analysts</li> <li>■ representatives of capital market institutions and organizations</li> </ul>	We endorse transparency – we provide detailed and transparent information in the form of press releases, current reports as a consequence of the confidential information identified by the Group and in the form of periodic reports regarding financial performance and key operating and corporate events. We are also engaged in direct dialogue during meetings, conferences and conference calls and also by responding to ongoing inquiries. We care about providing transparent information on our investor relations website. We run a dedicated investor relations profile on Twitter: <a href="#">@CDPROJEKTRED_IR</a> .	High – current communication with investors by publishing current and periodic reports, and through e-mail and phone-based communication and publishing press releases. Holding and webcasting the annual General Meeting and providing for the option to vote remotely in real time. Participating in a dozen or so international investor-dedicated conferences and roadshows per annum.
Business partners and suppliers <ul style="list-style-type: none"> <li>■ distributors and clients</li> <li>■ key suppliers</li> <li>■ licensees</li> <li>■ technology solution vendors</li> </ul>	Individual business meetings; agreements based on fair standards of cooperation complying with the internal policies of both parties.	High – constant regular contact.
Media: <ul style="list-style-type: none"> <li>■ trade journalists</li> <li>■ finance and economic journalists</li> <li>■ web creators</li> <li>■ opinion leaders</li> </ul>	Our PR, marketing and investor relations departments stay in constant contact with representatives of the media, internet creators and opinion leaders. Communication entails, among others: publishing current and periodic reports, distributing press releases, holding press conferences, actively communicating in social media and having the Company's representatives participate in trade events, interviews and expert panels.	High – current communication.
State and regulatory institutions	We engage in dialogue with institutions and regulators and we consult on regulations and rules of conduct that are significant in our business.	Medium – consistent with the requirements incumbent on the Company and in every instance depending on the needs of both parties.
Representatives of social organizations	We take part in selected charitable or educational initiatives (through partnership, sponsoring, participation or substantive support).	Low – depending on the Group's capabilities.
Representatives of trade organizations	We take part in selected charitable or educational initiatives (through partnership, sponsoring, participation or substantive support).	Low – depending on the Group's capabilities.



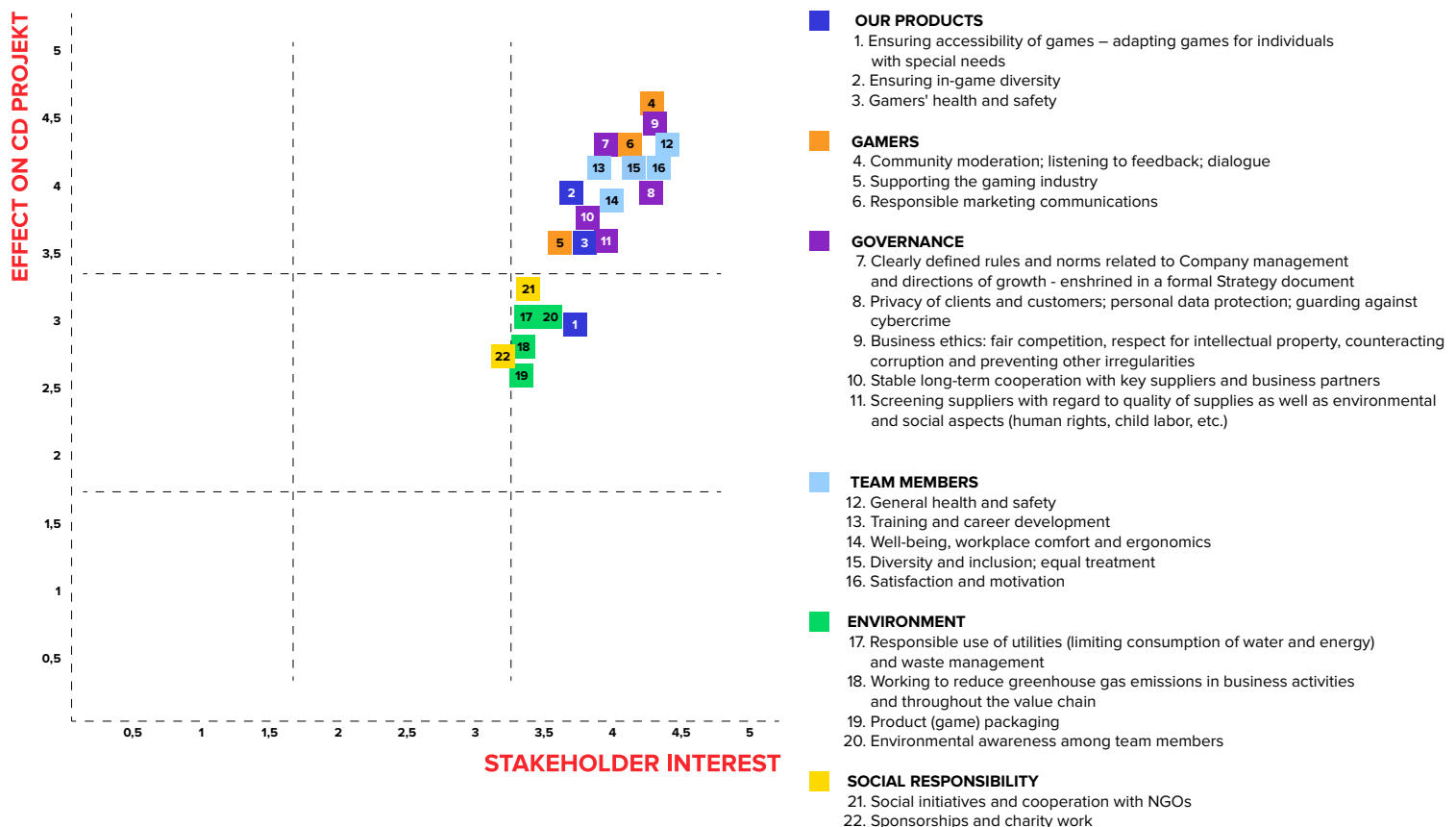
## Internal stakeholders

Team	Constant dialogue – we hold annual / semi-annual talks, feedback culture, holding training sessions, workshops, integration events, we offer benefit programs and we co-finance private health care. Employees share in the profit generated together under the Group's incentive system	High – constant contact. directly and indirectly through the Company's anonymous reporting system.
Management Board	Constant dialogue as part of the Company's current business activity.	High – current contact.

The outcome of the administered significance study is the significance matrix of ESG issues for the CD PROJEKT Group. It portrays the assessment of significant ESG topics from two vantage points: the interest among our stakeholders and the importance of these issues for the Group's development.

The findings of this survey were presented to the Company's Management Board during an educational workshop dedicated to managing ESG issues in the CD PROJEKT Group.

**Scheme 4** Materiality matrix of the ESG issues in CD PROJEKT Group



## Top priority ESG issues

GRI 102-20; GRI 102-44; GRI 102-46; GRI 102-47

The Company's Management Board selected ten top priority topics identified as the most significant from among 22 issues assessed in terms of the interest shown by CD PROJEKT's stakeholders and their importance for the Group's development.

We have described in detail our approach to the top priority issues in this report through the descriptions of our approach to managing social, environmental and governance issues.

We also deemed it important to describe the actions we have taken during the COVID-19 virus pandemic that started in March of 2020 and our actions that exert an impact on the climate and the environment.

Non-financial risks correspond to each one of these areas. We have set forth the descriptions of these risks and the methods for mitigating them in the various sections pertaining to environmental, social and governance issues.

**Table 2** List of the Group's top priority ESG issues

Top priority issues	Business area	Description in the Report
Moderation and listening to the gaming community	Governance and organization	Communication with gamers
Business ethics – fair competitive practices, respecting intellectual property and preventing corruption and fraud	Governance and organization	<ul style="list-style-type: none"> <li>▪ Anti-corruption policy</li> <li>▪ Reporting fraud</li> <li>▪ Suitable labeling of products and services</li> <li>▪ Compliance with international regulations and fair competition</li> </ul>
Team health and safety	Social responsibility	Health and well-being
Responsible marketing communication	Governance and organization	<ul style="list-style-type: none"> <li>▪ Communication with gamers</li> <li>▪ Compliance with international regulations and fair competition</li> </ul>
Clearly defined standards and norms concerning governance and the directions for its growth laid down in the growth strategy	Governance and organization	Growth strategy
Professional training and development	Social responsibility	Training and development
Satisfaction and motivation	Social responsibility	<ul style="list-style-type: none"> <li>▪ Evaluation and feedback system</li> <li>▪ Training and development</li> <li>▪ Remuneration and job promotions</li> <li>▪ Incentivization and benefits</li> </ul>
Satisfaction and motivation	Social responsibility	Diversity and inclusion

Well-being, work ergonomics and comfortable place of work	Social responsibility	<ul style="list-style-type: none"> <li>Occupational health and safety (OHS)</li> <li>Actions to benefit the team's health and well-being</li> <li>Initiatives to augment work comfort</li> </ul>
Privacy of customers and team members; their data security and protection against cybercrime	Governance and organization	<ul style="list-style-type: none"> <li>Personal data protection</li> <li>Data security</li> </ul>

Having regard for the ever greater significance of duly reporting our approach to sustainability in the CD PROJEKT Group, Piotr Nielubowicz, the CFO in CD PROJEKT S.A. has taken responsibility for overseeing this area. There is an ESG working group in CD PROJEKT consisting of representatives of selected departments, e.g. the IR, Legal, HR, Internal Communication, PR and Administrative Departments. This group has been tasked with checking the scope of reporting on environmental, social and governance issues, monitoring the execution of the stated goals and cooperating to devise the ESG strategy.



## ESG goals

### GRI 102-12

We have designated operating goals in sustainability for the first time in terms of environmental, social and governance issues. They will form part of the work to be done on the CD PROJEKT Group's ESG strategy and will demarcate the fundamental directions the Group will follow in the future.

Our ESG goals and activities have been set up in full compatibility with the UN's 17 goals for sustainable development constituting the UN's 2030 Agenda for Sustainable Development (known as the 2030 Agenda). Detailed information regarding the actions we are taking that are aligned to the execution of the 2030 Agenda's goals can be found in the subsequent sections of this Report.

**Table 3** CD PROJEKT Group's ESG goals for 2022



#### GOVERNANCE AND ORGANIZATION



Creation of the ESG Strategy in CD PROJEKT S.A.

Formalization of the compliance system in CD PROJEKT S.A., including protection for whistleblowers, fighting corruption and protecting human rights

Growing the number of training sessions regarding the law and ethical behavior in business among other things, in reporting violations, including undesirable behavior in mutual relations and inclusive leadership

Unifying the standards for managing information security in the CD PROJEKT Group, among other things, by adopting the Information Security Policy in the CD PROJEKT Group

#### SOCIAL AREA



Preparation of a strategy and goals for CD PROJEKT S.A. in the Diversity and Inclusion area, in consideration of the business value arising from D&I and while creating D&I-related standards and rules significant for the organization<sup>1</sup> and while creating D&I-related standards and rules significant for the organization

Establishment of a strategy and action plan to increase the share of women in the workforce of CD PROJEKT S.A., including in management positions

Launch of a comprehensive array of development programs for the CD PROJEKT S.A. team, including as part of general, managerial and expert development paths, and assessment of how effective the activities have been

Preparation of an Employer Branding strategy and goals for CD PROJEKT S.A., including the launch of a regularly repeated internship program at CD PROJEKT S.A.

Pursuit by the CD PROJEKT Group of a series of activities focused on supporting people affected by the armed conflict in Ukraine

#### ENVIRONMENTAL AREA



Adoption and publication of the CD PROJEKT S.A. Environmental Policy

Development and implementation of an environmental management system at CD PROJEKT S.A.

Calculation of CD PROJEKT Group's carbon footprint in 2022<sup>2</sup> in line with Scope 3 of the GHG Protocol<sup>3</sup> and determination of the greenhouse gas emission reduction target

Identification and assessment of climate change risk according to the guidelines of the Task Force on Climate-related Financial Disclosure (TCFD)<sup>4</sup>

1 Diversity&Inclusion  
2 with regards to the Polish companies of the Group  
3 <https://ghgprotocol.org/>  
4 Planned date of execution: 2023



## Management of ESG risks in the CD PROJEKT Group

GRI 102-11; GRI 102-15; GRI 102-30

In its ongoing activity the CD PROJEKT Group is exposed to a number of risk factors, financial and non-financial alike. The Risk Management Procedure was implemented in the Company in 2021. On that basis the formal rules for managing and treating strategic risks were defined.

The Company's risk management process is a set of clearly defined rules of conduct facilitating the identification, assessment, analysis and further treatment of risk. The goal of this procedure is to attain an acceptable level of risk for the identified threats, and thereby to curtail the consequences of potential events that may exert an adverse impact on the Company's business, including its financial stability.

The Company has a Risk Management Committee. The owners of various risks have been appointed to it, namely persons employed in senior positions as directors or managers responsible for coordinating processes in specific areas of the Company's business. The Management Board of each company is responsible for risk management in the CD PROJEKT Group's companies.

Detailed information concerning the risk management system in the Company and a description of the risk factors identified as being significant (strategic) to the CD PROJEKT Group, along with information on the measures taken to mitigate them can be found in the Management Board Report on the Activity of CD PROJEKT S.A. and the CD PROJEKT Group in 2021.

The list of ESG risks contains the risk factors the Company identifies as significant (strategic) and analyzes in accordance with the Risk Management Procedure, as well as the risk factors that to date have not been identified as strategic but which the Company regards as substantial in the ESG area. In 2022 these risks will be presented to the Risk Management Committee for it to consider whether they should be included in the catalogue of strategic risk factors.

**Table 4** List of risks in ESG areas identified by the Company together with actions taken to mitigate them<sup>10</sup>

Risk description		Actions taken
Environmental and climate risks		
Risk related to regulatory and market pressure to undertake activities related to environmental and climate protection*	<p>The risk of facing pressure to undertake activities in the scope of environmental and climate protection results from the increasing expectations on the part of business partners and regulators, and is associated with dynamic changes in environmental law – both domestic and European. Newly introduced legislation related to environmental and climate-centric transformation under the European Green Deal requires Group member companies to monitor emerging regulations and adapt to changes, among others by disclosing their greenhouse gas emissions, investigating the mutual links between Group member company activities and climate changes, and taking concrete steps to reduce harmful emissions throughout the value chain. Potential noncompliance with environmental law may result in administrative penalties and loss of reputation. Environmental risks also apply to ownership, leasing and use of business properties, where additional expenses are incurred while undergoing transformation to a zero-emissions energy-efficient economic model.</p>	<p>Minimizing environmental impact and introducing solutions which benefit the environment are among the Group's priorities. In 2021 the Management Board of CD PROJEKT S.A. decided to initiate preparations for the deployment of an environmental management system which involves, among others, ongoing analysis and staying up to date with the relevant regulations, assessment of the environmental consequences of the Group's activities against the backdrop of measurable indicators, and analysis of the Group's compliance in this regard. The Company is also preparing to institute a formal Environment Policy. It carries out periodic audits of its compliance with environmental regulations and works to raise environmental awareness of its team members by becoming involved in actions which benefit the environment and the climate. In 2022 the Company intends to expand its identification of emission sources and its carbon footprint to include Scope 3 (i.e. other indirect emissions in the value chain) and undertake measures to reduce such emissions. Moreover, the Company monitors its environmental indicators and the associated costs, including consumption of energy and water, waste management and atmospheric emissions, and rolls out novel environmentally-conscious technologies. The Company's energy efficiency and environmental impact are improved on a regular basis, facilitating control and mitigation of potential environmental risks.</p>

<sup>10</sup> Not all of the ESG risks identified by the Company are defined as strategic risks.

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Social risks

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Risk associated  
with availability  
and recruitment  
of specialists'

The activities and growth prospects of CD PROJEKT Group member companies are greatly dependent on maintaining an experienced, knowledgeable and motivated workforce. The videogame industry is among the most dynamically expanding industries in the world, which results in fierce competition for access to specialized talent. Given the observed economic growth and opening of foreign markets, the Group's development plans call for continual recruitment of employees, both Polish and foreign. The inability to attract world-class specialists, or the loss of experienced employees, might impact the quality and release schedule of Group products, and therefore also the Group's growth rate and financial result.

Member companies of the Group work to expand and upgrade their internal HR and recruitment departments, including through candidate experience surveys, periodic analysis of their outcomes, and introducing new solutions which assist in the search for new specialists. Recruitment indicators are monitored and analyzed on a monthly, quarterly and annual basis with respect to the number of job applications, process duration, number of employment offers and principal sources of prospective candidates. The Group works to enhance its recruitment process by applying a customized approach to recruitment (depending on position) and attempting to streamline the process for candidates. It also engages in internal and intragroup recruitment. A relocation package is offered to foreign nationals who arrive in Poland, with a range of activities available in order to ease their immigration and settlement.

Hired candidates are offered salary packages and other benefits. The Company also operates an internal recommendation system whereby existing employees may point out prospective candidates for employment. In addition, in 2021 a dedicated Employer Branding unit was established to coordinate long-term activities aimed at promoting CD PROJEKT's image as a desirable "employer of choice". The goal of these activities is to attract fresh talent and gain a competitive advantage. The team familiarizes prospective candidate with various aspects of employment at the CD PROJEKT Group – an attractive environment in which to further one's professional career.

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<p>Risk associated with departure of team members</p>	<p>The risk associated with departure of team members, including a high churn rate, is an important threat to the continuity of the Group's operations and attainment of its business objectives. Talent and commitment are highly prized in the gamedev industry, and there is strong competition among commercial entities wishing to attract skilled professionals. Loss of key team members may harm innovation, the pace of work and the quality of products and processes. It may also cause the Company to forfeit unique opportunities and, as a consequence, blunt its competitive edge.</p>	<p>The CD PROJEKT Group involves its employees in large-scale, ambitious and innovative projects, which offer many opportunities for career and personal development. The Group's internal training and workshop curriculum actively supports development of capabilities and soft skills. In addition to professional training, the Group also offers competitive salary and compensation packages by monitoring trends related to various job positions.</p> <p>The Group has instituted a system of annual bonuses (profit sharing) for all team members. Bonuses assigned under this system depend on the Group's net profit, or that of its individual segments, for the given financial year. CD PROJEKT also presents persons regarded as crucially important for the Group and who meet its internal criteria with an option to enroll in long-term incentive programs where participants may become eligible to claim Company shares at a predetermined historical price. Persons employed by member companies of the Group have access to competitive benefits packages (including medical care, fitness programs, internal gym, healthy food at the office, etc. – the composition of the benefits package varies between subsidiaries and office locations). The Group also supports flextime arrangements and offers a customizable work model (office work, remote work or a mix of both).</p> <p>Regardless of the actions undertaken by the Group, a certain level of churn is unavoidable and natural. Given the specific nature of the Group's activities, which focus on long-term projects, such churn typically increases in periods following each release.</p>
<p>Risk associated with cultural differences</p>	<p>The global character of CD PROJEKT Group's activities entails the need to acknowledge the diversity of territories on which the Group markets its products and services. As the Group works to achieve its production goals, it may face the risk of mismatch between its products and the specific nature of local markets or cultures. This risk may manifest itself, among others, by perceived cultural insensitivity of the products' content, as well as incorporation of connotations regarded as disrespectful or derogatory given the local circumstances.</p>	<p>To mitigate this risk we support diversity in our team and we listen to external voices representing various cultures and nations. We take action to adapt the content of our games to the requirements posed by agencies which assign age ratings to games on each territory. We organize training courses for our development teams, focusing, among others, on cultural sensitivity. We also monitor media reports, verify emerging information, and – in justifiable cases – take the appropriate remedial action.</p>



Risk of noncompliance with employment regulations	<p>Given the number and diversity of individuals employed at the Group there is a risk of violating employment regulations in the course of daily activities at Group member companies. In this context the Group may be subject to periodic inspections carried out by institutions and authorities authorized to perform such inspections, as well as to lawsuits filed by former employees alleging breaches of labor law and employment regulations. Such noncompliance may also cause undesirable dynamics in employer-employee relations and undermine the substance of civil law agreements related to the videogame development cycle.</p>	<p>With regards to proper management of employment risks, the Company undertakes a range of activities to safeguard its team members. Each team at the Company is assigned a HR Partner; furthermore, procedures which regulate the rights and responsibilities of employees are implemented and enforced – this includes a procedure for counteracting undesirable conduct in employee relations, as well as a formal Diversity Policy. Employees are able to anonymously or personally report any irregularities, including breaches of employment regulations, and there are systems in place which protect the confidentiality of such reports and their authors, and which protect whistleblowers from potential retribution. The Company also works to ensure transparent internal communication related to employment, including changes in regulations, types of agreements, absences, leaves (including parental leave) and feedback options.</p>
Governance and organization risks		
Cybersecurity risks related to leakage, loss or unauthorized modification of data*	<p>Data storage and data processing in IT systems carries the risk of leakage, loss or unauthorized modification. Cybersecurity risks go beyond corruption or destruction of data and the associated financial loss, and may include theft of intellectual property, loss of productivity or loss of reputation. Cybersecurity risks may involve internal or external circumstances, whether intentional or inadvertent, which result e.g. from cyberattacks, deployment of malicious software or other breaches of security.</p>	<p>To minimize cybersecurity risks the Group has developed a plan based on the “defense in depth” principle, with multiple overlapping security systems. The Group continues to roll out and improve technical measures which contribute to the security of its IT infrastructure. Security requirements are uniformized and iterated to ensure that access to information and data processing are performed in a controlled manner. An important aspect of the Group’s approach to cybersecurity is a series of internal training courses related to IT security, raising awareness of threats related to social manipulation as well as phishing. The Group continues to monitor its data processing systems to ensure appropriate technical safeguards against potential evasion of security measures.</p>
Risk associated with processing personal data*	<p>The risk associated with processing personal data affects a range of data processing activities carried out by Group member companies which fall within the scope of Polish and foreign legal regulations on territories where the Group conducts its business. Such risk may materialize e.g. through infringement of the confidentiality, integrity or availability of personal data, resulting in significant financial penalties. It may also involve noncompliance with legal regulations which govern privacy, causing Group member companies to incur excessive administrative costs (whether operational or financial) in order to ensure proper observance of such regulations.</p> <p>Should data protection measures – whether existing at present or expected to be rolled out in the future – prove insufficient, exposure, corruption or loss of personal data may ensue. This may be caused by IT system failures, human error or malicious third-party interference.</p>	<p>With regards to processing of personal data, CD PROJEKT Group member companies are assisted by internal mechanisms in place at the Group, as well as by external entities. The Group takes action to mitigate and control risks associated with processing personal data. This includes internal audits, confidentiality audits carried out in the framework of specific projects, data protection and privacy impact analysis, and ad-hoc consultations held for the benefit of employees who supervise processing of personal data. Additionally, a dedicated Privacy &amp; Compliance department has been established at the Company, tasked, among others, with organizing regular training courses related to protection of personal data and information security in general, as well as with assisting Group member companies in minimizing the presented risk.</p>

<p>Risk associated with intellectual property rights*</p>	<p>Products and services offered by Group member companies are based upon intellectual property. Effective acquisition, licensing and protection of intellectual property rights (including trademarks) held by the Group is therefore an important aspect of the Group's activities.</p> <p>In the course of their operating activities, including in the videogame development process, Group member companies acquire copyright to third-party works or images on the basis of contracts concluded with authors. The Group invests substantial effort in monitoring intellectual property (e.g. as relates to images, names or items); however, given the large number of such entities as well as the variability of legal regulations which extend protection to their creators throughout various territories, the risk of inadvertent infringement of third-party IPR, ineffective acquisition of copyright, or acquisition of copyright from an unauthorized party, cannot be entirely ruled out. An important risk also relates to third-party infringement of Company rights caused by illegal distribution of products offered by Group member companies.</p> <p>Due to the global reach of CD PROJEKT Group products and services, it is natural to offer such products and services in local languages and using national alphabets. This, however, involves the risk that a brand name or trademark held by the Company may conflict with an existing trademark, giving rise to copyright infringement claims. In addition, the Group may be unable to locally register some of its trademarks due to their resemblance to trademarks which have already been registered.</p> <p>Group member companies monitor the impact of intellectual property regulations upon the Group's activities; however, claims related to inadvertent infringement of third-party IPR cannot be ruled out. It should be noted that any claim filed against the company in conjunction with potential infringement of intellectual property rights, patents or trademarks may negatively affect the Group's reputation and growth prospects.</p>	<p>The CD PROJEKT Group is actively involved in activities related to protection of intellectual property. It continually works to analyze and adapt its contracts to the existing legal circumstances in order to minimize the above-mentioned threats. In doing so, the Group enlists the assistance of domestic and foreign law firms. As a result, the legal safeguards present in the Group's third-party contracts are iteratively improved. To protect its own brands, the Group registers trademarks throughout the European Union and elsewhere. It also monitors, on an ongoing basis, the registration of trademarks by third parties, and conducts analysis of existing trademarks before deciding on names for its own products. Furthermore, the Group performs ongoing legal verification of its products and services in order to prevent infringement of third-party IPR, and takes action to combat infringement of its own IPR – among others, by monitoring online auction portals and distribution platforms in Europe, the United States and Asia. Auctions which violate the Group's IPR are regularly struck down, depending on the solutions offered by the given portal.</p>
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\*risks identified as strategic according to The Risk Management Procedure





# 03

## SOCIAL RESPONSIBILITY

### IN THIS SECTION YOU WILL FIND THE FOLLOWING INFORMATION:

- what goals we set for 2022 in the social area,
- what employment structure the CD PROJEKT Group has in terms of gender, age and nationality,
- what our recruitment process looks like,
- what benefits we offer to our team members,
- what initiatives we pursue to promote diversity.

## Goals of the CD PROJEKT Group in the social area

GRI 103-2; GRI 103-3



### SOCIAL AREA

AREA	GOAL	PLANNED DATE OF EXECUTION
Diversity and Inclusion	Preparation of a strategy and goals for CD PROJEKT S.A. in Diversity and Inclusion in consideration of the business value arising from D&I while creating D&I-related standards and significant rules for the organization	2022
Diversity and Inclusion	Establishment of a strategy and action plan to increase the share of women in the workforce of CD PROJEKT S.A., including in management positions	2022
Training and Development	Launch of a comprehensive array of development programs for the CD PROJEKT S.A. team, also as part of general, managerial and expert development paths and an assessment of the effectiveness of the implemented activities	2022
Employer Branding	Preparation of an Employer Branding strategy and goals for CD PROJEKT S.A., including the launch of a regular internship program at CD PROJEKT S.A.	2022
Charity	Pursuit by the CD PROJEKT Group of a series of activities focused on supporting people affected by the armed conflict in Ukraine	2022

#### 1 Diversity&Inclusion

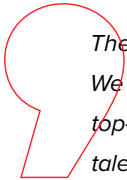
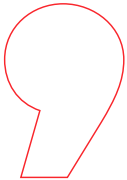
Detailed information regarding the actions we are taking that are aligned to the execution of goals 3, 4 and 5 in the 2030 Agenda can be found below in this section.



## Our approach to social responsibility

**Marta Fortuna**

**VP of HR at CD PROJEKT**



*The Group's greatest strength and value are rooted in our team. We hire energetic individuals who are passionate about delivering top-notch products and services according to global standards. Their talent, commitment and motivation make up the CD PROJEKT Group's human capital. They and their creative ideas drive the success of our corporation.*

*Our goal is to provide all our team members with a safe working environment. In CD PROJEKT, we strive every day to ensure the comfort of work and well-being of our team members, provide them with the opportunity to develop hard and soft skills and continuously strengthen the value and empowerment of specialists employed in CD PROJEKT. We promote flexibility and openness to new ideas as well as sincere and honest communication at every level of our organization. All these elements make up our internal RED 2.0 transition.*

*We strive to create conditions that will enable us to attract, retain and motivate individuals equipped with key skills and the experience needed to continue our Group's rapid growth. We regard this as one of the assets helping us to compete in the global electronic entertainment market.*



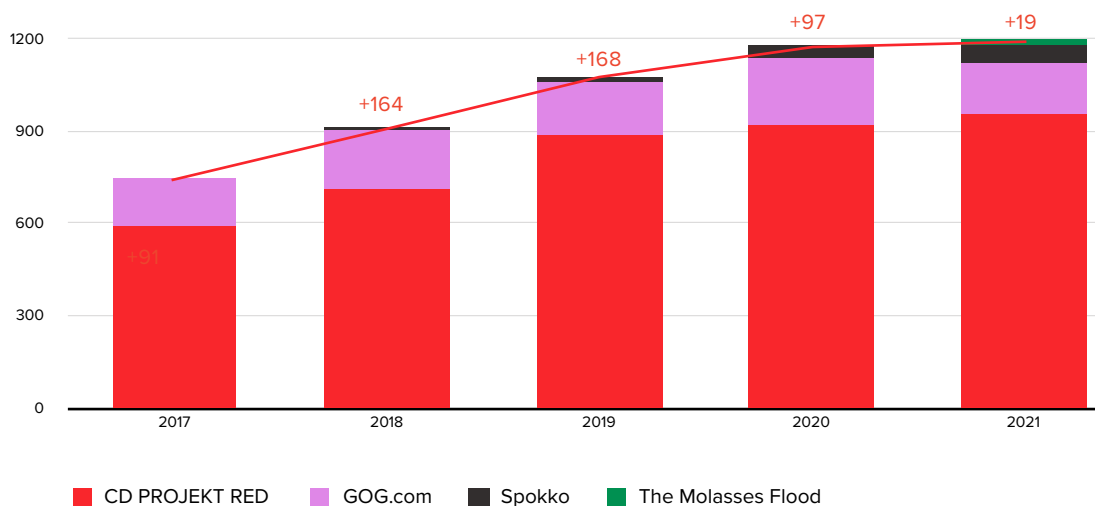
## CD PROJEKT as an employer<sup>11</sup>

GRI 102-8; GRI 401-1; GRI 401-3

The fundamental document governing the rights and obligations of CD PROJEKT and its employees is entitled the **Work Regulations of CD PROJEKT S.A.** They are applicable to all employees, regardless of position, length of service or full or part-time status.

### KEY EMPLOYMENT INDICATORS OF THE CD PROJEKT GROUP<sup>12</sup>

**Chart 1** Movement in headcount in the CD PROJEKT Group in 2017–2021



At yearend 2021, the CD PROJEKT Group<sup>13</sup> had 1,196 staff members, or 1.6% more than the year before. 80% of them were members of the CD PROJEKT RED team, 14% were members of the GOG team, 5% were members of the Spokko team and 1% were members of The Molasses Flood development studio acquired in 2021.

<sup>11</sup> The videogame industry is characterized by strong autonomy of cooperating individuals and businesses. This is particularly true of creative aspects of the production process, such as storyboarding, conceptual design, artistic vision, 2D and 3D model design, animation, programming, sound recording and gameplay design. The outcomes of each stage often constitute distinct creative works in the sense of the Act on Copyrights and Related Rights. Given the specific nature of our environment, the Group's products and services rely to a great extent on collaboration with individuals who are not bound by standard employment contracts. Accordingly, the Company sees fit to extend the description of its workforce to include individuals who are not on the payroll, but nevertheless contribute to videogames and other services offered by the Group. In light of the above, this section provides a comprehensive description of a team of independent specialists who regularly collaborate with the Group and who directly influence its operations and growth prospects, regardless of their contractual ties to the Group (employment contract, contract for work, contract of mandate, permanent collaboration, appointment or any other type of contract used in countries where the Group's foreign subsidiaries carry out their core activities), and duration thereof (indefinite contract, fixed-term contract, project, trial period etc.).

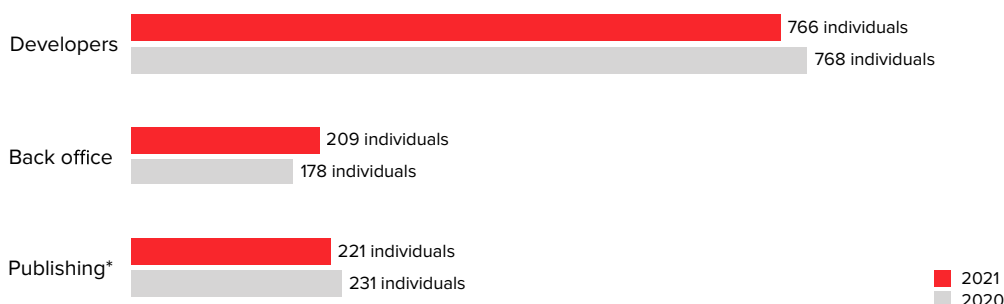
<sup>12</sup> The aggregate 2021 figures reported by CD PROJEKT RED cover CD PROJEKT S.A., CD PROJEKT Inc., CD PROJEKT RED Vancouver Studio Ltd. and CD PROJEKT RED STORE Sp. z o.o., while 2020 figures cover CD PROJEKT S.A., CD PROJEKT Inc., CD PROJEKT RED Store Sp. z o.o. and CD PROJEKT Co. Ltd.

<sup>13</sup> Aggregated data as of the end of 2021 don't include CD PROJEKT Co. Ltd. which is now in the process of liquidation.

**Table 5** Headcount in the CD PROJEKT RED development studios at yearend 2019, 2020 and 2021

	CD PROJEKT RED Studio in Warsaw	CD PROJEKT RED Studio in Kraków	CD PROJEKT RED Studio in Wrocław	CD PROJEKT RED Studio in Vancouver <sup>14</sup>
2019	713	108	38	–
2020	734	107	43	–
2021	765	80	41	23

At the end of 2021, the lion's share of the team, 765 members of CD PROJEKT RED, worked at the Group's Warsaw office. The CD PROJEKT team in Kraków had a headcount of 80 (compared to 107 at yearend 2020), whereas the number of staff in the Wrocław studio was 41 (compared to 43 at yearend 2020). At the end of 2021, 23 staff members were employed in the newly acquired CD PROJEKT RED studio in Vancouver.

**Chart 2** Employment structure in the CD PROJEKT Group in 2020 and 2021

\*The Publishing branch includes, among others, Marketing and PR, Business Development, Customer Relations, and Game Releases teams, as well as the CD PROJEKT RED Gear team

At yearend 2021, developers accounted for 64% of all staff members in the CD PROJEKT Group. Most of them (82%) are developers in the CD PROJEKT RED studio involved in the production and development of games in The Witcher and Cyberpunk universe. Developers working for GOG are responsible for the development of the GOG.com digital distribution platform and the GOG GALAXY app. Spokko developers are responsible for the development of the game The Witcher: Monster Slayer, while those employed by The Molasses Flood are involved in the production of a project based on CD PROJEKT's IP.

<sup>14</sup> Studio joined the CD PROJEKT Group in July 2021

**Table 6** Total number of new hires and terminated contracts in 2021 by age and gender at CD PROJEKT RED and GOG

New hires	CD PROJEKT	GOG
Women	64	15
<30	30	8
30-50	34	7
Men	141	38
<30	77	22
30-50	62	16
50>	1	–
Contracts terminated	CD PROJEKT	GOG
Women	46	24
<30	16	8
30-50	30	16
Men	151	80
<30	49	29
30-50	98	51
50>	1	–
Data not available	3	–

The significant increase in the number of newly hired team members and terminated contracts compared to the previous year is a natural consequence of the completion, in December 2020, of a large development project, namely the premiere of Cyberpunk 2077. Higher team mobility is a typical phenomenon in the global gaming industry, where creators may choose to join a company just for the duration of a specific project. We also encountered this phenomenon in 2015 after the premiere of The Witcher 3: Wild Hunt.

In GOG, the increased staff turnover stemmed from internal changes carried out in the company in H2 2021. Within the framework of the optimization endeavors focused on GOG's operating activity, GOG elected to focus on its core business, namely the distribution of selected games under the DRM-free formula. Changes were also made to the team structure – some of the developers who had been working on technological solutions for our studio were transferred to CD PROJEKT.

In 2021, despite the ongoing coronavirus pandemic, the rate of recruitment in the CD PROJEKT Group increased significantly compared to the previous year when recruitment processes were limited due to preparations for the premiere of Cyberpunk 2077.

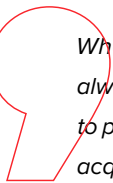
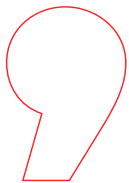


## Recruitment process in the CD PROJEKT Group

### OUR APPROACH

**Anna Fronckiel-Zięborak**

**Recruitment Manager at CD PROJEKT**

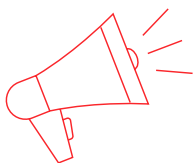


*When carrying out recruitment processes in CD PROJEKT, we always look for creative, ambitious and passionate individuals eager to pursue their career with us. Among our top priorities is the relentless acquisition of the best talent on the labor market. At yearend 2021, CD PROJEKT had an internal team of recruiters working from Warsaw, Wrocław and Kraków. We are also currently conducting recruitment operations in our Vancouver and Boston offices.*



### THE VALUES WE APPLY IN OUR RECRUITMENT PROCESS

- **equality** – we assess our candidates based on their competences; we make employment decisions without regard to other factors such as gender, age, nationality, race and sexual orientation;
- **respect** – we want everyone invited to participate in our recruitment process to be taken care of by a top-quality recruiter, regardless of the stage when the recruitment process comes to an end;
- **openness and honesty** – during interviews, candidates are given time to ask questions and express any doubts or concerns they may have. For our part, we tell them what it is like to work for us as a member of the specific team to which the candidate is applying;
- **support** – during the overall recruitment process and relocation, if necessary, the recruiter is in constant contact with, takes care of and provides assistance to the candidate;
- **building long-term relationships** – following the completion of the recruitment process, regardless of the stage, candidates receive feedback from us which they may take advantage of in preparation for any future job-seeking efforts.



*Would you like to join the CD PROJEKT Group? If so, visit [www.cdprojektred.com](http://www.cdprojektred.com), and respond to a specific job opening or send us an application of your own volition!!*

## THE RECRUITMENT PROCESS IN CD PROJEKT S.A.

At the outset, we read the candidate's resume and portfolio to check the fit with our target profile. Then we contact selected individuals and arrange an appointment for the initial interview. In 2021 the vast majority of recruitment interviews were held remotely in the interest of all parties' health and security due to the COVID-19 pandemic.

At the interview stage, we may ask candidates to complete a test assignment to verify his or her key technical skills. If the candidate successfully passes this stage, he or she is invited to the final interview which lets us get to know each other even better and answer any additional questions either party may have.

The recruitment process is crowned with a meeting during which an employment offer is presented to the candidate. If and when our offer is accepted, the hiring process begins, during which we assist the candidate in completing all the formalities before joining the respective team. Since we recruit candidates from all over the world, accepting a job offer often entails a relocation process during which we organize and then coordinate the relocation of the candidate and his or her relatives to Poland, all the time remaining in touch with them and offering advice and assistance. In 2021, we completed 28 relocations to Poland from 17 countries (in 2020: 24 relocations from 16 countries).

In 2021, CD PROJEKT S.A. received over 30,000 job applications. More than 70% of the applicants and candidates expressed their interest via our website or LinkedIn.

### HOW DO WE SEARCH FOR THE BEST CANDIDATES?

- we publish job openings on our website,
- we publish recruitment posts on our social media channels,
- we place ads on job-seeker platforms (general and industry-specific),
- we participate in industry fairs,
- we run direct search and executive search activities,
- we have an employee recommendation program (recommend a friend) in place,
- in selected cases, we launch an internal recruitment process.

## **EMPLOYEE RECOMMENDATION SYSTEM**

CD PROJEKT employees may recommend candidates for job openings via our internal recruitment system. For selected positions, we pay a cash bonus to the member of the CD PROJEKT team who recommends a candidate who successfully completes our recruitment process. In 2021, the employee recommendation program helped us hire 36 individuals (in 2020: 14 individuals).

## **CANDIDATE RECRUITMENT EXPERIENCE SURVEY**

We constantly strive to improve the quality of our recruitment efforts and appreciate all feedback from individuals who have had the opportunity to participate in the process. In CD PROJEKT, we measure the quality of our recruitment process using the 'candidate experience survey', which we have been conducting since 2020. As part of the survey, each candidate who does not obtain a job offer from us but who has participated in at least one interview is sent a questionnaire to assess and comment on the recruitment process.

In 2020 and 2021, over 89% of the answers to the survey questions were favorable. Over 87% of the respondents were satisfied with the quality of our recruitment process and over 79% of them said they would recommend participation in it to their friends. According to the candidates' answers, they were particularly appreciative of how we conduct interviews, our informal communication style, the feedback we provide to them and the test assignments, which they often find to be fun and entertaining.



## **ONBOARDING**

On their first day on the job in CD PROJEKT, each new team member participates in onboarding training. New hires are acquainted with the company's history, values, culture and principles. They obtain information on how the Group's operations are organized, what information systems we use and how we take care of information security, including the application of our basic principles of confidentiality and external communication. New team members find out about the fringe benefits to which they are entitled. Once the main part of the onboarding process is complete, new hires are afforded the opportunity (in accordance with the specific needs of their job) to take part in additional specialized training, including the protection of intellectual property, the circulation and protection of confidential information and the restrictions associated with working for a listed company, regulations based on the GDPR directive, tax aspects, additional business systems for the circulation of communication or settlement of expenses in the CD PROJEKT Group. Due to the COVID-19 pandemic, all onboarding training activities in 2021 were carried out remotely.

## EVALUATION AND FEEDBACK SYSTEM

### GRI 404-3

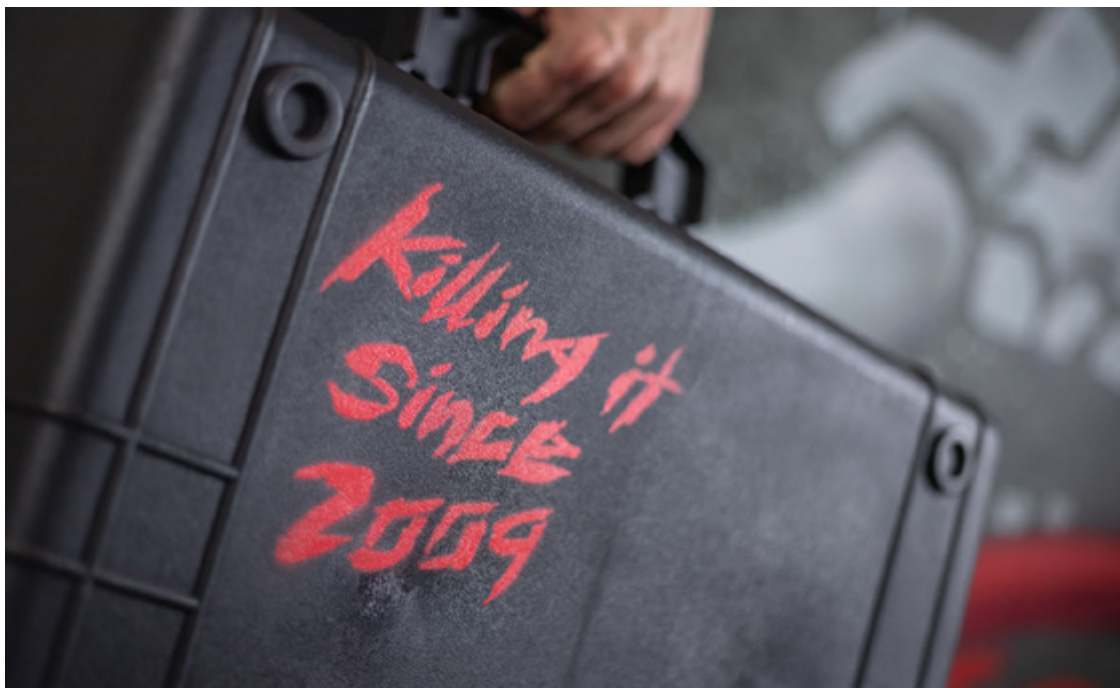
Among the CD PROJEKT Group's priorities is the development of competences of our team members and the furnishing of opportunities to acquire new skills as part of the internal RED 2.0 transition process.

At the end of 2021, CD PROJEKT had a regular feedback system for team members in place with a related annual bonus system. As part of the monthly and quarterly evaluation processes, employees were awarded virtual special prizes: cups and saker falcons for the quality of their work, commitment and attitude, which also affected their individual annual bonus.

The agile internal transition in CD PROJEKT RED calls for us to adapt the employee appraisal criteria to the new approach in team management. The essence of the changes in the employee appraisal system planned for 2022 is to shift the focus from assessing the individual effort of each staff member to joint effort for the purpose of incentivizing more effective communication processes and attaining high-quality goals.

Among the ways we intend to support our agile transition in 2022 will be the continued bolstering of CD PROJEKT's feedback culture. Our activities in this area will include encouraging all staff members to provide feedback to their colleagues and continuing the development of 360-degree appraisals.

Both in 2021 and 2020, 100% of CD PROJEKT staff received feedback from the Company's internal corporate network at least on one occasion, whereby their attitude and quality of work during the respective period were evaluated.





## Remuneration and job promotions

GRI 202-1; GRI 405-2

The remuneration rules are set forth in the CD PROJEKT Employee Compensation Policy, which is supplemented by the principles of the annual bonus program.

**Marta Żmudzińska**

**Compensation and Benefits Expert at CD PROJEKT:**

*In CD PROJEKT, we pay a great deal of attention to the equal treatment of all team members. For several years, we have been building and constantly improving our employee remuneration policy to ensure a fair level of remuneration and career advancement opportunities for each member of our staff, regardless of gender, age or nationality. To be sure that we attract the highest quality talent, we revise our employee remuneration scale every year through benchmarking ourselves to the market in terms of the remuneration we offer to staff at each job level. We obtain benchmarking data from external sources to ensure that the process is as unbiased as possible. An additional aspect that helps us monitor how effective our solutions are is the compa-ratio (CR).*



Due to CD PROJEKT's employment structure arising from the specific nature of the gaming industry, both in Poland and worldwide, and the resulting difficulty in selecting comparable data at all job levels, it was not possible to calculate the pay gap ratio for CD PROJEKT in accordance with the definition recommended by the Best Practices of Listed Companies 2021<sup>15</sup>. To measure the potential pay gap ratio in CD PROJEKT S.A., we used the compa-ratio<sup>16</sup> because we believe it fairly reflects the gender pay ratio.

<sup>15</sup> <https://www.gpw.pl/best-practice2021>

<sup>16</sup> Compa Ratio calculated for each employee whose role was quantified in relation to a salary bracket as of 31.12.2021 (i.e. 94% of all employees of CD PROJEKT S.A.)

**Table 7** Compa-ratio (CR) for each employee<sup>17</sup> by gender in CD PROJEKT

	2021
Women	99%
Men	102%

The CR is a reference to the mid-point of the salary range applied by CD PROJEKT to each employee group. The indicated values reflect the arithmetic mean of the calculated CRs broken down by gender.

**Table 8** Ratio of the remuneration of the lowest-level employees, broken down by gender, to the minimum wage on the relevant market

	2021
Women	168%
Men	195%

To calculate the ratio demonstrating the relation between the lowest-level remuneration and the minimum wage, we took into account the lowest positions held by CD PROJEKT employees – Assistant and Junior. As at the date of the Report, only women were employed in CD PROJEKT at the Assistant level, hence the difference in remuneration in the presented data.

**Table 9** Career path in CD PROJEKT for women and men broken down into promotions to director, managerial and other levels

	2021 <sup>18</sup>
Career path (% of promoted women)	24,6%
promotions to director positions	0.7%
promotions to managerial positions	0.4%
other promotions	23.5%
Career path (% of promoted men)	30.4%
promotions to director positions	0.8%
promotions to managerial positions	0.8%
other promotions	28.9%

<sup>17</sup> Employed on the basis of all types of work arrangement (employment contract, mandate, B2b, specific contract) without taking into account the remuneration of the Members of the Management Board of CD PROJEKT S.A.

<sup>18</sup> The Company has decided to disclose only 2021 figures given that in 2021 CD PROJEKT S.A. introduced a new role structure and new salary brackets.

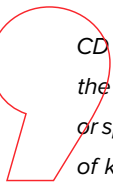
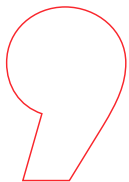
## Training and Development

GRI 404-1; GRI 404-2

Members of the CD PROJEKT Group strive to provide their teams with the best possible conditions for work and professional development. Both CD PROJEKT and GOG have training teams in place that enable their staff to improve their professional qualifications constantly.

### OUR APPROACH

**Marta Wilmańska-Filec,**  
Training & Development Team Manager at CD PROJEKT



*CD PROJEKT considers professional development to mean not only the development of job-related competencies in the respective field or specialization, but also the development of soft skills or the exchange of knowledge between teams. During the COVID-19 pandemic and the ensuing remote work in distributed teams and our agile transition, improving competences and the alignment of our skills to the rapidly developing industry are of key significance. In CD PROJEKT, all employees are covered by ongoing training programs.*

*In 2021, in CD PROJEKT, as in previous years, we conducted training courses based on individual career development plans. Our staff were offered participation in a number of workshops to develop their job-related skills. We also developed a thematic scope of soft skills workshops, which we offer to all our employees in 2022 as part of their overall career development path. This path boosts skills of key significance for agile transition (communication, emotional intelligence, effectiveness and negotiation). It also provides an opportunity for solidifying ties between teams and getting to know people from different areas of the organization.*



In 2021, within the framework of CD PROJEKT's general training endeavors, we additionally organized sessions in the following areas:

- mandatory training on online safety organized in collaboration with Niebezpiecznik.pl (a total of 950 staff of CD PROJEKT and its subsidiaries participated in the training),
- training on how to deal with mobbing, or bullying, conducted by the Diversity Hub (more than 470 staff participated in the training, including all management and the HR Department),
- series of open webinars entitled Minding Your Mind, which concerned various aspects of mental health care. In 2021, 11 webinars of this kind were held, in which an average of 200 persons participated,
- training on agile work – in total, nearly 450 persons participated in 26 training courses for developers and the back office.

In 2021, a number of internal open workshops and training courses were also organized at the initiative of our team members willing to share their knowledge with others, including the following:

- training in how to handle confidential information,
- workshops on 3D graphics software (5 workshops),
- workshops on storytelling and creating gaming quests (19 workshops),
- workshops for programmers (15 workshops),
- training in copyright in the gaming sector.

In 2021, as part of general training, perpetual training endeavors included chiefly English and Polish language courses for foreigners and numerous thematic courses.

43 foreign staff members in CD PROJEKT participated in Polish language classes in 2021. On average, 111 classes were held per month, translating into a total of 1,343 training hours in 2021. For those employed in the back office, the studio also arranged English language classes. In 2021, 35 participants took advantage of this opportunity – an average of 81 classes were held monthly, or a total of 976 hours of English language training throughout the year.

### **MANAGERIAL DEVELOPMENT PATH**

In 2021, we created a new long-term development program in CD PROJEKT to enhance the key competences of our managers. The program is tailored to the challenges existing at various management levels and lasts for an average of 90 training hours. Each manager may choose the training type, level of advancement and formula, all tailored to his or her preferences and needs. The diverse offering includes both online and onsite workshops that are available in two language versions. Moreover, we diversified the forms of our training courses by offering training based on strategic games, case studies, action learning and short workshop forms (compact learning) lasting 2 hours each. The path begins with the Get Ready to Lead training which prepares newly promoted or newly hired managers to perform their roles. Get Ready to Lead consists of several workshop meetings lasting a total of 17.5 hours. In 2021, we trained a total of 58 individuals under this program.

Experienced managers are subsequently offered an opportunity to take part in:

- managerial courage training (a two-day workshop attended by 105 people in 2021),
- change management training (a one-day workshop attended by 47 people in 2021),
- compact learning (meetings lasting 2 hours each, during which topics related to communication, feedback, the manager's role, etc., are discussed). In 2021, 94 individuals participated in at least one such workshop.



In 2021, we continued our EmpowerRED managerial competence diagnosis program, split into two parts (online and onsite). 57 people participated in the online part in 2021. In 2022, we intend to return to the onsite form, that is the Development Center session, which will be wrapped up with summary feedback.



In 2021, for all graduates of the EmpowerRED program we prepared a new development program – EmpowerRED People First. It consists of four 8-hour meetings devoted to emotional intelligence, development talks, etc. In 2021, 43 people attended the program.

CD PROJEKT offers an open-access training and development platform called the HR Skill Tree. It enables staff to sign up for training, conferences and industry events, keep track of all development meetings conducted with HR Partners and provides access to in-house training and development materials.

In 2021, CD PROJEKT arranged a total of 10,136 hours of training attended by 693 individuals. In 2020, the corresponding numbers were 6,176 hours of training and 512 participants<sup>19</sup>.

In 2021, 76% of CD PROJEKT staff participated in at least one training course, compared to 57% in 2020.

In 2021, the GOG team also benefited from language classes. Moreover, GOG held workshops on stress management and cybersecurity as well as managerial training devoted to various subjects, including the strengthening of awareness as a leader, self-management in a period of change and provision of support to a team going through change. In 2021, GOG also held a series of 4 workshops entitled “First-time manager”.



<sup>19</sup> Total number of training hours in the framework of managerial, general and language training courses, as well as courses organized in response to individual requests submitted by employees.

## Incentivization and benefits

GRI 403-6

### BENEFITS FOR THE TEAM

In addition to financial remuneration for staff, the Group also offers a number of fringe benefits. Their scope depends on the place of employment.



**Healthcare** – we provide funding or co-funding of medical subscriptions in private medical facilities such as ENEL-MED, LUXMED and MEDICOVER, operating throughout the country. It is also possible to include family members or a partner in this form of insurance coverage.



**Sports activities** – we offer Benefit/Multisport cards that allow holders to use the most popular sports facilities throughout the country, such as swimming pools, fitness centers, dance schools and many more.

The Warsaw studio also has a gym available 24 hours a day, 7 days a week, which may be used under the supervision of a personal trainer.



**Flexible working hours** – CD PROJEKT offers flexible working hours. Team members may start their working day between 8 and 10 in the morning.



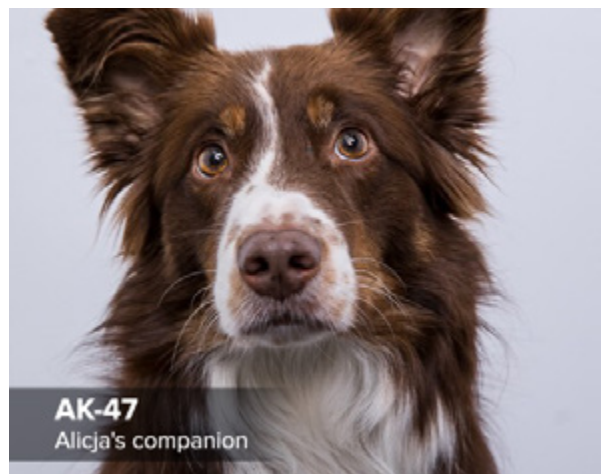
**Library** – CD PROJEKT's onsite library offers a broad selection of books, games and movies. In 2021, nearly 100 new items were added to the library stock and at the end of the year a total of 1,006 items (686 books and 320 games) were available to users.



**Dogs in the office** – CD PROJEKT is a dog-friendly company. By following a few basic rules, each employee may bring his or her dog to the office. The presence of a dog creates an opportunity to build good rapport with others, improves cooperation and enhances positive behaviors between colleagues.



**Events** – integration meetings such as a Christmas party, a summer picnic and various presentations, workshops, courses and training sessions devoted to the development of skills and passions are held several times a year.



In 2021, due to the ongoing coronavirus pandemic, the annual Christmas party, which is a regular item on the Group's event calendar, was held in the form of a Christmas Market organized on the CD PROJEKT campus. During the event, individuals professionally associated with CD PROJEKT for 5, 10, 15 and 20 years were granted seniority awards. In 2021, 80 persons received awards on this occasion: 63 for 5 years of seniority, 8 for 10 years, 8 for 15 years and one person for 20 years of work for CD PROJEKT.

GOG also holds seasonal integration events, such as Halloween, during which many of the company's staff members change clothes during working hours and end the day with a Halloween party and a competition for the best costume. During the reporting year, GOG also offered its team members a professional photo shoot, rewarding their creative endeavors and then promoting the initiative on our social media channels. Another example of a seasonal event is the Secret Santa project in which GOG staff willing to participate in it exchange small gifts with one another.

In addition to company-wide events, both CD PROJEKT and GOG organize company-funded team or cross-team integration events.



## **PROFIT BONUSES**

### **GRI 401-2**

An important element of the CD PROJEKT Group's philosophy is to enable all staff to share in the jointly generated profit. For several years, annually, by a decision of the Management Board, up to 10% of the Group's net profit has been distributed in the form of a bonus to all employees. This bonus budget is split between individual team members according to an algorithm that takes into account, among other factors, the person's base salary in the respective year and the length of employment in the Group.

### **Incentive program based on the rights to acquire the Company's shares**

Our goal is to incentivize our team members to remain with the CD PROJEKT Group for years. Among the tools we use for this purpose are long-term incentive plans for people of key significance to the Company and other Group members, based on the rights to acquire the Company's shares at a historical price set at the outset of the plan. The Group has successfully implemented three incentive plans since its establishment. Their implementation depended on the achievement of specific financial performance objectives or a certain increase in the share price or, in selected cases, the achievement of individual goals.

Detailed information on the current Incentive Plan for 2020–2025 can be found in the Management Board Report on the Activity of the CD PROJEKT Group and CD PROJEKT S.A. in 2021, available at [www.cdprojekt.com](http://www.cdprojekt.com)

## EMPLOYEE PENSION SCHEME

GRI 201-3, GRI 401-2

The Employee Pension Scheme (PPE) is a form of voluntary, non-public, additional savings for retirement. It enables participants to put aside money under the third pillar of the pension system. Saving money under an Employee Pension Scheme is long-term in nature – the contributions are paid by the employer and may also be paid by employees on an optional basis.

In CD PROJEKT and GOG, the Employee Pension Scheme was launched in December 2019. For employees who satisfy the length-of-employment criterion, the employer pays the base contribution of 3.5% of the employee's gross income, while the option available to the employee is to pay an additional contribution in an amount of his or her choosing (at least PLN 50). At yearend 2021, 83% and 47% of eligible CD PROJEKT and GOG employees, respectively, participated in the Employee Pension Scheme. The Group's Employee Pension Scheme in Poland is managed by NN Investment Partners TFI S.A.

In turn, staff employed in our Los Angeles office participate in CD PROJEKT Inc.'s 401(k) Plan which is another form of voluntary, non-public, additional savings for retirement supported by the employer. This is the most popular retirement plan in the United States enabling participants to put aside money in accordance with the procedures prescribed by the Internal Revenue Service (IRS). The 401(k) plan is long-term in nature with contributions paid by employees and an additional payment by the employer.

In CD PROJEKT Inc., the 401(k) pension plan was launched in January 2016. For employees who satisfy the length-of-service criterion, the employer undertakes to co-fund the pension plan on a 1-to-1 basis, up to a maximum annual amount of 6% of the employee's pre-tax income. The employee has the option of saving funds up to the maximum limit set by the IRS for the respective year. At yearend 2021, 100% of eligible employees of CD PROJEKT Inc. were enrolled in the plan. The contributions paid under the 401(k) plan are managed by American Funds Distributors, Inc.

## DIALOGUE WITH THE TEAM

GRI 102-41

Communication with Group team members is carried out using multiple channels, as a result of which they are informed on an ongoing basis about pending changes and the Group's development plans.

Every year, CD PROJEKT organizes internal presentations of annual and semi-annual financial performance of the CD PROJEKT Group, during which Management Board Members discuss the performance of the period and plans for the near future and they also answer to questions asked in the Q&A section. In 2021, these presentations were held online.



In 2021, we continued the open online meetings of the CD PROJEKT Management Board with representatives of selected departments as part of the “Coffee with the Board” meeting series. 4 such meetings were held during the year, which ended with Q&A sessions.



GOG continued its regular online “GOG Monthly Meetings” during which the company’s Management Board and representatives of selected departments presented monthly summaries of the company’s activities, including financial results and targets to be achieved, as well as campaigns and additional activities conducted in a given month.

In 2021, the Company appointed RED Teams Representatives (RTR). RTR is an advisory body to the CD PROJEKT Management Board, which represents the interests of those employed in CD PROJEKT. It consists of 12 team members representing all the areas in CD PROJEKT’s structures. RTRs are elected in anonymous and democratic elections by employees other than those holding directorial and more senior positions in the organization.

**Joanna Wieliczko,**  
**Senior Producer at CD PROJEKT, RED TEAM Representative**

*As RTRs, we serve as a bridge between our team members and the departments handling employee matters and the Management Board of CD PROJEKT. We act in the interest of the entire team, representing it in ongoing contacts with Management Board members. We want each voice in CD PROJEKT to have a chance of being heard. This is why, among other things, we respond to questions posed by our colleagues and consult on the planned activities and policies affecting the team. As RTRs, we meet regularly with the Management Board; during these meetings we address important topics from the team’s standpoint, discuss possible solutions and recommend actions to be taken in individual areas.*



HR Partners whose main task is supporting all CD PROJEKT employees in their everyday work play an important role in the CD PROJEKT Group. HR Partners offer support in HR and professional development to all employees, take part in the onboarding process, evaluation interviews and support managers in ongoing team management.

At least once a year, live meetings are held, or online meetings and presentations of all team members to discuss production plans for the coming year. The team gets acquainted with the roadmap for the coming months, the priorities and the Group’s long-term development strategy.

We make all efforts to inform our team members about significant changes in the structure, production plans or other relevant topics as soon as possible in accordance with applicable regulations, including regulations relating to the Company’s being listed on the Warsaw Stock Exchange.

No collective bargaining agreements exist and no trade unions operate in any of the Group companies.

## Diversity and Inclusion

CD PROJEKT has had its Diversity Policy in place since 2018. It sets out the fundamental values we accept in the Company in relations with team members, key managers and representatives of the Management Board and Supervisory Board.

CD PROJEKT is also a signatory of the Diversity Charter. It is an international initiative under the auspices of the European Commission that obligates us to forbid discrimination in the workplace and take action to create and promote diversity and engage team members and business partners in such actions.

In 2021, CD PROJEKT received the “Leader in Diversity 2022” title awarded by The Financial Times and Statista.



## OUR APPROACH

**Agnieszka Szamałek-Michalska,**  
Culture, Diversity & Inclusion Director at CD PROJEKT



*Tolerance and mutual respect are the foundations of the CD PROJEKT Group.*

*At CD PROJEKT, we promote diversity since we believe that a work environment based on respect fosters openness and trust thereby allowing people to reach their full potential; this way, it also contributes to the depth, innovation, and appeal of our creations. We believe that diversity strengthens and enriches our organizational culture.*

*We do not tolerate any forms of discrimination, bullying, abuse or persecution, with respect to team members or third parties.*

*In the recruitment process, but also in the context of the feedback culture or promotion decisions, we evaluate our candidates and team members solely on the basis of their competence and professional achievements, with no regard to other factors such as gender, age, nationality, race or sexual orientation.*

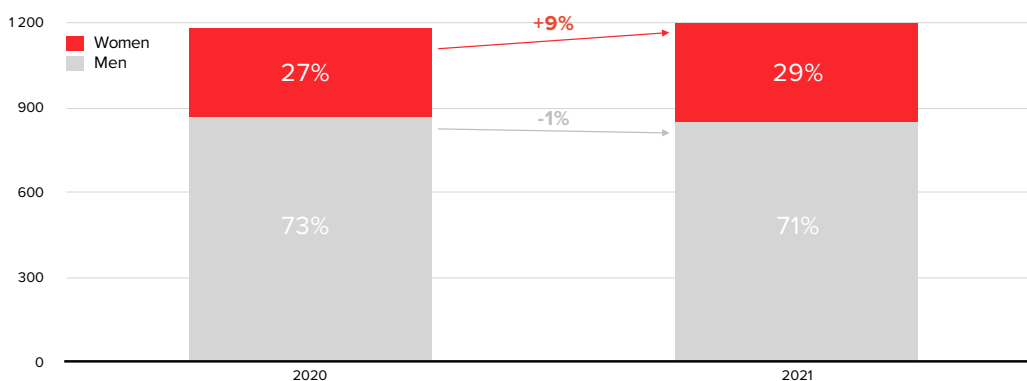


## Key diversity data for CD PROJEKT

GRI 405-1

At yearend 2021, women accounted for 29% of all staff in the CD PROJEKT Group. This figure is higher than it was at the end of 2020 and higher than women in the Polish gaming industry, which was estimated at 26% in 2020<sup>20</sup>.

**Chart 3** Percentage of men and women among CD PROJEKT Group staff



20 State of polish video game industry 2020, Krakow Technology Park, page 125, [kpt.krakow.pl/wp-content/uploads/2020/12/kpbg2020.pdf](https://kpt.krakow.pl/wp-content/uploads/2020/12/kpbg2020.pdf)

**Table 10** Total number of CD PROJEKT and GOG employees at the end of 2021, by gender and age

	CD PROJEKT	GOG
Total	953	170
Women	275	46
<30	88	17
30-50	185	30
No data available	2	–
Men	678	124
<30	213	49
30-50	453	75
50>	4	–
No data available	8	–

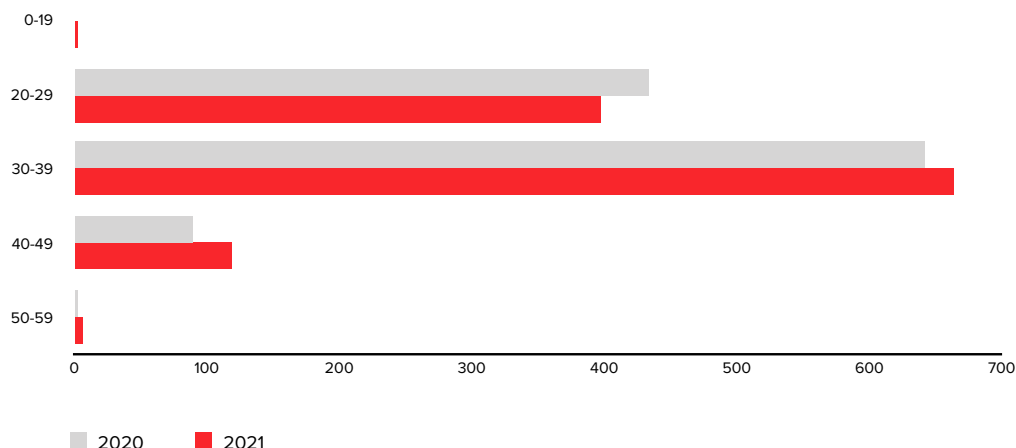
**Table 11** Structure of management<sup>21</sup> in the CD PROJEKT Group, by gender

	2020		2021	
		in %		in %
Women	51	23%	47	22%
Men	172	77%	163	78%
Total	223	100%	210	100%

The average age of people employed in CD PROJEKT and GOG in 2021 reflects the trends in the game development sector in studios across the world. More than half of the team members (56%) are between the ages of 30 and 39. The second largest is the 20 to 29 age group, which makes up 33% of all employees. In 2021, the average age of the Group's employees was 32.

<sup>21</sup> Head, Manager, Lead, Director, Chief



**Chart 4** Distribution of age of CD PROJEKT Group employees in 2020 and 2021

Foreigners represent 22% of all CD PROJEKT Group employees. At the end of 2021, Group companies employed people from 43 countries in the world. Other than Poland, they originated mainly from Ukraine (35 people), United States (35 people), Canada (23 people), Russia (21 people) and France (16 people). In order to support the process of changing the country of residence, the HR Department at CD PROJEKT provides foreigners with active assistance during the moving process and in the first months of their stay in Poland.

**Table 12** Number of foreigners employed in the CD PROJEKT Group at the end of 2021

Total foreigners	264
Women	61
<30	25
30-50	33
>50	1
No data available	2
Men	203
<30	60
30-50	135
>50	1

All CD PROJEKT Group employees are entitled to parental leaves in accordance with the applicable provisions of law. Those include all types of leaves, to which people are entitled on account of giving birth to/taking in a child, such as maternal leave, additional maternal leave, parental leave, child-rearing leave.

**Table 13** Number of CD PROJEKT Group employees who took advantage of parental leaves in 2021

2021	Number of employees who took advantage of parental leaves
Women	27
Men	20

At the end of 2021, CD PROJEKT and GOG had 5 employees with disabilities.

Our head office in Warsaw has been adapted to the needs of the disabled, i.e. the building features wide elevators, 4 disabled bathrooms and there is also a dedicated parking space next to the entrance in the building. We are also trying to be open to the unique needs of each employee, customizing the workstations to the specific requirements associated with their health conditions or disabilities.

## DIVERSITY IN SUPERVISORY AND MANAGEMENT BODIES

### GRI 405-1

In accordance with the **Diversity Policy** in effect in the Company, both the Management Board and the Supervisory Board of CD PROJEKT, as well as the key management of the Company, adhere to the general principle of non-discrimination among team members and corporate bodies. The Company has conducted and continues to conduct a policy of appointing competent, creative people with appropriate professional experience and education to its corporate bodies and as key managers. The Company believes that other factors, including gender, are not relevant in this respect.

Management Board and Supervisory Board Members are educated in areas such as management, marketing, finance, law or IT. All CD PROJEKT Management Board members have many years of experience on management positions in the CD PROJEKT Group.

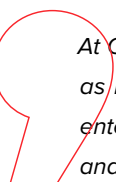
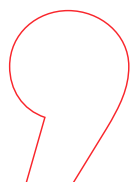
In 2021 and 2020, the Management Board of CD PROJEKT was comprised of men only, while there was one woman on the Company's Supervisory Board, discharging the role of the Supervisory Board Chairwoman.

**Table 14** Composition of the CD PROJEKT S.A. Management Board and Supervisory Board as at the date of publication of this report, by age and gender

CD PROJEKT S.A.		
	Management Board	Supervisory Board
Total	8	5
Women	–	1
30-50	–	1
Men	8	4
30-50	7	2
>50	1	2

## Diversity in our games

**Marcin Blacha,**  
**Story Director at CD PROJEKT:**



*At CD PROJEKT, we are committed to create virtual worlds that are as immersive as possible and provide gamers with high quality entertainment. For this reason, we create a reality that is credible and internally consistent. We reflect the diversity of our world in large and small things and its bright and dark sides. This is how we create fantastic worlds inhabited by people of flesh and blood entangled in events that are emotionally engaging. We believe that only such deep worlds may engage gamers enough so that they want to come back to them. Depth is achieved by designing digital reality from various elements in such a way that it can be fashioned into a mosaic.*

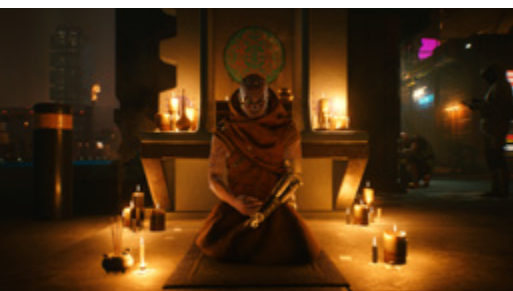
*Gamers are the final creators of this mosaic. By replaying the stories we prepared using their expectations, they create their own experiences and the game as an interactive medium makes this possible by offering a variety of choices. Our customers live in different places of the world. They are shaped by different cultures and local conditions, so we must make sure that everyone can find elements to create their own subjective experience in the worlds we create and in the stories we tell.*





*We are making efforts to place in our games characters of different personalities, social classes, ethnic groups and sexual preferences. We show the inequality that exists in the world, the diverse paths that people take, as well as various problems they must overcome. The man, with all his flaws and virtues, is at the center of our interest. This is why we do not shy away from controversy but try to affirm all that is best in humanity. When we introduce new characters into our stories, first we must make sure that we have created an interesting heroine or hero and then take a broader view on our creation, to make sure that the character is a good fit for the contrasting world we have created and in the emotionally-charged story.*

*We believe that, in a world in which good interacts with evil, people are capable of the very worst deeds, but also of the very best ones. We are also aware that daily life in the world is not always an arena for the struggle between good and evil; it is comprised of small wrongdoings and small heartfelt gestures. People seek their place in the world by taking winding paths, facing the challenges created by misfortune, nature and society. For us, presenting the daily struggle for a better life is usually more interesting than clashes of ideas.*





## Diversity initiatives

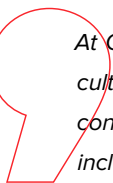
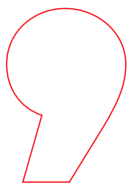
### PRIDE MONTH COLLECTION AT GOG.COM

The Pride Month collection is a special collection of games published for the Pride Month<sup>22</sup>, which features, year-round, the list of favorite games with LGBTQIA+ themes selected by queer members of the GOG team. In 2021, this collection was presented at GOG.COM for the first time, but we plan to continue this initiative and expand it with additional campaigns supporting the LGBTQIA+ community. On the Polish market, the Pride Month collection was supported by “Replika”, the only LGBTQIA+ magazine in Poland.

On 18 June 2021 on the occasion of Pride Month, the official Twitch channel of CD PROJEKT RED studio hosted a charity stream for the benefit of the Campaign Against Homophobia. For 14 hours, members of the studio's team live-streamed their GWENT, The Witcher or Cyberpunk 2077 gameplay, while collecting donations for an organization supporting sexual minorities. During the campaign, the viewers donated PLN 12,500 and CD PROJEKT RED matched this amount with PLN 50,000.



#### **Gabriela Siemienkiewicz,** **Community Management Team Lead at GOG**



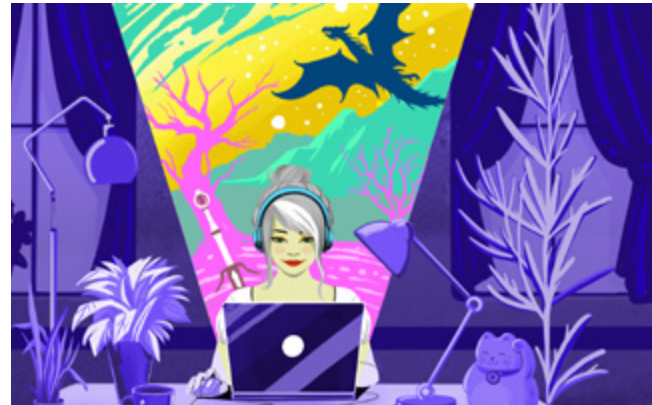
*At GOG, we are connected by the belief that building an inclusive culture in organizations is a worthwhile undertaking. Every company consists of people with different views, convictions and needs, so an inclusive culture is needed to make everyone feel part of the team. The Pride Month celebration at GOG.com was our way of supporting diversity and minorities; this way, we were also able to engage queer employees within our company. Everyone at GOG is encouraged to organize grassroots activities in a similar fashion, regardless of their position. In 2021, among other things, we carried out a fundraiser for the “I Have A Dream” Foundation, in which GOG and CD PROJEKT employees “appraised” the value of their talents or self-produced items by offering them in internal auctions.*



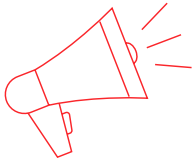
<sup>22</sup> June is considered a pride month worldwide

## **GIRLS IN THE GAME!**

In October 2021, we launched “Girls in the Game!”, the first Karolina Grochowska memorial scholarship and mentoring program. We are implementing this program in cooperation with the Perspektywy Educational Foundation. The program is addressed to young women in senior years of high school and is aimed at learning the practical aspects of working in gaming, with support from female and male mentors from CD PROJEKT RED representing various specializations – from programmers to artists, writers, testers or game localization specialists. In addition to substantive knowledge and mentoring support, the participants will also receive financial support – an annual scholarship of PLN 1000 per month to cover the costs of education and development.



More than 1,500 participants applied to take part in the first edition of the program and the program itself was recognized by the ASZdziennik portal, which awarded it the ASZ Five – Five for a nice gaming event.

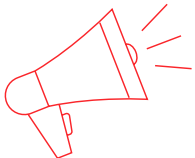


*More information on the Girls in the Game! program is provided on the project's website <https://dziewczynnywgrze.pl/>*

## **PRACTICAL GUIDE FOR THE ORGANIZATION: “THE CULTURE OF DIVERSITY AND INCLUSION – STEP BY STEP”**

In June 2021, we worked with our partners to issue the Practical Guide for the Organization: “The Culture of Diversity and Inclusion – Step by Step”, in which we compiled the knowledge and presented best practices in the area of D&I.

The guide is the result of the work of the D&I Roundtable group – the individuals managing diversity and building an inclusive culture in 15 different organizations and companies, the Polish Institute for Human Rights and Business, Diversity+ and independent male and female experts, with the financial support of the Embassy of the Netherlands in Poland.



*The content of the guide is available on the website of the [Polish Institute for Human Rights and Business](#).*

## **DIVERSITY SCAN**

In 2021, CD PROJEKT launched cooperation with the Diversity Hub to carry out a Diversity Scan – a review of the organization in terms of the perception of diversity and inclusion by our team members, compared with its actual presence. Based on the recommendations provided in the report, we plan to introduce new D&I initiatives in CD PROJEKT.

## CD PROJEKT FOR PARENTS

In 2021, for the first time especially for parents, we organized webinars on building relationships with children. A total of 60 parents took part in two events. In the summer months, we also organized and co-financed, for the first time, day camps for children of our employees. 15 children took part in the day camps with the leading theme of ecology and healthy eating habits. In 2021, we also provided our team members with 50 sets of clothing and accessories for newborn babies.



## Health and well-being

As stated in the assumptions for the CD PROJEKT Group Strategy Update of March 2021, our priority is to provide the CD PROJEKT team with a stable and safe work environment. In addition to ensuring compliance with the occupational health and safety (OHS) regulations, we are undertaking numerous initiatives to improve the comfort of work at CD PROJEKT, both in terms of health and well-being, as well as comfort at the workplace.

### OCCUPATIONAL HEALTH AND SAFETY (OHS)

GRI 403-1; GRI 403-3; GRI 403-4; GRI 403-5; GRI 403-8; GRI 403-9

All CD PROJEKT and GOG employees with an employment contract are referred to initial medical testing upon hiring. They also undergo regular or ad-hoc medical tests in accordance with referrals considering the nature of their work. The Group cooperates with three medical chains, where occupational medicine tests are carried out<sup>23</sup>.

<sup>23</sup> Periodic medical examinations were suspended in 2021 due to the ongoing coronavirus pandemic.

On the first day at work, employees undergo an orientation OHS training in e-learning form (valid 1 year for administrative and office positions and 6 months for management positions). Periodic training is also carried out; it is valid 6 years for administrative and office positions and 5 years for management positions.

CD PROJEKT has in place the Occupational Health and Safety Committee, which represents the interests of all of the company's employees. It is an advisory and consultative body for the employer to ensure that occupational health and safety conditions are observed and improved. The Committee is composed of 6 people: three representatives of the employer and three representatives of employees (elected in a vote). OHS Committee meetings are held no less frequently than once a quarter. The Group also has a Senior OHS Inspector.

In 2021, no workplace accidents occurred in CD PROJEKT and GOG, while in the previous year one such accident occurred in CD PROJEKT S.A.

## ACTIONS TO BENEFIT THE TEAM'S HEALTH AND WELL-BEING

### GRI 403-6

In spite of pandemic-related restrictions, in 2021 CD PROJEKT carried out the third Cancer Awareness Week, which is a prevention and education campaign addressed to our team members. As part of this event, we organized ultrasound tests of breasts and testicles and blood tests. We also organized an educational webinar on a healthy diet.

All year round, we encouraged our team members to move more. At CD PROJEKT, we organized three editions of the "Be Healthy – Run&Cycle" sports program offering motivation to engage in physical activity. After each edition of the challenge, the highest scorers received prizes. Overall, more than 200 people took part in three editions of the program. At GOG, everyone willing was able to use a free massage at the office.

In 2021 we also provided psychological support for our team. As part of the workshop series entitled "Minding your Mind", we organized 11 online meetings with expert psychologists and coaches on the topic of how to care for your well-being, with the average attendance of nearly 200 viewers. The CD PROJEKT team also has access to unlimited consultations and meetings with a psychologist that they may use whenever such a need arises.

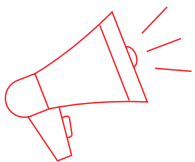




In 2021, CD PROJEKT continued the initiative of sending fruit and vegetable baskets to our team members in order to support their immunity during the spring.



In 2021, we worked on the development of the report entitled “Work Models in The New (Ab)Normal”, which is the most comprehensive Polish review of studies of work models introduced during and before the pandemic. We additionally carried out a declarative survey of the psychological well-being of our employees and their work model preferences. Overall, 825 team members took part in the survey.



You are welcome to read the report, which is available on our website [www.cdprojekt.com](http://www.cdprojekt.com)

### **INVOLVEMENT OF THE CD PROJEKT GROUP IN REDUCING EFFECTS OF THE CORONAVIRUS PANDEMIC**

In 2021, we continued the activities aimed at ensuring security of our team and enabling office-based and hybrid work for some of the staff.

Among other things, in 2021:

- we performed 16,236 COVID-19 antigen tests in our offices; testing was carried out at least twice a week, depending on current needs and the epidemiological situation,
- we allowed three COVID-19 vaccine doses to be administered in our office in Warsaw,
- we cooperated closely with an experienced specialist physician in introducing procedures at our office and the rules of conduct in the event of infection, contact with an infected person, worrying symptoms,
- we organized 4 webinars in Polish and English with a specialist physician on the topic of safety during the pandemic,
- we conducted an anonymous survey of the health condition of our team members.

In 2021, we spent PLN 1.2 million on activities directly related limiting the effects of the coronavirus pandemic.

## Initiatives to augment work comfort

GRI 403-7

**Dominika Smolińska,**  
**Administrative Manager at CD PROJEKT**

*At CD PROJEKT we attach great importance to the provision of comfortable working conditions. We design our offices to make sure that, while combining modern technology with elements referring to the natural environment, they also support collaboration, focus and creativity of our team.*

*Our head office is located in Warsaw. It has full technical infrastructure facilitating production and publication of top class video games, including, among others, a professional, full-dimension motion capture studio, nine sound recording studios, a video recording studio and training rooms (including a drawing room). The office also features attractive common areas, two cafeterias with full kitchens, conference rooms, social areas, chill-out zones and a gym.*



The CD PROJEKT Group has also offices in Kraków, Wrocław, Vancouver and Boston, in which developer teams are working and it operates local offices in Los Angeles, Tokyo and Seoul.

In 2021, we conducted modernization work in the Warsaw Campus to adapt the existing buildings to the needs of the growing CD PROJEKT Group team:

- we opened a new gym on the area of about 600 square meters with a climbing wall, a place for pilates classes, a boxing space, comfortable bathrooms and dressing rooms,
- we renovated part of the Training Center, after which we currently have 6 fully-equipped training rooms,
- we modernized about 560 square meters of office space for the Spokko team and 3 floors with the space of 1,200 square meters for the GOG team.
- we installed 15 soundproof meeting booths (for two and four people) in the Warsaw offices and 1 booth of this type in the Kraków office. The booths are a modern solution that supports effective work at an office: they reduce noise to 36 dB (where the standard noise level at an office is 70 dB) and reduces the audibility of conversations for people outside to the minimum.

When designing CD PROJEKT offices, we try to follow the innovative biophilic design trend, which aims to bring back natural elements to the places where we live and work. In order to create a healthy and friendly environment, we endeavor to use natural materials for interior arrangements. Elements referring



to nature may be replicated in the workplace in many different ways – by introducing vegetation, ensuring access to natural light where possible, or using wooden elements in the arrangements.

In 2021, we implemented the next stage of the green office project by introducing 217 new plants.



When arranging our offices, we attach great care to comfort and occupational hygiene. All office chairs are adjustable (armrests, height, back) and we provide adjustable desks for employees with medical recommendations. In each room, the intensity of lighting is adjustable. The Warsaw office has two chill-out zones with hammocks, bean bags, pillows and comfortable armchairs.

In Q3 2021, we launched the construction of a multi-level parking garage at the CD PROJEKT campus in Warsaw, with a leisure zone and an open office on the roof. The parking garage will ultimately offer CD PROJEKT employees 129 charging stations for electric cars. The construction of the parking lot begins a multi-stage, comprehensive process of essential changes to CD PROJEKT's campus in Warsaw, which we want to transform in the coming years into a completely new complex: contemporary, comfortable and suited to the needs of the fast-growing Group.



The two-story part of the parking garage above the ground will feature a stainless steel façade, largely covered with a wall of plants. The roof of the parking garage is the space where we want to create, among others, an open-air co-working zone and a sports zone with the equipment for cross-fit exercises.

In late 2022 or early 2023, we plan to commence the construction of a six-story office building with an underground parking garage. In addition to the use of the most contemporary, environmentally-friendly ventilation and air-conditioning solutions and water and sewage installations that facilitate lower water consumption, the building will also feature wooden structural elements and green balconies along all of the glass facades with large sliding windows, which can be used to let air in from the outside to ensure natural cooling and create exceptional working spaces. The walls of the building are to be covered with plants and vines, which will be watered with retained rainwater. All parking spaces in the garage will offer chargers for electric cars. The underground part of the building will also contain infrastructure for those who commute by bicycles.





## Employer Branding

In 2021 we energized our Employer Branding activities for CD PROJEKT.

In the first stage of work in September 2021, we conducted an internal survey to see how CD PROJEKT is perceived as an employer. The survey covered 76% of CD PROJEKT's team. In the next stage of the process, we conducted more than 100 in-depth interviews and workshops with our team members representative of different levels and areas of the organization. The data collected in these activities will form the basis for us to develop a new Employer Branding Strategy for CD PROJEKT, which will form the basis for carrying out activities in this area in the coming years.

## Charity

CD PROJEKT has a **Donation Policy** in place, which sets forth the rules for giving donations to social organizations.

In 2021, we conducted two large charitable campaigns in the CD PROJEKT Group in which our team got involved actively.

On Children's Day and in a charitable holiday campaign, we organized an auction of skills and various forms of spending leisure time together that were offered by our team members. Two members of the CD PROJEKT Management Board also participated in the campaign: Adam Badowski auctioned a walk in Łódź where he was raised and Marcin Iwiński – making hummus together. Other auctioned activities included, among others: a singing lesson, an English lesson for children, a walk in Warsaw's Praga district, a salsa lesson or an evening with board games. As part of the Children's Day activities, we raised approximately PLN 20 thousand, which was donated to the I Have A Dream Foundation. About 200 members of our team took part in the June project.

During the holiday charitable campaign, in addition to the skill auction, we also organized an auction of pastries and sweets and raised in total about PLN 26 thousand. The funds were donated to the Ocalenie Foundation. We did not forget our four-legged friends: we organized a pet food collection and sold calendars, the proceeds from which we donated to support medical care for dogs from the shelter in Paluch in Warsaw.



## **SUPPORT FOR WAR-TORN REFUGEES FROM UKRAINE**

One day after the Russian invasion of Ukraine started, i.e. on 25 February of this year, acting in the spirit of solidarity with the victims of this aggression, we donated PLN 1 million to the Polish Humanitarian Campaign designated for helping refugees and victims of the ongoing armed conflict in Ukraine. Considering the need to coordinate the aid efforts being undertaken, CD PROJEKT set up an inter-departmental team consisting of representatives of the International Communication, Administrative, HR and Payroll and Legal Departments. Its task is to monitor the situation on an ongoing basis and directing aid to where it is most needed.

As CD PROJEKT we also offered to help the Ukrainian members of our teams and their loved ones. We provided psychological support and legal assistance and we organized their stay in Poland. So far, 2 families have taken advantage of our offer of lodging. From the early days of the war we have also stayed in regular contact with all of the members of our team. We advise them of the company's decisions, the possible forms of volunteerism and changes to government regulations.

We organized a collection of basic personal hygiene products in collaboration with non-governmental organizations: SOS Wioski Dziecięce and the Ocalenie Foundation. We jointly prepared meals in the canteen in our office for refugees residing in reception points. We organized a special stream on 14 March 2022 on the CD PROJEKT channel on the Twitch platform during which representatives of CD PROJEKT played the studio's games. We donated PLN 15 thousand during this event for the Siepomaga.pl Foundation.

Faced with the ongoing war-time activities on 3 March 2022 the CD PROJEKT Management Board decided to refrain from selling the CD PROJEKT Group's products and selling games available on the GOG.COM platform in Russia and Belarus.

On top of the initiatives organized as part of the CD PROJEKT Group, our team members actively supported a number of grassroots initiatives to help refugees from Ukraine. All of the volunteers directly involved in helping refugees received 3 additional days of paid leave to use up to the end of March 2022 to support them in their efforts.

At the same time, we are working on programs to develop and employ people from Ukraine. CD PROJEKT declared its willingness to cooperate under the following initiatives: Gaming Industry for Ukraine, Help4Ukraine and Art Students from Ukraine.

## Membership in trade organizations and public affairs

GRI 102-13; GRI 415-1

CD PROJEKT does not support political parties and movements. At the same time, we actively participate in a number of trade initiatives. We are particularly engaged in the activities of the Polish Games Association whose purpose is to support the development and enhancement of the competitiveness of the domestic video game sector on the international arena. We are also a member of the Polish Association of Listed Companies, an organization that cares about the development of the Polish capital market.


At CD PROJEKT we support the engagement of our team members in events and initiatives to develop the gaming sector in Poland and across the world that are organized by public and private institutions alike.

Selected events in 2021 in which representatives of CD PROJEKT took part:

- a series of live meetings and lectures on the gaming sector addressed to law students as part of the Game Academy; a project organized by CD PROJEKT and the Baker&McKenzie law firm,
- speech during the Fourth Regional Conference on IP in the Digital Economy for Small and Medium-sized Enterprises (SMEs) as part of the Global Intellectual Property Conference in Budapest,
- panel on music in games as part of the Games Industry Law Summit in Vilnius,
- panels as part of the UN Global Digital Summit in Katowice,
- lecture on the practice of law in the video game industry in response to an invitation from the Harvard Video Game Law Association.







# 04

## **RESPONSIBLE GOVERNANCE AND ORGANIZATION**

### **IN THIS SECTION YOU WILL FIND THE FOLLOWING INFORMATION:**

- what goals we set for 2022 in governance and organization,
- what powers the main corporate bodies of CD PROJEKT S.A. have,
- how we govern compliance in CD PROJEKT S.A.,
- how we care about compliance in the key aspects of our business.



## Goals of the CD PROJEKT Group in governance and organization

GRI 103-2; GRI 103-3



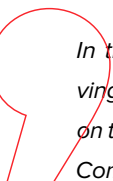
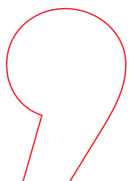
### GOVERNANCE AND ORGANIZATION

AREA	GOAL	PLANNED DATE OF EXECUTION
Managing ESG issues	Creation of the ESG Strategy in CD PROJEKT S.A.	2022
Compliance	Formalization of the compliance system in CDPROJEKT S.A., including protection for whistleblowers, fighting corruption and protecting human rights	2022
Ethics	Growing the number of training sessions regarding the law and ethical behavior in business among other things, in reporting violations, including undesirable behavior in mutual relations and inclusive leadership	2022
Information security	Unifying the standards for managing information security in the CD PROJEKT Group, among other things, by adopting the Information Security Policy in the CD PROJEKT Group	2022

Detailed information regarding the actions we are taking that are aligned to the execution of goals 8 and 12 in Agenda 2030 can be found below in this section.

## Our approach to responsible governance and organization

**Ewelina Jarosz-Zgoda,**  
**Director of the Legal Department, Compliance Officer at CD PROJEKT**



*In the CD PROJEKT Group we are constantly working on improving our internal processes in governance and organization based on the regulations of law and the Code of Best Practice for WSE-Listed Companies of July 2021. In corporate governance we care about creating effective mechanisms aligned to the magnitude of the Group's business and its distinct nature, and above all mechanisms that function in practice, not just on paper. It is important to us that we observe high standards within CD PROJEKT, e.g. by transparently splitting obligations between the Company's key decision-making corporate bodies and in relations with the external world, with our clients – gamers and with representatives of the capital market community.*

In 2021 in CD PROJEKT we focused chiefly on strengthening our systems and functions in respect of internal control, risk and compliance management.

At the same time, on a daily basis we strive to utilize the solutions new technologies offer so as to align the business of the Company and its corporate bodies to new challenges and opportunities such as remote work.

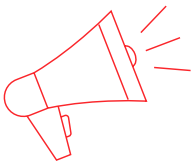


## Corporate bodies of CD PROJEKT S.A.

### GRI 102-18

The corporate bodies of CD PROJEKT are as follows: General Meeting, Supervisory Board Management Board. There is one standing committee that functions as part of the Supervisory Board, namely the Audit Committee.

The Company's corporate bodies exercise their rights and discharge their duties in accordance with the regulations of the law in force, the provisions of the Company's Articles of Association and internal regulations and policies, including chiefly the Management Board Regulations, the Supervisory Board Regulations and the General Meeting Regulations.



*We do our utmost for the activities of the governing bodies of CD PROJEKT to be aligned with the Code of Best Practice for WSE-Listed Companies (WSE Code of Best Practice), which took effect on 1 July 2021. Information regarding the Company's application of the standards set out in the WSE Code of Best Practice is available at [www.cdprojekt.com](http://www.cdprojekt.com).*

The split of powers among the Company's governing bodies does not deviate from the fundamental standards adopted for joint-stock companies in Poland. The transparent split of functions among the governing bodies and their smooth cooperation allow the Company to act effectively when it comes to pursuing the Group's objectives and curtail the ensuing risks.

There were no changes to the composition of the Company's Management Board in 2021, which is covered by the Report; however, there was a change to the composition of CD PROJEKT's Supervisory Board. On 25 May 2021 Jan Wejchert joined the Supervisory Board, taking the position held by Krzysztof Kilian who tendered his resignation from serving in this capacity on 17 May 2021.

**Scheme 5** Composition of the Supervisory Board and the Management Board of CD PROJEKT and functions performed by individual members of these governing bodies

Shareholder Meeting

Supervisory Board



**Katarzyna Szwarec**  
Supervisory Board  
Chairwoman

**Piotr Pagowski<sup>1</sup>**  
Supervisory Board  
Deputy Chairman

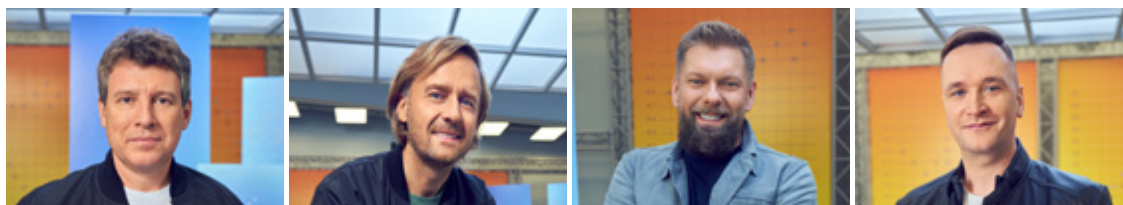
**Maciej Nielubowicz**  
Supervisory Board  
Secretary

**Michał Bień<sup>2</sup>**  
Supervisory Board  
Member

**Jan Wejchert<sup>3</sup>**  
Supervisory Board  
Member

1,2,3 The criterion of independence specified in Art. 129 sec. 3 of the Act of May 11, 2017 on statutory auditors and companies public audit and oversight

Management Board



**Adam Kiciński**  
President, Joint CEO

**Marcin Iwiński**  
Co-founder, Joint CEO

**Piotr Nielubowicz**  
Member of the Board, CFO

**Adam Badowski**  
Member of the Board,  
Studio Head



**Michał Nowakowski**  
Member of the Board, SVP  
Business Development

**Piotr Karwowski**  
Member of the Board

**Paweł Zawodny<sup>1</sup>**  
Member of the Board, CTO

**Jeremiah Cohn<sup>2</sup>**  
Member of the Board, CMO

1, 2 Paweł Zawodny and Jeremiah Cohn were appointed to serve as Management Board Members of the Company after the balance sheet date, i.e. under resolutions adopted by the Company's Supervisory Board on 26 January 2022, with the effective date for both of them being 1 February 2022.



## **MANAGEMENT BOARD OF CD PROJEKT S.A.**

### **Adam Kiciński – President, Joint CEO**

Oversees formulation of the Company's and its Capital Group's business strategies and supports their practical implementation. Coordinates Company activities in the scope of investor relations.

### **Marcin Iwiński – Co-founder, Joint CEO**

Coordinates the Company's policies and activities on the international stage. Participates in supervising and managing foreign member subsidiaries of the Company. Co-develops and coordinates publishing activities around the world. Coordinates and participates in shaping communication with gamers.

### **Piotr Nielubowicz – Member of the Board, CFO**

Coordinates the Company's financial and accounting branches; ensures that the Company meets its financial reporting obligations. Participates in investor relations.

### **Adam Badowski – Member of the Board, Studio Head**

Heads the CD PROJEKT RED development studio which is owned by the Company. Co-develops the conceptual framework and artistic vision of projects carried out at CD PROJEKT RED.

### **Michał Nowakowski – Member of the Board, SVP Business Development**

Co-develops and coordinates the Company's global publishing activities. Oversees formulation and implementation of the Company's sales policies.

### **Piotr Karwowski – Member of the Board**

Supervises the Group's activities related to online games and services, as well as cybersecurity. Also responsible for the activities and development of the GOG.COM segment, and of GWENT.

### **Paweł Zawodny – Member of the Board, CTO**

Serves as Chief Technology Officer (CTO) and production head at CD PROJEKT RED. Oversees the technological and organizational transformation of CD PROJEKT RED.

### **Jeremiah Cohn – Member of the Board, CMO**

Responsible for coordinating the activities of marketing and communication departments as Chief Marketing Officer (CMO). Also manages the newly established franchise development team.

Management Board members represent the Company and its Management Board. Management Board members cooperate with one another, share information regarding important matters affecting the Company, jointly manage the Company and jointly bear the associated responsibility. The Management Board, acting as a collective body, formulates the Company's strategies, develops its financial plans and manages the Company in such a way as to ensure implementation of these strategies and plans. The Management Board has embraced the concept of collective management in order to enhance its own capabilities for strategic thinking, build upon its positive energy and uphold the belief that nothing is truly impossible. Deep mutual trust, coupled with a shared set of core beliefs and ethics, enable the Management Board to discharge its duties efficiently and without undue bureaucracy.

## COMPOSITION AND PROCEDURE FOR SELECTING MEMBERS OF THE GOVERNING BODIES

GRI 102-22; GRI 102-23; GRI 102-24; GRI 102-19

People holding the appropriate competences, skills and experience are appointed to sit on the governing bodies to achieve the highest standards in how the Company's Management Board and Supervisory Board perform and discharge their duties effectively.

### Management Board of CD PROJEKT S.A.

GRI-102-26

The Supervisory Board appoints and dismisses Management Board Members, including the President of the Management Board. Management Board Members are appointed for a joint four-year term of office. Under resolutions adopted by the Company's Supervisory Board on 25 May 2021 all of the hitherto Management Board members (namely Adam Kiciński, Marcin Iwiński, Piotr Nielubowicz, Adam Badowski, Michał Nowakowski and Piotr Karwowski) were appointed for another term of office. According to practice to-date the selection of the Management Board Members was accomplished primarily based on factors such as professional experience, knowledge and education.

The scope of the Management Board's activity includes all affairs related to running the Company that are not stipulated as powers of the General Meeting and Supervisory Board by the regulations of the commercial company code and provisions of the Company's Articles of Association. Among other things, the Management Board of CD PROJEKT S.A.:

- acting jointly, defines the Company's strategy and its major operating objectives, devises and prepares the Company's financial plans and manages it in a manner enabling it to execute the adopted strategy, objectives and financial plans;
- it provides for the transparency and effectiveness of the Company's governance and handling its affairs in accordance with the regulations of law and the Code of Best Practice for WSE-listed Companies,
- it is responsible for the functioning of the Company's internal control system and the significant risk management system which are aligned to the business done by the Company.



Management Board resolutions are adopted by an absolute majority of votes, where in the event of a tie vote, the President of the Management Board casts the deciding vote.

### RCD PROJEKT S.A. Supervisory Board (including the Audit Committee)

The Company's Supervisory Board consists of five members appointed and dismissed by the General Meeting. Supervisory Board Members are appointed for a joint four-year term of office. Supervisory Board Members at the first meeting in their new term of office select the Supervisory Board Chair, Deputy Chair and Secretary. On 25 May 2021 the Company's Ordinary General Meeting appointed Jan Wejchert to the Supervisory Board. At the same time, all of the Company's other Supervisory Board members, i.e. Katarzyna Szwarc, Michał Bień, Piotr Pągowski and Maciej Nielubowicz were appointed by the General Meeting to the Supervisory Board for another term of office. On 25 May 2021 the Supervisory Board selected the members of the Audit Committee in its current term of office, namely: Michał Bień, Maciej Nielubowicz, Jan Wejchert, Piotr Pągowski and Katarzyna Szwarc.

According to practice to-date the selection of the Supervisory Board Members was accomplished primarily based on factors such as professional experience, knowledge and education. The time commitment made by the Supervisory Board members to the Company's affairs facilitates the proper execution of their duties in line with circumstances and current needs.

The Company's Supervisory Board Members produce statements of their independence<sup>24</sup> in accordance with which three of the Company's Supervisory Board members satisfy the independence criterion on the date of publication of this Report (Michał Bień, Jan Wejchert and Piotr Pągowski).



The functioning of the Company's Audit Committee is based on the **CD PROJEKT S.A. Audit Committee Regulations**. According to the Regulations, the Audit Committee consists of at least three members, including the Chairman of the Audit Committee selected in open balloting by the Supervisory Board for the duration of its term of office from among the Supervisory Board members. The criteria for selecting Audit Committee members comply with the regulations of prevailing law and are also specified in the Audit Committee Regulations. The function of the Chairman of the Audit Committee is performed by an independent Supervisory Board member and is not coupled with the function of the Chairman of the Supervisory Board. The Supervisory Board designates the Audit Committee members at the first meeting during a given term of office.

#### Among other things, the CD PROJEKT Supervisory Board:

- constantly supervises the Company's business in all of its areas,
- designates the statutory auditors to audit the annual financial statements,
- opines the Management Board's motions to the General Meeting,
- authorizes the Management Board to buy and sell the title of ownership or permanent usufruct to real property and a share in real property,
- prepares reports on remuneration for members of the Management Board and Supervisory Board and activity reports encompassing a concise assessment of the Company's standing incorporating the Company's internal control system and the significant risk management system.

<sup>24</sup> including the absence of real and significant ties to a shareholder holding at least 5% of the total number of votes in the company prescribed by Attachment II to the European Commission's Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board (2005/162/EC), and Article 129 sec. 3 of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision

Taking down liabilities and buying or selling property worth more than 10% of the Company's equity disclosed in the Company's latest publish period statements also require the Supervisory Board's consent expressed in the form of a resolution, with the exception of activities related to the sales of the Company's products and services.

The Supervisory Board adopts resolutions by an absolute majority of votes with the exception of affairs that according to the provisions of the Articles of Association are approved by a  $\frac{4}{5}$  majority of the votes cast (e.g. appointing and dismissing a Management Board Member, including the President of the Management Board, suspending a Management Board Member from serving and seconding a Supervisory Board Member to perform the duties of a Management Board Member temporarily, on affairs relating to contracts between the Company and a Management Board Member and on affairs relating to disputes between them).



#### Shareholder Meeting of CD PROJEKT S.A.

The consent of the Company's General Meeting is required to make decisions that are crucial to its operation. This corporate body's powers include the following, among others:

- approving financial statements and the Management Board's activity reports,
- granting discharges on the performance of duties to the Company's Management Board and Supervisory Board,
- adopting a resolution on the distribution of profit or coverage of the Company's losses,
- expressing an opinion on the Supervisory Board's reports,
- appointing and dismissing Supervisory Board members,
- amending the Company's Articles of Association,
- raising the Company's share capital.



Among other things, the General Meeting of CD PROJEKT S.A. is also responsible for setting the remuneration of Supervisory Board members<sup>25</sup>.

A General Meeting is held in the Company at least once per financial year. General Meeting resolutions are adopted by a  $\frac{3}{5}$  majority of the votes cast, with the exception of affairs for which the regulations contemplate a super-majority to adopt a resolution.

This split of powers in the Company also pertains to decisions made in financial, environmental and social, including employee-related affairs. The key persons responsible in the Company for managing risk and compliance organizationally report directly to various Management Board Members.



## REMUNERATION POLICY

GRI 102-35; GRI 102-36

### Management Board of CD PROJEKT S.A.

On 27 August 2020<sup>26</sup> the Supervisory Board of CD PROJEKT adopted a resolution to establish the Remuneration Policy, spanning Management Board Members and Supervisory Board Members.

The Remuneration Policy is part of the overall employment and remuneration policy in the Group. Its purpose is to create conditions to attract, retain and incentivize people with the competences and experience needed for the Group to continue further dynamic growth.

The Company's remuneration policy is predicated on the following core principles:

- the entire team participates in the profit generated together according to the incentive systems functioning in the Group,
- people in senior positions have the option to participate in the Company's earned value growth by building long-term value for its shareholders.

The Remuneration Policy gives, among other things, a description of the variable remuneration components, criteria, deferral periods for the payment of variable remuneration and non-monetary benefits that may be awarded to a Management Board Member as part of fixed remuneration.

The remuneration of a Management Board Member includes a fixed portion consisting of base salary and variable remuneration whose allocation and amount are not guaranteed. The amount of the fixed remuneration is defined individually for a Management Board Member by the Supervisory Board, while taking into account the provisions of the Remuneration Policy and the scope of responsibility of a Management Board Member. The variable remuneration that rewards performance and growth is based on the Group's annual results and

<sup>25</sup> with the exception of setting the remuneration of Supervisory Board Members seconded to perform the duties of a Management Board Member temporarily, which is set by the Supervisory Board

<sup>26</sup> acting pursuant to the authorization given by the Company's General Meeting set forth in resolution 19 adopted by the Company's Ordinary General Meeting on 28 July 2020

ambitious long-term objectives. Its amount depends on the satisfaction of conditions pertaining to the achievement of financial or non-financial criteria. Variable remuneration is awarded to a given Management Board Member individually.

According to the Remuneration Policy, variable remuneration may consist of the right to the following:

- subscribe for subscription warrants incorporating the right to acquire shares in the Company or acquire shares in the Company under a long-term incentive program implemented under a separate resolution adopted by the General Meeting, or
- participate in the incentive system facilitating the payment of monetary remuneration directly driven by the financial result of the Company, the Group or the segment for which a Management Board Member is responsible.

Notwithstanding the components specified above, variable remuneration may be awarded in the form of a bonus for executing a task or achieving a management objective.

#### Supervisory Board of CD PROJEKT S.A.

Supervisory Board Members serve in this capacity on the basis of an appointment and by virtue thereof they are vested with the right to remuneration. The remuneration of a Supervisory Board Member:

- is not linked to the Company's results,
- nor is it awarded in the form of financial instruments or other non-monetary performances<sup>27</sup>, is aligned to the entrusted scope of activity and functions performed, in particular by considering the function of a Supervisory Board Member on committees or in the event of seconding one to act personally in a supervisory capacity.

Supervisory Board Members receive only fixed remuneration. The General Meeting sets the amount of a Supervisory Board member's remuneration by adopting a resolution<sup>28</sup>.

Detailed data pertaining to the remuneration paid to Management Board Members and Supervisory Board Members is given in the Supervisory Board's report on the remuneration of Management Board Members and Supervisory Board Members and in the Management Board's activity report, which are available on the [Company's website](#).

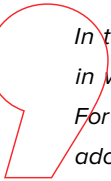
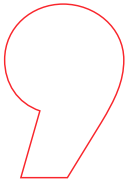
27 save for an exception to the situation in which the rights to acquire financial instruments or some other non-monetary benefits were allocated prior to appointing a Member to the Supervisory Board, where the execution thereof transpires during the time of acting in the capacity of a Supervisory Board Member.

28 with the exception of a Supervisory Board member's remuneration seconded to perform the duties of a Management Board Member temporarily. The Supervisory Board sets this remuneration by adopting a resolution.

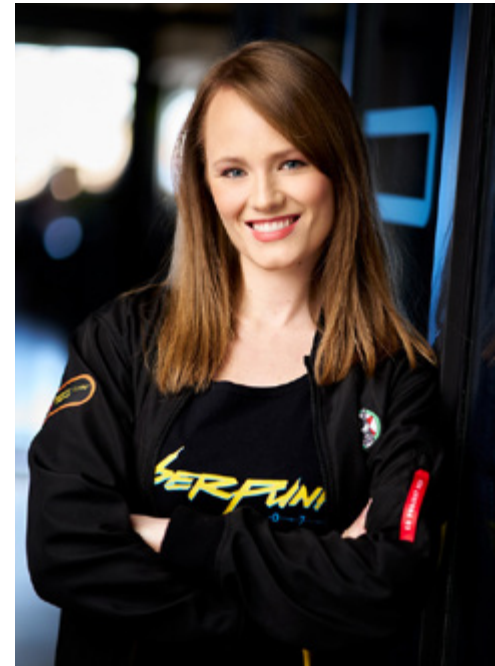
## Values, compliance, ethical norms

GRI 102-16

**Anna Walczak, Legal Counsel,  
Privacy & Compliance team at CD PROJEKT**



*In the CD PROJEKT Group we strive to create a place of work in which the values we declare are observed on a daily basis. For that reason, in July of 2021 the CD PROJEKT Management Board adopted the **Business and Ethical Standards in the CD PROJEKT Group** ("Standards"). This document forms an obligation to abide by the highest ethical norms, legal regulations and principles by which CD PROJEKT Group companies are guided in their day-to-day work. The standards contain a number of indications of what type of behavior we support, and what type of behavior we do not tolerate. In addition to establishing the core principles of ethical conduct, within the framework of the Privacy & Compliance team, we take a number of actions to procure compliance with the law, internal regulations and best practices. In 2022 we implemented the Compliance Management Policy in CD PROJEKT on whose basis the Chief Compliance Officer and the Privacy & Compliance team monitor and coordinate the Company's needs in the process of managing compliance and support the Group's subsidiaries in this regard. Managing compliance in the Company is based on the principle of continuous improvement and adjusting to regulatory needs and current business needs alike so as to preserve the equilibrium between compliance and the business objectives selected by the Company.*



In CD PROJEKT we are constantly enhancing the competences of the team members responsible for compliance through participation in training sessions, conferences and expert panels devoted to legal and trade issues.



One of the fundamental elements of effective compliance is communication. That is why in CD PROJEKT we endeavor to create a clear and intelligible message. We strive to involve the members of various teams in drafting internal regulations, employ plain and easy-to-understand language and simplify the related processes and we organize internal training sessions to raise their legal and regulatory awareness (on confidentiality, personal data protection and protection of our IP, among others). In this manner we encourage team members to get involved in areas of significance when it comes to ensuring compliance.

## Managing the RED 2.0 transformation

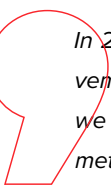
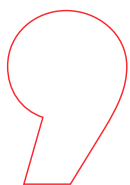
In March of 2021, as part of the CD PROJEKT Group Strategy update, the Company's Management Board presented the tenets for the internal transformation of the RED 2.0 studio. The following elements contribute to this RED 2.0 transformation:

- change in philosophy and method of creating AAA games,
- implementation of a more transparent production process including the rollout of standards and elements of the agile model,
- change in how the work environment is managed and designed by focusing on team development and supporting talents,
- change in the approach to the studio's external communication.

The purpose of these changes was to streamline the process of creating games, ensuring that future AAA games are of high quality and as of 2022 allowing for work to proceed in parallel on AAA projects.

**Maciej Włodarkiewicz,**

**Acting Deputy Head of Production at CD PROJEKT**



*In 2021 we worked intensely on introducing the announced improvements within the studio. On the basis of a current needs analysis, we drafted the CD PROJEKT RED strategy on implementing agile methodologies to shorten the time needed to produce visible results, which in turn should translate into greater predictability in the process of creating games. We kicked off cooperation with a reputable external partner and commenced the recruitment of experts to work in our in-house agile competence center. In parallel, training sessions on how to work in compliance with agile methodologies were underway among developer teams and in the back office<sup>29</sup>. We have already done some of the work on the Cyberpunk 2077 release for next gen consoles by working in this revised procedure.*



### AS A RESULT OF THESE ACTIVITIES IN 2021:

- we set up 17 cross-functional teams working according to agile methodology, of which 10 are currently working directly on the expansion pack to Cyberpunk 2077 and the remaining 7 are working on the development of an in-house technology center,
- we devised and implemented a new process for planning and doing work for the entire development project,
- we commenced work on a new AAA game based on the conclusions drawn from the implementation of changes to date.

<sup>29</sup> Specific information on agile training can be found in the sub-section entitled Training and development

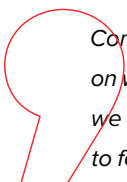
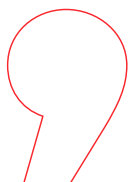


## Communication with gamers

### CD PROJEKT

**Marcin Momot,**

**Global Community Director at CD PROJEKT**



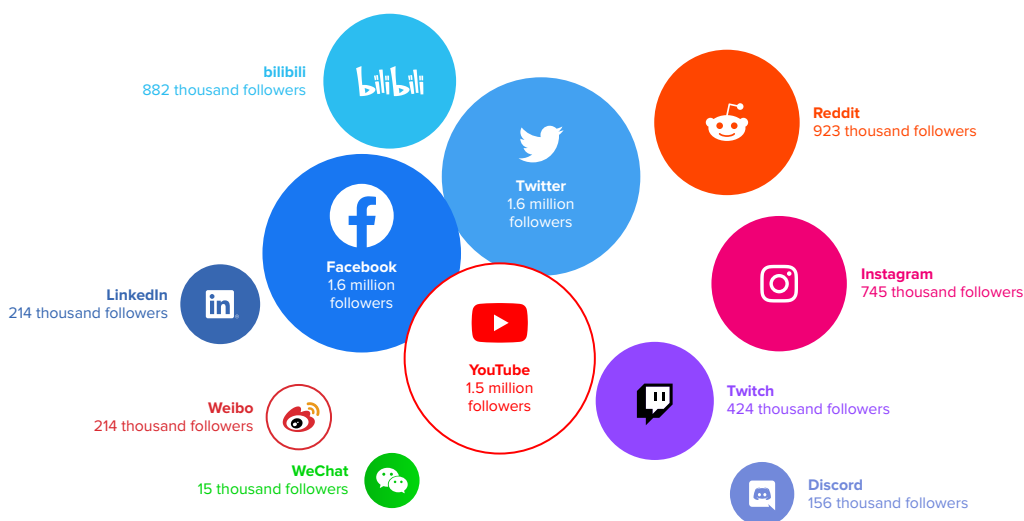
*Communicating with gamers has always been one of the foundations on which the CD PROJEKT RED studio is based. In community building we do our utmost for all the people with whom we engage in dialogue to feel that they are an important and integral part of the community in the games we create. We want our channels to be safe havens where gamers can freely share their observations about our works and search for contact with the authors.*

*In 2021, we talked with gamers from around the world in twelve languages (English, Polish, Russian, German, French, Italian, Spanish, Japanese, Brazilian Portuguese, Arabic, Korean and simplified Chinese). In every region there was a dedicated CD PROJEKT RED representative or representatives who tend to our relations with gamers in a given area and conduct local communication activities.*



In terms of social media the studio is present in all of the most important platforms starting with Facebook, Instagram, Twitter through Discord, YouTube and Tumblr to local channels such as the Chinese Bilibili and Weibo and the Korean Naver Cafe. We also opened the studio's channel on TikTok in February of 2022. For many years our official product sites and their dedicated forums have been irreplaceable spots for talking with the community.

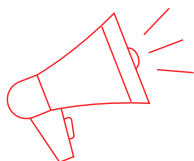
**Scheme 6** Number of users and subscribers to the most popular CD PROJEKT profiles – data as at 31 March 2022



While talking to the community we endeavor to address doubts on an ongoing basis, and draw conclusions from the remarks gamers from around the world share with us. Our goal is for all of the members of the community who reach out to us to have the feeling that they are heard.

We are very keen on engaging in transparent dialogue with gamers. We want to be certain that they always receive first-hand information in the form of frequent and regular updates, e.g. through posts in social media, statements made by developers and live meetings during which we discuss the upcoming changes to games. A prime example of this approach was the live meeting announcing the 1.5 patch to Cyberpunk 2077 in February 2022 during which the authors showed and discussed all of the most important changes to the game. They also fielded some questions from the viewers. Earlier, in August 2021, a similar live meeting was held to describe the most important changes in the previous 1.3 patch.

In May of last year, a commemorative collage consisting of illustrations prepared by artists hailing from The Witcher community was put together to celebrate the 10th anniversary of The Witcher 2: Assassins of Kings. We engaged authors from 8 different countries to work on this project, with all of them demonstrating their own exceptional style.



*Our games attract the attention of a very large number of enthusiastic supporters of virtual photography. The finale of the #Shutterpunk2077 competition took place in 2021. Gamers from around the world had the opportunity to demonstrate their skills in eternalizing the most impressive moments during gameplay. We launched a competition jointly with the Meta social network in September 2021 targeting professionals who create AR filters. The goal was to prepare a new overlay for portal users to use. This competition led to the publication of several thousand designs. We constantly hold smaller activities accompanying various events or holidays to engage the community.*

The creativity of gaming fans is something amazing that gives us the will to aspire. That's why last year we launched a regular video series entitled "You Are the Most Important" during which we compile a very extensive range of creations from around the world such as illustrations, recordings, sculptures, musical compositions and cosplays and we present them on our official channels.

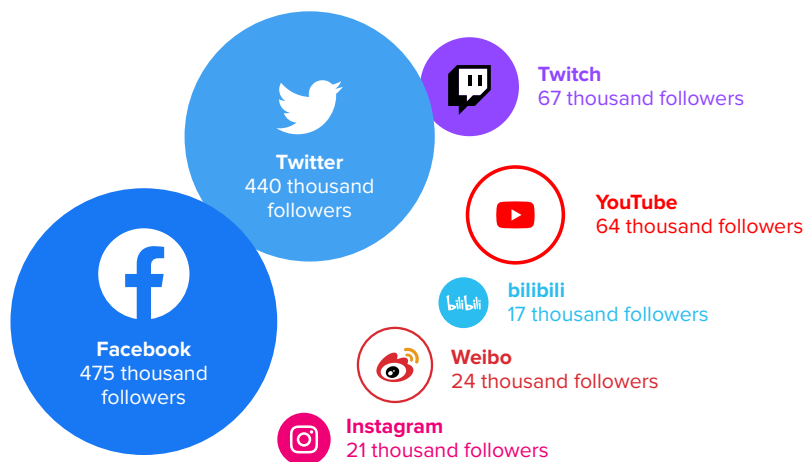


## GOG

GOG incessantly strives to foster inclusive and pro-consumer communication with the gaming community. That is why “Serve Gamers” is one of the firm’s principal values. That is also why we directly address gamers by analyzing how they perceive the campaigns we run and we treat them as the pinnacle as we listen to their opinions and respond to their questions and remarks.

In 2021, we communicated with gamers in six languages: English, Polish, Russian, French, German and simplified Chinese. We offered support to GOG users in every one of these regions while simultaneously offering dedicated communication on the social media channels in a given area.

**Scheme 7** Number of users and subscribers of GOG profiles – data as at 31 March 2022

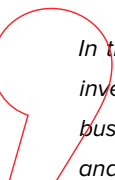
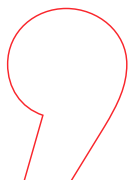


We emphasize the importance of creating space to run proactive discussions with gamers. This is manifested, for instance, by the streams on our channel on the Twitch platform run by GOG employees. This is the place where we respond to users’ questions and where we show our passion for games and provide additional interesting information on what it is like behind the scenes to work at GOG, thereby underscoring the firm’s vision of being a company filled with players, the very same kind of players as our customers. We approach communication in a similar way on the GOG Forum and in retroactive responses to gamers’ comments on our social media channels.

As a digital distribution platform for computer games, we endeavor to display our passion for all of the games available on GOG. For that reason, we regularly hold competitions for our players in which they can win games on GOG.COM and other game-related gadgets. A prime example of one such campaign is the creative competition called #GOGxWitcher hosted jointly with CD PROJEKT RED and CD PROJEKT RED GEAR for the GOG community in which gamers from around the world shared their creativity with us. On top of keys to games from The Witcher series, they could win exclusive gadgets.

## Communication with the capital market

**Karolina Gnaś,**  
**VP of Investor Relations at CD PROJEKT**



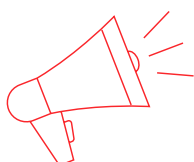
*In the Investor Relations Department we do our best to facilitate investors' equal access to credible information regarding the current business activity of CD PROJEKT through current and periodic reports and active communication addressed to retail investors, stock brokerage analysts and fund managers.*

*Having regard for the COVID-19 pandemic, in 2021 we refrained from holding traditional results conferences in person for representatives of the capital market and financial media journalists. Whenever we published reports in 2021, i.e. the 2020 annual report, the report for 1H 2021 and the quarterly reports for Q1 and Q3 we held conference calls with analysts and journalists during which representatives of the Management Board discussed the financial results, presented our plans for the upcoming months and fielded questions posed by the participants of these conference calls. In March 2021 we also held a conference call during which we presented the CD PROJEKT Group Strategy Update.*



To afford unfettered access to information among domestic and foreign investors we publish the majority of our corporate materials in two language versions: Polish and English. Moreover, when we published the annual results for 2020 and for H1 2021 we held chats for retail investors. These chats enjoyed immense interest – several hundred participants took part in each one of them. The CD PROJEKT Management Board responded to tens of questions regarding the Group's results and plans for the newest productions.

Additionally, at the time of publishing each one of the periodic financial statements we furnished a video with comments made by Piotr Nielubowicz, our CFO concerning our performance and the Group's major accomplishments in a given period. We place all of the materials related to the publication of the Company's periodic reports in the tab entitled "Results Center" on the Company's website: <https://www.cdprojekt.com/en/investors/result-center/>.

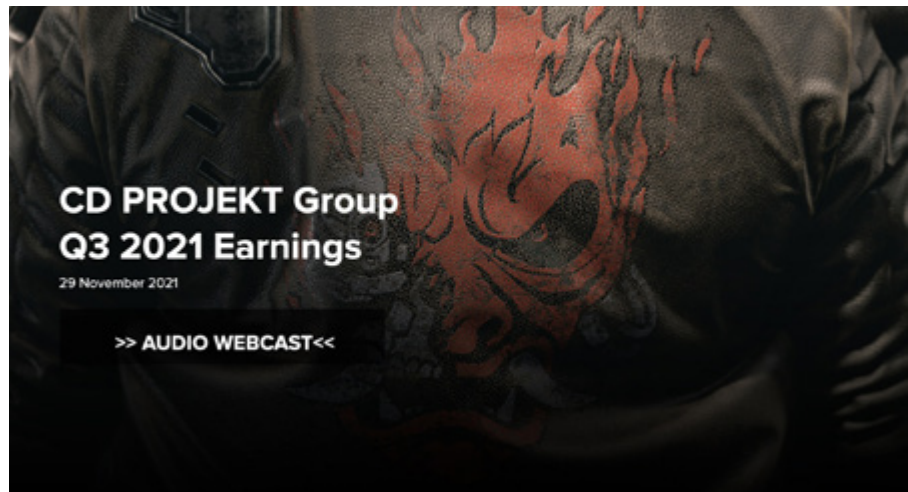


*Check our video materials available on the investor relations channel on YouTube:*  
[www.youtube.com/CDPROJEKT\\_IR](https://www.youtube.com/CDPROJEKT_IR)



Since 2018 we offer live webcasts of our General Meeting. In turn, since 2020 the Company's shareholders can remotely participate in General Meetings and exercise their voting rights by using means of electronic communication. In addition, in 2021 we published the General Meeting Guide in which we have compiled the key information on these events. We have made these materials, including video recordings of General Meetings available on the Company's website: <https://www.cdprojekt.com/en/investors/general-meetings>.

In 2021 we held numerous conference calls and video conferences between Management Board members and the Investor Relations Department and representatives of Polish and foreign mutual funds and analysts who give stock recommendations for CD PROJEKT. The Company's representatives also attended many online events held by brokerages instead of traditional roadshows due to the COVID-19 pandemic.



The Investor Relations Department also runs a profile on Twitter: [@CDPROJEKTRED\\_IR](https://twitter.com/CDPROJEKTRED_IR) to report on the most important events in the CD PROJEKT Group. Some 20 thousand internet users followed this profile as of 31 March 2022.

## We comply with the law

CD PROJEKT does its utmost to comply with the prevailing regulations and generally accepted global and local market practices.

## ANTI-CORRUPTION POLICY

GRI 205-3; GRI 102-25

Fighting corruption is one of the foundations of the Business and Ethical Standards in force in the CD PROJEKT Group.

In 2022 the CD PROJEKT Group adopted its Anti-Corruption Policy whose purpose is to lay down the main rules for identifying, preventing and curtailing the risk of corruption and fraud related thereto in the ongoing operations of Group companies. These rules are applicable to business relations and relations with public authorities. The CD PROJEKT Group applies the principle of “zero tolerance” for all manifestations of corruption.

As part of the Anti-Corruption Policy there are rules on accepting and giving gifts, relations with third parties (in business and administrative contacts) and rules on exercising caution in circumstances that could pose a conflict of interests, such as additional hiring, involvement in the activities of entities competing or cooperating with CD PROJEKT and making personal decisions.

We have specified the fundamental standards of conduct in the process of managing the risk of corruption to mitigate the potential materialization of corruption risk in the key areas in jeopardy of its emergence. We attach special attention to keeping accurate accounting ledgers and documentation, financial control of the payments made, the transparency of recruiting processes and undertaking charitable initiatives in a manner facilitating suitable verification of the recipient thereof and preclusion of conflicts of interests.

People who receive a proposal involving corruption or who have a justified suspicion that such an event has transpired, or may transpire in the future may file a report through our whistleblowing system, which is described in detail below.

To date the Company has not recorded any incidents of corruption. Nevertheless, it does its utmost to properly define examples of activities that could indicate the possibility of irregularities or fraud and communicate to team members the core principles of ethical behavior.



## REPORTING IRREGULARITIES

GRI 102-17; GRI 406-1

Whistleblowing is an important part of open communication that helps strengthen mutual trust. For that reason, in 2021 we updated our whistleblowing system in place up to that point in CD PROJEKT and we rolled out a new whistleblowing procedure in CD PROJEKT S.A. To provide comfort when making the decision on filing a report, team members may transmit information or their suspicions regarding any and all irregularities by using a dedicated form ensuring the confidentiality, anonymity and integrity of the information provided, or in person or in writing by sending a letter to the address of the Company's headquarters. Reports are examined and checked by persons designated by the Management Board and with regards to reports on the Management Board Members – by Supervisory Board Members.

In CD PROJEKT team members should be guided by the principle of mutual respect, which means that their behavior and speech cannot infringe on the rights and dignity of others. For this reason, one of the key areas in the whistleblowing system is linked to undesirable behavior in relations with employees. In 2021 the Company updated the internal regulations in place till then in terms of preventing mobbing, i.e. bullying and discrimination and it implemented the Procedure to Prevent Undesirable Behavior in relations with Employees. On the basis of this procedure the Company undertakes to strengthen efforts to prevent and counteract all undesirable actions that may entail mobbing, or bullying and discrimination, including sexual harassment or some other violation of law. In 2021 CD PROJEKT conducted three internal proceedings concerning relations between employees (five such proceedings were conducted in 2020). In every instance the Company takes suitable actions having in mind the outcomes of the explanatory proceedings. In terms of the measures selected it complies with the prevailing laws and internal procedures.

Notwithstanding formal whistleblowing procedures all CD PROJEKT team members can obtain advice regarding ethical and legal issues from the dedicated HR Partner or from the Privacy & Compliance team.

All the people who report an irregularity in CD PROJEKT and all the people who help file such a report are afforded protection against adverse actions that could violate their rights or do injury to them.



## Protection of personal data

GRI 418-1; SASB

Activities involving personal data protection are pursued in CD PROJEKT on the basis of the CD PROJEKT Group's Personal Data Protection Policy ratified and implemented in 2018. The Privacy & Compliance team as a distinct part of the CD PROJEKT Legal Department is responsible for enforcing and updating this policy. The team cooperates closely with the Company's Security Department and the Legal Department in GOG, CD PROJEKT's key partner in personal data processing.

The external Data Protection Officer designated by the Company monitors the personal data protection actions taken by CD PROJEKT.

**Krzysztof Muciak,**  
**Senior Legal Counsel/Privacy & Compliance Lead at CD PROJEKT**

*Personal data protection is an important part of the compliance policy implemented in CD PROJEKT. We are aware that the responsible processing of the personal data of gamers, our team members, business partners and other persons is the foundation for their trust in the Company.*

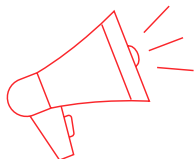
*According to the prevailing regulations we process personal data only to the extent required as justified by clearly communicated goals. We always notify the people whose data are involved of how, why and on what basis we process their data and what rights they hold in this context. When we choose subcontractors who are supposed to have access to personal data, we take efforts to ensure that they care for the security of the data entrusted to them. We monitor on an ongoing basis the security of the processed personal data and we respond to indications of possible breaches. If circumstances require, we report a breach to the competent authorities and we advise the data subjects thereof.*



The Privacy & Compliance team constantly cares about ensuring the highest level of personal data protection. It monitors amendments to the law and case law, and adjusts the Company's activities to satisfy the current requirements. It administers regular audits in the Company's various teams and dedicated training sessions. The team's staff participates in creating the Company's new initiatives and it provides data protection advice in them. It also responds on an ongoing basis to doubts expressed by Company employees who deal with personal data.



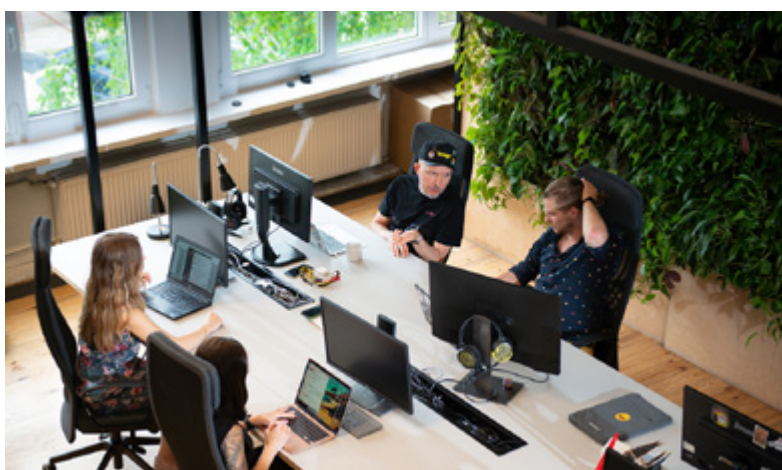
As part of procuring compliance with personal data protection the Company also maintains the legally required registers and conducts risk assessments and analyses.



*In February of 2021 a hacker attack was mounted against the Company's servers as a result of which the confidentiality of personal data processed by companies belonging to the CD PROJEKT Group was breached. A description of the measures taken in the follow up to the attack in personal data protection is available at [www.cdprojekt.com](http://www.cdprojekt.com).*

According to our knowledge, in 2021:

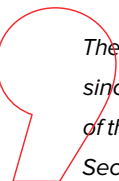
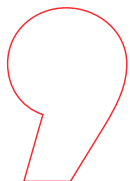
- no complaints were filed against CD PROJEKT with any institution responsible for personal data protection,
- CD PROJEKT did not suffer any cash losses related to litigation due to personal data protection,
- we did not receive any requests to divulge the data of CD PROJEKT users from the authorized public authorities.



## Data security

### SASB

**Arkadiusz Osypiuk,**  
**Chief Information Security Officer at CD PROJEKT S.A.**

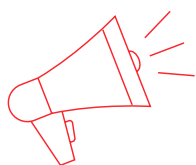


*The Information Security Department has been operating in CD PROJEKT since 2021. It is responsible for coordinating the security activities of the CD PROJEKT Group. The activities carried out by the Information Security Department are the result of, among others, risk analysis carried out in the Company.*

*Aiming to respect security requirements among software vendors, as part of the Information Security Department we also run a vendor verification process (with regards to vendors requiring access to our IT infrastructure or production data) consisting of a risk assessment of a given partner and a security assessment of the safeguards it employs. We do not undertake collaboration with a vendor that does not meet the level of security we require.*



We also proactively participate in numerous processes (from analysis of assumptions at an early stage to the acceptance of solutions) and support back office teams. We also deliver training to all employees (in 2021 two training campaigns were administered on security awareness - mandatory training for every employee) and we launch additional tools to augment security awareness among the users of the CD PROJEKT Group's ICT systems.



*In February of 2021 there was a hacker attack mounted against the CD PROJEKT Group's servers. Information about the series of additional security measures in the follow up to that attack can be found in the Management Board Report on the Activity of the CD PROJEKT Group in 2021.*

#### THE MAIN AREAS OF ACTIVITY IN THE INFORMATION SECURITY DEPARTMENT

- preparing internal policies, standards, regulations and inspections regarding information security,
- ensuring full IT security support for the implemented solutions, reviewing and issuing recommendations regarding legacy systems and services,
- implementing and administering new information security solutions such as Data Leak Protection, Mobile Device Management, Network Detection and Response (NDR), Endpoint Detection and Response (EDR), Privileged Access Management (PAM),
- supporting disaster recovery, managing business continuity and managing incidents,
- managing the physical security of all of the offices and space belonging to the CD PROJEKT Group.

## Suitable labeling of products and services

GRI 416-2; GRI 417-1; GRI 417-2

In our care for the safety of gamers we do our utmost to label the Company's products appropriately, among others by doing the following:

- placing the indispensable information regarding the studio's games on the websites dedicated to them, on the product sites on digital distribution platforms and their physical packages,
- labeling games with an age-based rating suitable for a given territory (e.g. PEGI, ESRB); information regarding a game's rating is placed on its physical package,
- dedicated website, selected marketing materials related to it and on its product sheets, restricting access to the studio's game-related content for persons whose age is inappropriate by placing access gates on dedicated websites and the product sites of the studio's games and digital distribution platforms for games.

According to the Company's knowledge, in 2021 CD PROJEKT S.A. did not experience the following:

- incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling,
- incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services at every stage of their life cycle, split into the type of consequences.





## Compatibility with international regulations and fair competition

GRI 206-1; GRI 417-3; GRI 419-1; SASB

As the CD PROJEKT Group we operate globally supplying products and services to users across the globe. Ensuring compliance with the states' legal and regulatory requirements that are applicable to our business is an important pillar for us when it comes to fostering mutual trust. In the rapidly evolving business environment, the obligation to abide by the principles of fair competition, and hence to project an ethical attitude is the foundation of our organization's responsibility.

Applying legal regulations can be complex and hinge on a variety of circumstances. To procure the compliance of our efforts with the pertinent regulations of domestic and international law, including customs, commercial and fiscal regulations and intellectual property rights, the internal Legal team together with the Privacy & Compliance team, among others, gives opinions on concluded contracts, verifies legislative processes and cooperates with external law firms (domestic and foreign). In business relations we do not take advantage of unfair advantages stemming from our market position, while as part of the commercial transactions we execute, we include the pertinent declarations of our status as a large corporate undertaking. CD PROJEKT also does its utmost to comply with the prevailing regulations and generally accepted global and local market practices.

According to the Company's knowledge, in 2021 CD PROJEKT S.A.:

- not identify any incidents of non-compliance regarding marketing communication,
- no significant fines or non-monetary sanctions for non-compliance with laws and regulations were imposed on the Company,
- no legal steps concerning incidents of breaches of the principles of free competition or monopolistic practices were taken against us,
- no cash losses were incurred under litigation due to unfair competition.



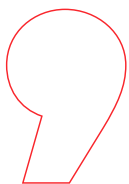
## Intellectual property creation and protection

### OUR IPS

The intellectual property rights vested in CD PROJEKT are primarily related to the universe of “The Witcher” and “Cyberpunk”. For each one of them CD PROJEKT has procured the acquisition of intellectual property rights beyond the games field, which in the long-run will facilitate the development of our IP also in areas other than just video games.

### INTELLECTUAL PROPERTY CREATION AND PROTECTION

**Anna Piechówka,**  
**Senior Counsel, Business & IP Lead at CD PROJEKT**



*Intellectual property creation and protection are the grounds of CD PROJEKT's activity; that is why in the framework of our activities we incessantly tend to the rights held by CD PROJEKT. Each one of our video games consists of many different elements, i.e. among other things, software, sound effects, graphic elements, storylines; each one of them taken individually and as a whole constitutes intellectual property.*

The dedicated Business & IP team operating as part of the CD PROJEKT Legal Department is responsible for the protection and management of intellectual property. In the Business & IP team:

- we ensure that each part of the intellectual property created by CD PROJEKT has the appropriate legal protection. As part of this area, we register trademarks and other rights subject to registration and we ensure that we acquire all copyrights from artists,
- we deal with the sublicensing of the intellectual property rights vested in CD PROJEKT, i.e. to numerous marketing and merchandising partners,
- we are responsible for ensuring that the content created by CD PROJEKT does not violate third party rights, among other things, by entering into the pertinent agreements, including licensing agreements or investigating the risk of violating trademark rights.

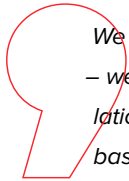
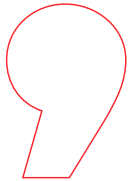
In CD PROJEKT we want to give the gaming community the possibility of being inspired by our products by supporting the process of creating content based on our games. For instance, we adopted the **Fan Content Rules** that make it possible to create fan content for non-commercial purposes. In the event of encroaching on the bounds for the allowed utilization of CD PROJEKT S.A.'s rights or violating them in some other scope, we undertake legal measures to protect the intellectual property vested in us.



## Tax transparency

GRI 207-1; GRI 207-2

**Julita Pikiewicz,**  
**Tax Director at CD PROJEKT**

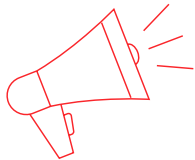


*We act with due diligence when discharging our fiscal obligations – we transparently report the information required by the legal regulations and we pay the amounts due under public law on a timely basis, we also communicate on an ongoing basis with state and local government authorities, in particular with the authorities of the National Tax Administration.*

*In CD PROJEKT there are internal policies and procedures in place to identify and curtail tax risks. To mitigate potential non-compliance risk our inhouse legal and tax teams monitor legislative processes and implement suitable procedures, methods of operation and tools to streamline internal processes and ensure that legal and tax obligations are performed in the correct manner.*

We do not take actions involving legally banned tax optimization, nor actions to evade taxation.

In connection with the research and development activity pursued by CD PROJEKT, based on a decision made by the Minister of Entrepreneurship and Technology in 2018, we obtained the status of a Research and Development Center ("RDC") as an entity in which research and development activity constitutes a significant part of its business. An R&D Compliance team has been in operation in CD PROJEKT since 2020. Its major duty is to opine the direction of R&D work done in CD PROJEKT by its dedicated teams and document and monitor this work.



*We encourage you to review the Taxation Strategy Information available on our website [www.cdprojekt.com](http://www.cdprojekt.com)*







# 05

## ENVIRONMENTAL RESPONSIBILITY

### IN THIS SECTION YOU WILL FIND THE FOLLOWING INFORMATION:

- what goals we set for 2022 and 2023 in the environmental area,
- fundamental data regarding the CD PROJEKT Group's environmental impact,
- what actions we have taken to mitigate our environmental impact.

## Goals of the CD PROJEKT Group in the environmental area



GRI 103-2; GRI 103-3



### ENVIRONMENTAL AREA

AREA	GOAL	PLANNED DATE OF EXECUTION
Environmental impact	Adoption and publication of the CD PROJEKT S.A. Environmental Policy	2022
Environmental impact	Development and implementation of an environmental management system at CD PROJEKT S.A.	2022
Climate impact	Calculation of CD PROJEKT Group's carbon footprint in 2022 <sup>1</sup> in line with Scope 3 of the GHG Protocol <sup>2</sup> and determination of the greenhouse gas emission reduction target	2022
Climate impact	Identification and assessment of climate change risk according to the guidelines of the Task Force on Climate-related Financial Disclosure (TCFD)	2023

<sup>1</sup> with regards to the Polish companies in the CD PROJEKT Group

<sup>2</sup> <https://ghgprotocol.org/>

Detailed information regarding the actions we are taking that are aligned to the execution of goals 7 and 13 in Agenda 2030 can be found below in this section..



## Our approach to environmental responsibility

GRI 307-1

**Małgorzata Kaźmierczak,**  
**Environment Management Coordinator at CD PROJEKT**

*Sustainable growth and care for the environment have always been part of our DNA.*

As we strive to preserve a balance between dynamic growth of the CD PROJEKT Group and care for the natural environment, we take steps to ensure that our activities are conducted in a responsible manner, consistent with the general principles of sustainable growth. In particular, we take action to mitigate our environmental footprint and counteract climate change through:

- calculating and monitoring our carbon footprint, and working to reduce greenhouse gas emissions throughout our value chain,
- conserving resources and optimizing energy management,
- deploying and certifying an environmental management system,
- investing in novel, environmentally sound technical solutions,
- complying with legal requirements and other environment impact regulations applicable to our business,
- fostering environmentally conscious attitudes among our team members and business partners and lessees doing business on our premises,
- planning, validating and assessing the environmental impact of our activities against the backdrop of measurable indicators.

In acknowledging the increasing importance which our stakeholders attach to the mutual relationship between CD PROJEKT Group's activities and the natural environment, including climate change, in 2021 we began calculating our greenhouse gas emissions with a view towards reducing such emissions throughout our value chain.

Since 2021 we have been calculating our carbon footprint in accordance with the GHG Protocol – Scope 1 (i.e. direct emissions from the combustion of fuels at sources owned or supervised by the CD PROJEKT Group, as well as emissions resulting from release of coolants) and Scope 2 (indirect emissions related to the consumption of electricity and heat) for each domestic member company of the Group. In 2022 we aim to expand this calculation to include Scope 3 (other indirect emissions within the value chain).

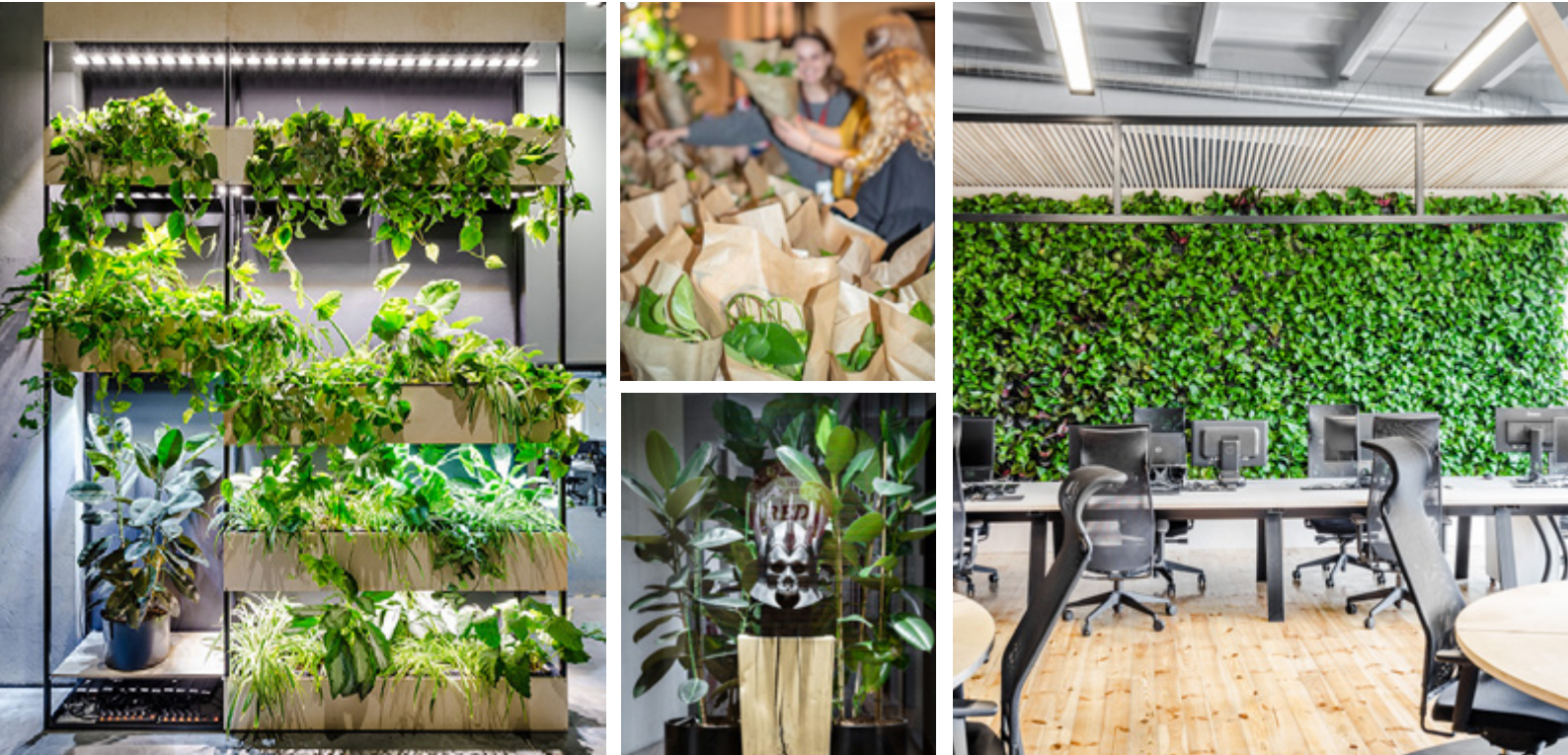
Since 2020 we have also been performing regular environmental compliance audits. We are rolling out an environmental management system, which involves ongoing analysis and staying up to date with the relevant legal regulations, and we monitor legislative initiatives which may have an impact on our activities.



To the best of our knowledge, in 2021 the CD PROJEKT Group:

- was not found to be in breach of any environmental protection laws and regulations,
- was not subjected to fines as a result of any noncompliance with environmental protection laws and regulations.

We carry out monitoring of environmental indicators and costs, including those related to consumption of energy and water, waste management and atmospheric emissions.



In order to minimize environmental risks related to ownership and use of real estate, and commercial lease thereof, we have introduced a set of environmental regulations for our lessees and business partners, particularly subcontractors, who do business on our premises. These regulations encompass legal requirements related to the responsible use of the environment, along with a list of best practices for reducing one's environmental footprint and committing to conserving natural resources.

For many years the CD PROJEKT Group has worked to reduce the consumption of energy and water at our premises, streamline recycling operations and set up green areas on our commercial campus. Numerous investments carried out in 2020/2021 – some of which continue to this day – are part of this policy.

## Key environmental indicators of the CD PROJEKT Group<sup>30</sup>

### ENERGY CONSUMPTION

GRI 302-1; GRI 302-4; SASB

Energy consumption pertains to the total quantity of the various types of energy consumed in the CD PROJEKT Group<sup>31</sup>. It includes energy purchased from suppliers and energy generated in-house (electricity from a proprietary photovoltaic installation).

**Table 15** Total energy consumption in the CD PROJEKT Group in 2021 by type of energy and percentage of the various types of energy<sup>32 33</sup>

Energy product	2021	Percentage of total consumption
Electricity [GJ]	6,287	56%
Heat [GJ]	4,526	40%
Petrol [GJ]	390	3%
Diesel fuel [GJ]	137	1%
Total energy consumption [GJ]	11,340	100%

The vast majority of energy consumed in the course of the CD PROJEKT Group's operating activities (96%) is required for upkeep of the Group's buildings and structures. Electricity dominates (6,287 GJ consumed in 2021, i.e. 56% of the Group's total energy consumption), followed by heat (40% in 2021). Only 4% of the Group's energy consumption came from the combustion of non-renewable fuels in vehicles and fixed sources used or managed by the Group.

Given the ongoing COVID-19 pandemic and the associated restrictions, in 2021 the number of persons who commute to the office on a daily basis was far lower than in the years preceding the outbreak of the pandemic. Consequently, the reported use of electricity at the Group's offices – which represents the bulk of the Group's total energy consumption – does not accurately reflect the Group's potential energy consumption in standard circumstances, i.e. in the absence of any pandemic-related restrictions.

30 All environmental data presented in this section applies to 2021, which we regard as the base year.

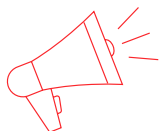
31 Aggregate figures for domestic member companies of the Group.

32 Source: invoices and billing reports concerning leased space. Methodology: meter readings, billing reports, calculations. Fuel consumption has been converted to GJ using coefficients published by the National Centre for Emissions Management (KOBIZE).

33 Data converted to GJ to ensure comparability.

## ENERGY FROM RENEWABLE SOURCES

In August 2020, 328 photovoltaic panels with a total capacity of 100 kW were installed on the rooftops of four buildings on CD PROJEKT's Warsaw campus. In 2021 these panels generated a total of 95.14 MWh (343 GJ) of electricity, effectively preventing the emission of 71 tons of carbon dioxide equivalents into the atmosphere.



[Click here](#) to find out how much electricity is generated by our photovoltaic plant.

**Table 16** Consumption of electricity at the CD PROJEKT Group in 2021 by source<sup>34</sup>

	MWh	GJ
Purchased electricity	1,651	5,944
Own electricity generated from RES	95.14	343

Since 2015 modern LED light fixtures have been deployed at CD PROJEKT offices in Warsaw. The vast majority of our light fixtures are flicker-free and equipped with microprism collars ensuring high comfort for our employees. In the largest and most important spaces these fixtures facilitate light stream modulation – this augments convenience and improves energy efficiency.

## INVESTMENTS CARRIED OUT IN 2021 TO REDUCE THE USE OF ELECTRICITY

In terms of reducing our reliance on electricity and our carbon footprint, the strongest impact can be obtained by focusing on our buildings and structures.

In 2021 we continued to modernize CD PROJEKT's Warsaw campus. Our goal is to upgrade the buildings we purchased in 2019 to limit electricity consumption, improve the energy efficiency of our offices and thereby reduce greenhouse gas emissions. The following improvements have been made through our investments:

- light fixtures have been replaced with energy-efficient LED panels covering 3,700 square meters of office space,
- 2,100 square meters of office space have been equipped with a mechanical ventilation system (supporting heat recuperation to recover warm air from the outflow, reducing energy consumption; moreover, the system provides for the appropriate filtration of dust and pollutants ensuring clean air indoors),
- facilities for cyclist commuters have been expanded and modernized – we now offer 80 bike stands and a dedicated bike maintenance station,
- we replaced two elevator cabins with modern equivalents, equipped with an energy recuperation system,
- electrically controlled external blinds have been installed, reducing the need for air conditioning (this improvement covers approximately 2,000 square meters of office space).

In 2021 the total cost of investments benefiting the environment was 2.1 million PLN.

<sup>34</sup> Source: invoices and billing reports concerning leased space. Aggregate figures for domestic member companies of the Group.

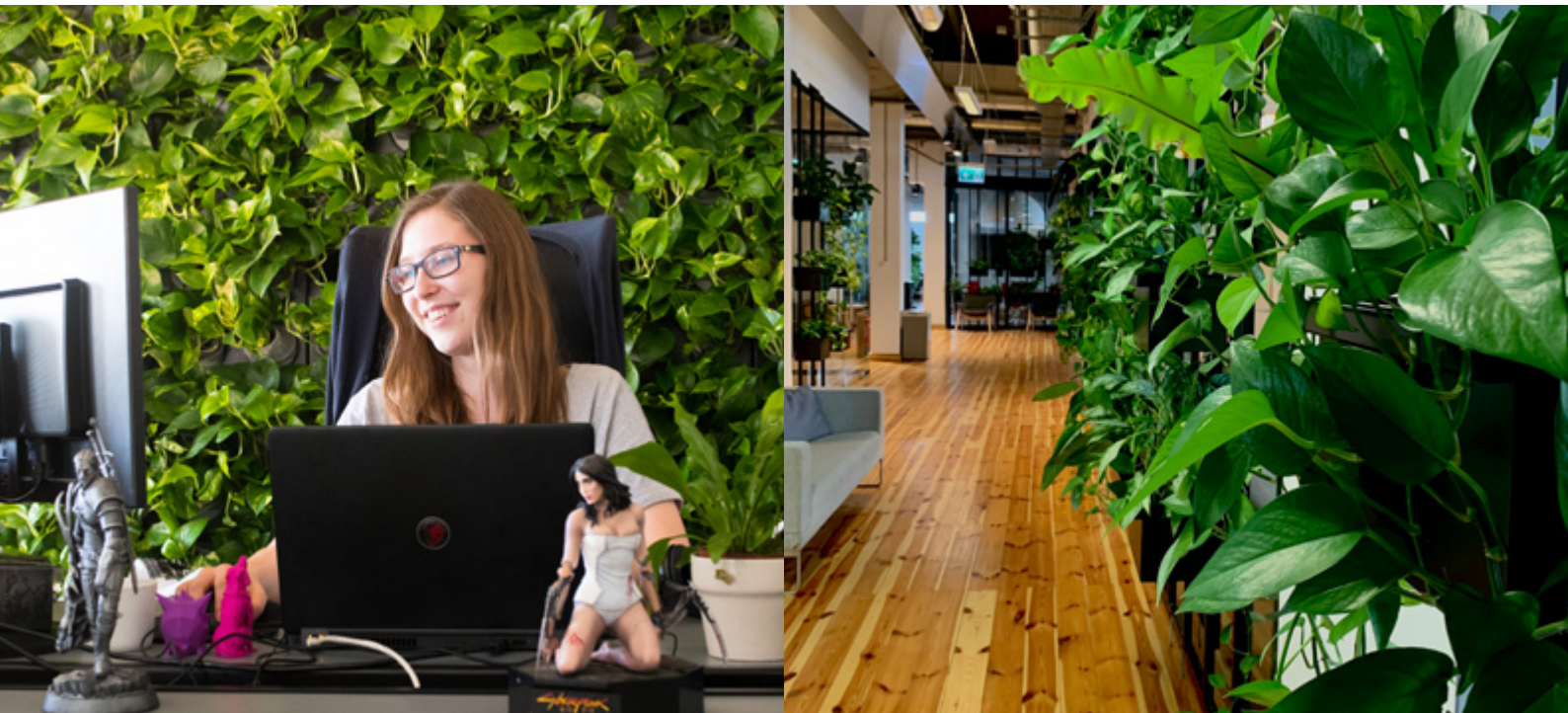


In addition to modernizing CD PROJEKT's Warsaw campus, in 2021 we also undertook a range of other “green” activities, including the following:

- all our printers now use 100% recycled unbleached paper holding FSC (Forest Stewardship Council) and Blue Angel certificates,
- we installed 176 birdhouses for swifts, which are fully protected migratory birds,
- we enlarged the biologically active surface area on the CD PROJEKT campus by 124 square meters,
- we switched to ecologically conscious office supplies

Investments planned for 2022 include:

- increasing the number of electric car charging stations in conjunction with building a new multistory parking lot (stage I – 22 charging stations; ultimate target – 129 charging stations),
- modernizing our central heating facility,
- collecting rainwater to irrigate green areas.



## GREENHOUSE GAS EMISSIONS

GRI 305-1; GRI 305-2; GRI 305-4

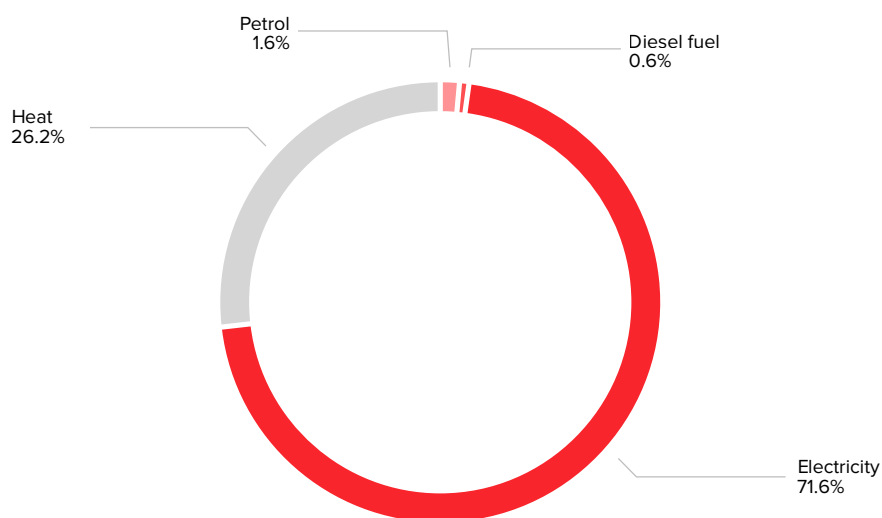
In order to further reduce the environmental impact of our activities, since 2021 we have been calculating our carbon footprint, i.e. greenhouse gas emissions. In this process we focused on emissions related to the activities of the CD PROJEKT Group in Poland<sup>35</sup>, and subsequently consolidated the results of our calculations at the level of the CD PROJEKT Group as a whole, based on our operational control procedures, thereby accounting for 100% of emissions at each analyzed location.

The reported greenhouse gas emissions were calculated based on the standards set out in *The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard* in the *Revised version* and *GHG Protocol Scope 2 Guidance*. The calculations covered Scope 1 emissions, that is direct emissions related to the combustion of fuel in company-owned sources and cars, as well as Scope 2 emissions, which are indirect emissions from the consumption of purchased electricity and heat). Scope 2 emissions were calculated using market-based and location-based methods and presented in tons of carbon dioxide equivalents [t CO<sub>2</sub>e]. GHG emissions were calculated for the period from 1 January 2021 to 31 December 2021.

The emission factors for fuels were selected based on the documents published by the National Centre for Emission Balancing and Management; the factors for refrigerants came from DEFRA (the UK Department for Environment, Food & Rural Affairs) database and were calculated using the published component factors values in the *IPCC Sixth Assessment Report Global Warming Potentials (AR6)*. With regard to heat, the generation intensity factors were assumed based on the data reported for Poland by the Energy Regulatory Office. For electricity, we used the factors specific to individual energy suppliers (market-based method) as well as the average emission factor for electricity in Poland in 2020 calculated on the basis of documents published by the National Centre for Emission Balancing and Management (location-based method).

No biogenic greenhouse gas emissions were identified in the CD PROJEKT Group in 2021.

**Chart 5** Sources of greenhouse gas emissions (GHG) in the CD PROJEKT Group



<sup>35</sup> Due to low materiality of emissions in Scope 1 and 2 by foreign member companies of the Group.

**Table 17** Greenhouse Gas Emissions (GHG) of the CD PROJEKT Group in 2021 (in tons of CO<sub>2</sub>e)<sup>36</sup>

	Unit	2021
Scope 1 – Direct GHG emissions	t CO <sub>2</sub> e	37
Scope 2 – Indirect GHG emissions		
Location-based method	t CO <sub>2</sub> e	1,523
Market-based method	t CO <sub>2</sub> e	1,664
Scope 1 + 2 (location-based)	t CO <sub>2</sub> e	1,560
Scope 1 + 2 (market-based)	t CO <sub>2</sub> e	1,701

In 2021, the carbon footprint of the CD PROJEKT Group calculated using the location-based (LB) method was 1,560 t CO<sub>2</sub>e, while the figure calculated using the market-based (MB) method was 1,701 t CO<sub>2</sub>e. The vast majority (98%) of greenhouse gas emissions generated in the course of the Group's operating activity falls into Scope 2: those are indirect emissions from the consumption of purchased electricity and heat. The total carbon footprint from the purchased electricity was 1,218 [t CO<sub>2</sub>e]. A significant majority of these emissions (73% of Scope 2 emissions and 2.72% of all emissions) is associated with electricity. The other emissions (27% of Scope 2 emissions and 2.26% of all emissions) are linked to purchased heat. The carbon footprint from purchased heat was 446 [t CO<sub>2</sub>e]. Scope 1 emissions occurred only in CD PROJEKT S.A. and were related to the combustion of fuels in local sources and the consumption of fuel in vehicles used by the Company; they contributed about 2% to the Group's overall carbon footprint.

2021 is the first year in which the CD PROJEKT Group calculated its greenhouse gas emissions. It is worth noting that, in connection with the current COVID-19 pandemic and the related restrictions, the number of people working at the office on a permanent basis was much lower than it was before the pandemic. Accordingly, the consumption of electricity in offices, which is the largest contributor to the Group's Scope 2 GHG emissions, does not fully reflect the potential consumption of energy in the standard working conditions and without the pandemic-related restrictions.

The structure of Scope 1 and 2 GHG emissions underscores the importance of the current commitment to the improvement of energy efficiency in our offices and transition to renewable energy sources. 328 photovoltaic panels with the total capacity of 100 kW installed on the top of our campus buildings in Warsaw generate benefits associated with lower greenhouse gas emissions. In 2021, the photovoltaic system produced 95.14 MWh of electricity, which prevented the emission of 71 CO<sub>2</sub>e to the atmosphere.

In 2022, we launched work to identify the main sources and calculate Scope 3 GHG emissions, that is indirect greenhouse gas emissions across the Group's value chain.

<sup>36</sup> Emissions are reported in tons of carbon dioxide equivalent, and concern domestic member companies of the Group.

The full calculation of Scope 1-3 greenhouse gas emissions will form the foundation on which the Group will devise its carbon footprint management strategy for the coming years. At present, we intend to focus on further improving our energy efficiency and increasing the share of renewable energy in the Group's overall energy balance, also through its own solar energy.

### EMISSIONS CONVERTED INTO EMISSION INTENSITY RATIOS (KPIs)

Our own KPI metrics were used to illustrate emission intensity. In order to ensure year-to-year comparability of data, the emission numbers were expressed using the parameters characteristic for the Group's activity, i.e. the space in use and the number of employees. These ratios will allow us to compare future GHG emission levels.

**Table 18** Intensity of greenhouse gas emissions in the CD PROJEKT Group in 2021

	Unit	2021
Emissions (Scope 1 and 2) per m <sup>2</sup> of space used (location-based)	t CO <sub>2</sub> e/m <sup>2</sup>	0.12
Emissions (Scope 1 and 2) per m <sup>2</sup> of space used (market-based)	t CO <sub>2</sub> e/m <sup>2</sup>	0.13
Emissions (Scope 1 and 2) per employee (location-based)	t CO <sub>2</sub> e/person	1.39
Emissions (Scope 1 and 2) per employee (market-based)	t CO <sub>2</sub> e/person	1.52

### DATA CENTER MANAGEMENT

#### SASB

In its current business activity, the CD PROJEKT Group colocates its own servers in a managed service facility meeting the highest security and colocation standards for hardware of this type. Additionally, some of the services are provided from our own server room located at the CD PROJEKT headquarters in Warsaw. Because of the global nature of our business, some of the internal and external services are also offered through public cloud service providers, such as Google Cloud Platform, AWS, Alibaba, OVH and ATMAN Cloud<sup>37</sup>.

<sup>37</sup> <https://www.atman.pl/en/about-us/certificates/>





Public cloud providers are either fully or substantially using renewable energy or plan to cover their current energy needs with 100% renewable energy in the coming years<sup>38</sup>. Our own servers are powered by electricity from the vendor supplying energy to the CD PROJEKT campus in Warsaw. Servers sited outside of the Company's headquarters through the colocation service are powered by electricity supplied under a contract between the data center operator and the power company. In 2021, 20.3% of the energy used by the colocation provider came from renewable energy sources<sup>39</sup>.

Our computing resources are virtualized and/or containerized and through the use of automatic scaling mechanisms for some external and internal services, the computing power is directed to where it is needed most at the moment. Promotional activities or entire campaigns carried out on our GOG.com sales platform are partially or fully supported with additional computing resources from the above-mentioned public cloud providers, with the support of our own resources that are not currently used; this guarantees a high resource utilization ratio. In daily tasks and whenever there is increased activity related to the development of game or application code, resources are dynamically added on demand. Additionally, the Group gradually modernizes its own resources in order to increase the computing power while keeping the level of energy consumption relatively constant.

38 According to publicly available reports from providers of public cloud services:  
Google Cloud Platform (<https://cloud.google.com/sustainability>),  
AWS (<https://sustainability.aboutamazon.com/environment/the-cloud?energyType=true>),  
Alibaba (<https://www.google.com/url?q=https://sustainability.alibabagroup.com/en&sa=D&source=docs&ust=1648118050938747&usg=AOvVaw2al7IQf9Ua8pBptviRylla>),  
OVH (<https://corporate.ovhcloud.com/en/sustainability/environment/>)

39 Data acquired directly from the colocation provider.

## WATER AND SEWAGE

### GRI 303-1; SASB

The CD PROJEKT Group uses water for consumption and for sanitary purposes. All water comes from external suppliers – municipal water supply networks. Domestic sewage is discharged to the city sewer system.

**Table 19** Water withdrawal and production of sewage in CD PROJEKT Group's office buildings<sup>40</sup>

	2021
Water withdrawal [m <sup>3</sup> ]	3,715
Quantity used/deployed [m <sup>3</sup> ]	3,654

In order to minimize consumption of water and effectively manage water resources in our offices:

- we install various water saving devices (including touchless sink faucets, aerators, flush tanks with a stop function),
- we provide our employees with water dispensers connected to the water supply network,
- we immediately eliminate leaks and replace broken devices (flush tanks, sink faucets),
- we have installed energy saving dishwashers, in which eco washing programs can be used,
- we have implemented environmental regulations for tenants and business partners who operate on CD PROJEKT's premises in which we defined, among other things, best practices for responsible water management.

We are planning additional activities to conserve water resources, including the use of rainwater to irrigate green areas at the CD PROJEKT campus in Warsaw.



## WASTE MANAGEMENT

### GRI 306-3

All the waste that cannot be prevented is stored in separate fractions, as required by law, and always handed over to be utilized to specialized entities holding the necessary permits for processing the specific type of waste.

<sup>40</sup> The data refers to Polish locations of the Group's member companies and office space leased in Kraków and Wrocław. It is based on invoices and billing reports.

**Table 20** Total weight of waste produced by CD PROJEKT Group companies in 2021, by type of waste and waste handling method<sup>41</sup>

Type of waste	Weight [t]	Utilization methods
Hazardous waste	0.25	Processing
Non-hazardous waste	10.25	Processing
Total	10.50	

In 2021, CD PROJEKT Group companies produced and handed over for utilization approximately 10.5 tons of waste, of which 0.25 tons of hazardous waste, which represented only 2% of all waste. In 2021, based on legal requirements and best practices, we developed a new policy for managing the waste produced at the CD PROJEKT campus in Warsaw. We have implemented environmental regulations for tenants and business partners operating on CD PROJEKT's premises in which we defined, among other things, detailed rules for responsible waste management.

Municipal waste is segregated as required by the local waste management system. All office spaces and social areas are equipped with marked waste segregation bins (paper, glass, metal and plastic, bio and mixed), whereby we almost entirely eliminated standalone wastepaper bins next to desks.

Paper boxes are available next to every printer. All our printers now use 100% recycled unbleached paper with FSC (Forest Stewardship Council) and Der Blue Angel certificates. In order to minimize the quantity of paper and toner used and avoid accidental printouts, we have implemented the Follow Me safe printing system. This solution allows a document to be printed only when an ID card is swiped at the printer. We also encourage everyone to use electronic documents and print out materials only when necessary.

We collect and safely destroy any documentation fixed in hard copy and also magnetic forms. We also selectively collect batteries and accumulators, old electronic equipment and toners.



<sup>41</sup> This refers to domestic member companies of the Group. The data represents the volume of hazardous waste, as well as other waste, reported in the BDO system by each company as produced in 2021. Figures are listed in tons and are accurate to within 1 gram. Data concerning waste treatment is reported by waste management facilities and based on their respective contracts for waste collection and/or processing.

## REDUCING THE CONSUMPTION OF PLASTIC

Non-reusable plastic products pose a true threat to the environment. The CD PROJEKT Group has made a commitment to reduce these products in the company's daily life. All kitchens and social spaces are fully equipped with reusable dishes and cutlery. The offices are equipped with water dispensers directly connected to the water supply network and offer the sparkling water function, as well as compact water purification systems with built-in mineral water containers, allowing us to reduce bottled water orders to the necessary minimum.

## TRANSPORTATION

The CD PROJEKT home office in Warsaw is conveniently located and is easily accessible via municipal transport and bike lanes. We promote alternative modes of transportation and provide facilities for those who make this choice to commute to work. Our campus is equipped with bicycle stands and as the number of people using this mode of transport increases, we regularly add new space for bicycle parking. In 2021, we expanded and modernized facilities for cyclist commuters – we now provide 80 bike stands and a dedicated bike maintenance station. We also support the choice of electric vehicles. Our campus in Warsaw offers 8 charging stations for electric cars. In connection with the construction of a new multistory parking lot, we plan to increase the number of parking spots with available charging stations by 129.



## Our products – environmental impact

We are aware that we affect the natural environment across our entire supply chain, among others through our games we sell globally. We are currently taking steps to measure this impact, among others by calculating CD PROJEKT's Scope 3 carbon footprint.

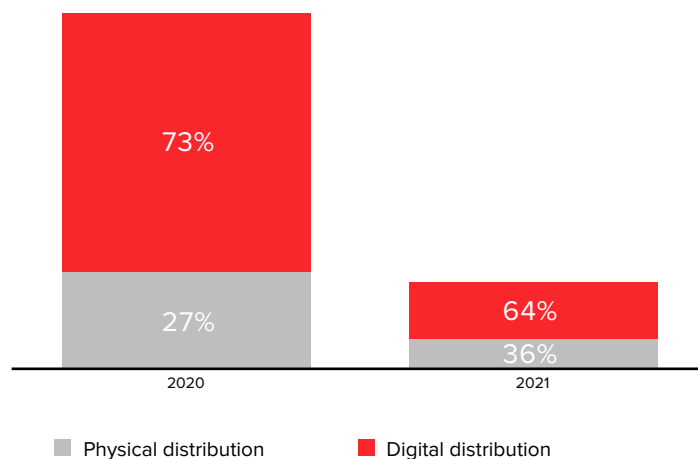


## DIGITALIZATION OF SALES

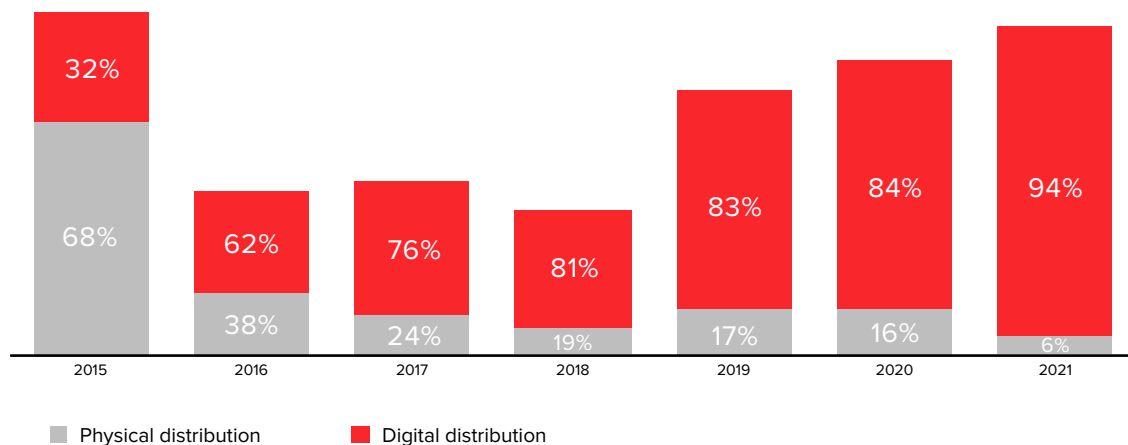
We have observed increasing digitalization in the gaming sector. More and more customers choose to purchase digital versions of their favorite games, which is certainly driven by the current COVID-19 pandemic and the increasing environmental awareness of consumers. The rising trend of digital game sales offers a real opportunity to reduce the consumption of raw materials, including plastic, and reduce the adverse environmental effects of the production and distribution of physical copies of games.

We have noted the increasing percentage of digital sales in the total sales of our games.

**Chart 6** Cyberpunk 2077 – retail sales to gamers (sell-through) by platform type (units sold; source: Company estimates based on information collected from distributors)



**Chart 7** Sales of The Witcher 3 by distribution channel (units sold; sell-in figure)<sup>42</sup>

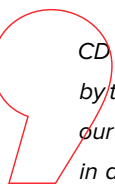
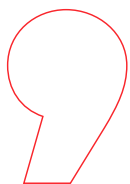


<sup>42</sup> historical data, revised.

## Activity of CD PROJEKT RED GEAR

### OUR APPROACH

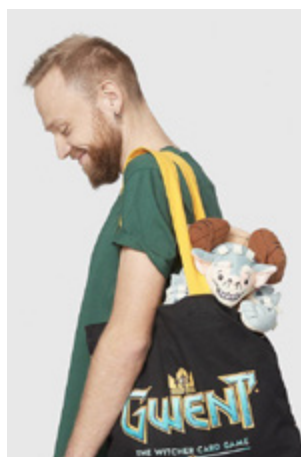
**Aleksandra Jarońkiewicz,**  
Director at CD PROJEKT RED GEAR



*CD PROJEKT RED GEAR is a store where fans of games developed by the CD PROJEKT RED studio may purchase items associated with our games. Our philosophy is to offer products of the highest quality in a responsible and sustainable manner, so reducing our adverse environmental impact is really important to us.*

*CD PROJEKT RED GEAR is committed to local production and short supply chains: approximately 87% of our products are manufactured in Poland, which also allows us to have greater control over quality and production process. By shortening transport routes, we also reduce our carbon footprint and other transportation-related pollution.*

We also want to support Polish artists: we cooperate with Polish manufacturers that have extensive experience and individual style, such as Turbokolor, Astrography, Bewood or Phenotype. On top of that, we search for and promote Polish artists, offering them an opportunity to showcase their talent or boost their presence on the international market..



What distinguishes us from others are our boutique collections. Since we do not overstock products, but rather make them to order, we do not have to recycle products.

We are working on eliminating plastic from our packaging. Wherever possible, we try to choose cardboard or durable materials that become an important part of the product, such as metal cans in the case of The Witcher medallions. Orders from our store are currently, for the most part, shipped in cardboard boxes or in biodegradable poly mailers. In 2022, we want to take another step and introduce FSC certified packaging and replace plastic packing tape with paper tape with a rubber adhesive. In 2022, we also plan to replace plastic foil packaging, which is used to secure clothing with plant starch-based bioplastic bags.

We also offer upcycled products: last year, we launched the sales of Cyberpunk 2077 bags in which the entire outer layer is made of the material used to produce advertising billboards for the Cyberpunk 2077 game.



## Compliance with taxonomy of sustainable activities

The basis for the preparation of this part of the Report is Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (hereinafter referred to as “the Taxonomy”), which obligates enterprises to disclose whether, and if so – to what degree their business activities are consistent with the assumptions of the Taxonomy which classifies and describes environmentally sustainable activities.

Between 1 January 2021 and 31 December 2021 (i.e. in the 2021 financial year) disclosures concern the percentage share of their economic activities which are aligned with the Taxonomy and those which are not, with regard to:

- total turnover,
- total capital expenditures (CapEx),
- total operating expenditures (OpEx),

in addition to the related qualitative (descriptive) information, as mandated under the Commission Delegated Regulation 2021/2078.

In line with the Commission Delegated Regulation 2021/2078 economic activities which are aligned with the Taxonomy for the purposes of 2021 disclosures are the activities listed in the Commission Delegated Regulation 2021/20139.

To validate alignment, we carried out assessment in the scope of two initial goals for which technical alignment criteria had originally been published:

- climate change mitigation, as listed in Appendix I to Delegated Regulation (EU) 2021/2139,
- adaptation to climate change, as listed in Appendix II to Delegated Regulation (EU) 2021/2139.

To accurately determine the scope of disclosures required for 2021 at all companies belonging to the CD PROJEKT Group, we carried out an analysis of their activities, as a result of which we have identified a range of Taxonomy-aligned activities, i.e. activities consistent with the descriptions contained in Appendices I and II to Delegated Regulation (EU) 2021/2139.

Pursuant to the Taxonomy, the data contained in the following disclosures concerns revenues (turnover) from economic activities, along with capital expenditures and operating expenditures, as well as purchases from Taxonomy-aligned enterprises. The basis for determining whether a given activity is Taxonomy-aligned was a comparison between the activity being carried out with the descriptions contained in Appendices I and II to Delegated Regulation (EU) 2021/2139.

The basis for calculation of turnover, capital expenditures and operating expenditures was the set of definitions contained in in Appendix I to Delegated Regulation (EU) 2021/2178. Calculations which concern the Group as a whole are exclusive of consolidation eliminations, which are consistent with the practices applied in our consolidated financial statement.

Each specific activity was assigned to a single Taxonomy-aligned activity – thus, no portion of our revenues, CapEx and OpEx was taken into account twice.

The CD PROJEKT Group also conducts activities outside the European Union. Such activities were tested for alignment in the same way as our activities carried out within the UE.

The analysis involved the following actions:

- we assigned the economic activities of the CD PROJEKT Group to NACE sectors, and determined whether these sectors are included in the Taxonomy. This, in turn, enabled us to determine the alignment of the Group's activities with the EU Taxonomy, particularly in the scope of goals no. 1 (climate change mitigation) and 2 (adaptation to climate change);
- we carried out a qualitative analysis of the allocation of our revenues, CapEx and OpEx to specific types of activities identified at each member company of the CD PROJEKT Group – in the context of NACE codes as well as with regard to other types of activities which meet the criteria of Taxonomy alignment. This allocation was based on the methodology described in the Delegated Regulation concerning the content and presentation of disclosures related to sustainable activities (see specific criteria in Appendix I section 1.1.1. with regard to revenues; section 1.1.2.1. with regard to CapEx and section 1.1.3.1. with regard to OpEx);
- we consolidated the data related to our revenues, CapEx and OpEx on the level of the Group



As a result of the above actions, we came to the conclusion that the share of CD PROJEKT Group's turnover in 2021 aligned with the EU environmental Taxonomy is 0%.

Likewise, a coefficient of 0% was obtained for the operating expenditures of the CD PROJEKT Group in 2021.

With regard to aligned capital expenditures in 2021, a value of 9.4 million PLN was obtained.

Taking the above into account, we decided to present the obtained results in the form of a table which concerns capital expenditures only.

Values and percentage share of CD PROJEKT Group's capital expenditures aligned with the UE environmental Taxonomy in 2021:

Economic activity	Activity code in UE Taxonomy	CAPEX of the CD PROJEKT Group aligned with the EU Taxonomy (total value)	CAPEX of the CD PROJEKT Group aligned with the UE Taxonomy (percentage share)
		million PLN	%
A. Aligned activity	-	9.4	9%
Installation, maintenance and repair of energy efficiency equipment	7.3	1.4	1%
Renovation of existing buildings	7.2	8.1	8%
B. Unaligned activity	-	97.8	91%
<b>TOTAL (A + B)</b>	-	107.2	100%

The Company is not obligated to disclose data concerning its alignment with the environmental sustainability Taxonomy in 2021 given the fact that it does not qualify as a financial market participant (under the SFRD Directive) or as an entity to which non-financial disclosure obligations apply (under the NFRD Directive). Nevertheless, we undertook a voluntary attempt to determine what portion of revenues, operating expenditures and capital expenditures of the CD PROJEKT Group is aligned with the Taxonomy.

The Company has applied due diligence in ensuring that the data presented above is accurate; however, given the complexity inherent in assessing the alignment of the Company's activities with the Taxonomy, we wish to remark that the presented figures may be adjusted in the future.

In future years we aim to improve our taxonomic analysis mechanisms and presentation of results. This, however, will depend primarily on legislative progress on further elements of the EU Taxonomy.

## Attachment 1. Compliance with the requirements of the Accounting Act in the scope of non-financial disclosures

Requirement (Accounting Act)	Document reference
Disclosure of the entity's business model and key performance indicators	Business model
Disclosure of management of risks identified as significant	ESG risk management at the CD PROJEKT Group
Disclosure of due diligence procedures and performance indicators related to the entity's involvement in counteracting corruption	Anti-corruption policy
Disclosure of policies, due diligence procedures and performance indicators related to the entity's involvement in human rights protection	Our approach to social responsibility Diversity and inclusion
Disclosure of policies, due diligence procedures and performance indicators related to the entity's activities in the context of social issues	Social responsibility
Disclosure of policies, due diligence procedures and performance indicators related to the entity's activities in the context of the natural environment	Environmental responsibility
Disclosure of policies, due diligence procedures and performance indicators related to the entity's activities in the context of labor issues	Our approach to social responsibility CD PROJEKT as an employer Diversity and inclusion
Disclosure of policies, due diligence procedures and performance indicators related to important issues in the context of customer/client relations and quality	Communication with gamers

## Attachment 2. Global Reporting Initiative Index (GRI)

### GRI 102-55

GRI	Disclosure	Scope	Reference
About the CD PROJEKT Group			
GRI 102-1	Name of the organization	Basic	About the CD PROJEKT Group
GRI 102-2	Activities, brands, products, and services	Basic	About the CD PROJEKT Group
GRI 102-3	Location of headquarters	Basic	About the CD PROJEKT Group
GRI 102-4	Location of operations	Basic	About the CD PROJEKT Group
GRI 102-5	Ownership and legal form	Basic	Ownership structure
GRI 102-6	Markets served	Basic	About the CD PROJEKT Group
GRI 102-7	Scale of the organization	Basic	About the CD PROJEKT Group
GRI 102-8	Information on employees and other workers	Basic	CD PROJEKT as an employer
GRI 102-9	Supply chain	Basic	Business model
GRI 102-10	Significant changes to the organization and its supply chain	Basic	About the Report
GRI 102-11	Precautionary Principle or approach	Basic	Management of ESG risks in the CD PROJEKT Group
GRI 102-12	External initiatives	Basic	ESG goals
GRI 102-13	Membership of associations	Basic	Membership in trade organizations and public affairs
GRI 102-14	Statement from senior decision-maker	Basic	Letter from the CEO
GRI 102-15	Key impacts, risks, and opportunities	Basic	Management of ESG risks in the CD PROJEKT Group Growth strategy
GRI 102-16	Values, principles, standards, and norms of behavior	Basic	Values, compliance, ethical norms
GRI 102-17	Mechanisms for advice and concerns about ethics	Basic	Values, compliance, ethical norms Reporting irregularities
GRI 102-18	Governance structure	Basic	Corporate bodies of CD PROJEKT S.A.
GRI 102-19	Delegating authority	Comprehensive	Corporate bodies of CD PROJEKT S.A.

GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	Comprehensive	Top priority ESG issues
GRI 102-21	Consulting stakeholders on economic, environmental, and social topics	Comprehensive	Dialogue with stakeholders and materiality check
GRI 102-22	Composition of the highest governance body and its committees	Comprehensive	Corporate bodies of CD PROJEKT S.A.
GRI 102-23	Chair of the highest governance body	Comprehensive	Corporate bodies of CD PROJEKT S.A.
GRI 102-24	Nominating and selecting the highest governance body	Comprehensive	Corporate bodies of CD PROJEKT S.A.
GRI 102-25	Conflicts of interest	Comprehensive	Anti-corruption policy
GRI 102-26	Role of highest governance body in setting purpose, values, and strategy	Comprehensive	Corporate bodies of CD PROJEKT S.A.
GRI 102-27	Collective knowledge of highest governance body	Comprehensive	Dialogue with stakeholders and materiality check
GRI 102-30	Effectiveness of risk management processes	Comprehensive	Management of ESG risks in the CD PROJEKT Group
GRI 102-35	Remuneration policies	Comprehensive	Corporate bodies of CD PROJEKT S.A.
GRI 102-36	Process for determining remuneration	Comprehensive	Corporate bodies of CD PROJEKT S.A.
Approach to sustainability in CD PROJEKT Group			
GRI 102-40	List of stakeholder groups	Basic	Dialogue with stakeholders and materiality check
GRI 102-42	Identifying and selecting stakeholders	Basic	Dialogue with stakeholders and materiality check
GRI 102-43	Approach to stakeholder engagement	Basic	Dialogue with stakeholders and materiality check
GRI 102-44	Key topics and concerns raised	Basic	Top priority ESG issue
GRI 102-45	Entities included in the consolidated financial statements	Basic	About the CD PROJEKT Group
GRI 103-1	Explanation of the material topic and its Boundary	Basic	About the Report
GRI 103-2	The management approach and its component	Basic	Social responsibility Responsible governance and organization Environmental responsibility
GRI 103-3	Evaluation of the management approach	Basic	Social responsibility Responsible governance and organization Environmental responsibility



Social responsibility			
GRI 102-41	Collective bargaining agreements	Basic	Dialogue with the team
GRI 201-3	Defined benefit plan obligations and other retirement plans	Comprehensive	Employee Pension Scheme
GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Comprehensive	Remuneration and job promotions
GRI 401-1	New employee hires and employee turnover	Comprehensive	CD PROJEKT as an employer
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Comprehensive	Incentivization and benefits
GRI 401-3	Parental leave	Comprehensive	CD PROJEKT as an employer
GRI 403-1	Occupational health and safety management system	Comprehensive	Occupational health and safety (OHS)
GRI 403-3	Usługi medycyny pracy	Comprehensive	Occupational health and safety (OHS)
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Comprehensive	Occupational health and safety (OHS)
GRI 403-5	Worker training on occupational health and safety	Comprehensive	Occupational health and safety (OHS)
GRI 403-6	Promotion of worker health	Comprehensive	Actions to benefit the team's health and well-being
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Comprehensive	Initiatives to augment the work comfort
GRI 403-8	Workers covered by an occupational health and safety management system	Comprehensive	Occupational health and safety (OHS)
GRI 403-9	Work-related injuries	Comprehensive	Occupational health and safety (OHS)
GRI 404-1	Average hours of training per year per employee	Comprehensive	Training and development
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Comprehensive	Training and development
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Comprehensive	Evaluation and feedback system
GRI 405-1	Diversity of governance bodies and employees	Comprehensive	Diversity in supervisory and management bodies
GRI 405-2	Ratio of basic salary and remuneration of women to men	Comprehensive	Remuneration and job promotions









GRI 406-1	Incidents of discrimination and corrective actions taken	Comprehensive	Reporting irregularities
Environmental responsibility			
GRI 302-1	Energy consumption within the organization	Comprehensive	Energy consumption
GRI 302-4	Reduction of energy consumption	Comprehensive	Energy consumption
GRI 303-1	Water withdrawal by source	Comprehensive	Water and sewage
GRI 305-1	Direct GHG emissions (Scope 1)	Comprehensive	Greenhouse gas emissions
GRI 305-2	Energy indirect GHG emissions (Scope 2)	Comprehensive	Greenhouse gas emissions
GRI 305-4	GHG emissions intensity	Comprehensive	Greenhouse gas emissions
GRI 306-3	Waste generated	Comprehensive	Waste management
GRI 307-1	Non-compliance with environmental laws and regulation	Comprehensive	Our approach to environmental responsibility
About the Report			
GRI 102-46	Defining report content and topic Boundaries	Basic	About the Report Dialogue with stakeholders and materiality check Top priority ESG issues
GRI 102-47	List of material topics	Basic	Top priority ESG issues
GRI 102-48	Restatements of information	Basic	About the Report
GRI 102-49	Changes in reporting	Basic	About the Report
GRI 102-50	Reporting period	Basic	About the Report
GRI 102-51	Date of most recent report	Basic	About the Report
GRI 102-52	Reporting cycle	Basic	About the Report
GRI 102-53	Contact point for questions regarding the report	Basic	About the Report
GRI 102-54	Claims of reporting in accordance with the GRI Standards	Basic	Index Global Reporting Initiative (GRI)
Responsible governance and organization			
GRI 201-1	Direct economic value generated and distributed	Comprehensive	Key financial and non-financial business indicators
GRI 205-3	Confirmed incidents of corruption and actions taken	Comprehensive	Anti-corruption policy
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Comprehensive	Compatibility with international regulations and fair competition

GRI 207-1	Approach to tax	Comprehensive	Tax transparency
GRI 207-2	Tax governance, control, and risk management	Comprehensive	Tax transparency
GRI 415-1	Political contributions	Comprehensive	Membership in trade organizations and public affairs
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.	Comprehensive	Suitable labeling of products and services
GRI 417-1	Requirements for product and service information and labeling.	Comprehensive	Suitable labeling of products and services
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling.	Comprehensive	Compatibility with international regulations and fair competition
GRI 417-3	Incidents of non-compliance concerning marketing communications	Comprehensive	Compatibility with international regulations and fair competition
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data.	Comprehensive	Protection of personal data
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	Comprehensive	Compatibility with international regulations and fair competition

## Attachment 3. Sustainability Accounting Standards Board (SASB) Index

Topic	Ratio	Category	Unit	Reference
Environmental Footprint of Hardware Infrastructure	<ul style="list-style-type: none"> <li>Total energy consumed,</li> <li>Percentage grid electricity,</li> <li>Percentage renewable</li> </ul>	Quantitative	GJ; (%)	Energy consumption
	<ul style="list-style-type: none"> <li>Total water withdrawn,</li> <li>Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress</li> </ul>	Quantitative	thousand of m <sup>3</sup> ; (%)	Water and sewage
	Discussion of the integration of environmental considerations into strategic planning for data center needs	Discussion and analysis	—	Data center management
Data Privacy & Freedom of Expression	Description of policies and practices relating to behavioral advertising and user privacy	Discussion and analysis	—	Protection of personal data
	Total financial losses as a result of claims relating to behavioral advertising and user privacy	Quantitative	Reporting currency	Protection of personal data
Data security	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Discussion and analysis	—	Data security
Recruiting & Managing a Global, Diverse & Skilled Workforce	Percentage of employees that are <ul style="list-style-type: none"> <li>foreign nationals and</li> <li>located offshore</li> </ul>	Quantitative	(%)	Compatibility with international regulations and fair competition
	Percentage of gender and racial/ethnic group representation for <ul style="list-style-type: none"> <li>management,</li> <li>technical staff, and</li> <li>all other employee</li> </ul>	Quantitative	(%)	Compatibility with international regulations and fair competition
Intellectual Property Protection & Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	(%)	Compatibility with international regulations and fair competition



			
<b>Adam Kiciński</b> President of the Board	<b>Marcin Iwiński</b> Vice President of the Board	<b>Piotr Nielubowicz</b> Vice President of the Board	<b>Adam Badowski</b> Board Member
			
<b>Michał Nowakowski</b> Board Member	<b>Piotr Karwowski</b> Board Member	<b>Paweł Zawodny</b> Board Member	<b>Jeremiah Cohn</b> Board Member



