



CD PROJEKT GROUP SUSTAINABILITY REPORT FOR 2022





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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Foreword from the President of the Board

[GRI 2-22]

At CD PROJEKT videogame development is the core of our business. We create unique games with memorable stories which leave a long-lasting mark on gamers. This is the purpose of our existence and the focal point of our activities throughout 2022.

In October 2022 we unveiled a strategy update for the CD PROJEKT Group which charts our activities in the coming years. For the first time ever this update covers social, environmental and governance (ESG) aspects of our activity. We also defined five ESG ambitions which will help us achieve our business goals in the future.

Fully aware that people are our greatest asset, we have – for years – been working to ensure a healthy work environment. **We want CD PROJEKT to be a workplace of which people want to be an integral, crucial part.** In the past year we carried out our first-ever team engagement survey, using the Culture Amp tool. This highlighted CD PROJEKT's strengths, as well as areas which call for improvement. We are already working on such improvements. We also continued to invest in further expansion of our career development opportunities and adapted our training portfolio to the current needs of our teams.

Continuing the green transformation of our campus, in 2022 we introduced numerous investments to improve the energy efficiency of our buildings. We also calculated the carbon footprint for our entire value chain¹ – this will help us pinpoint major sources of carbon emissions, and plan further remedial actions.

We base our business on transparency and mutual trust. In 2022 we focused on improving our internal regulations and on training our team in the scope of ethical business practices. For the first time ever we also submitted our ESG report – on a voluntary basis – to external verification to ensure that it conforms to GRI standards.

In 2022, immediately following the launch of the Russian invasion of Ukraine, we decided to suspend distribution of our games in Russia and Belarus. **We then took action to support the victims of the ongoing war beyond our eastern borders. To us, social responsibility also entails participation in events where we can share our skills with others.** In the past year, among other initiatives, we organized the first edition of our mentoring and scholarship program called Girls in the Game!, as well as yet another edition of the Promised Land Art Festival.

All these initiatives enable us to evolve as a company and gain expertise in areas which we consider important for our daily business activities. We also remain faithful to the values which have guided CD PROJEKT since its inception, and which represent an integral part of our DNA.



We are ambitious, willing to break the mold, and attentive to the needs of others. All this is necessary to continue creating the world's best games.

I invite you to join us on a journey around the CD PROJEKT Group.

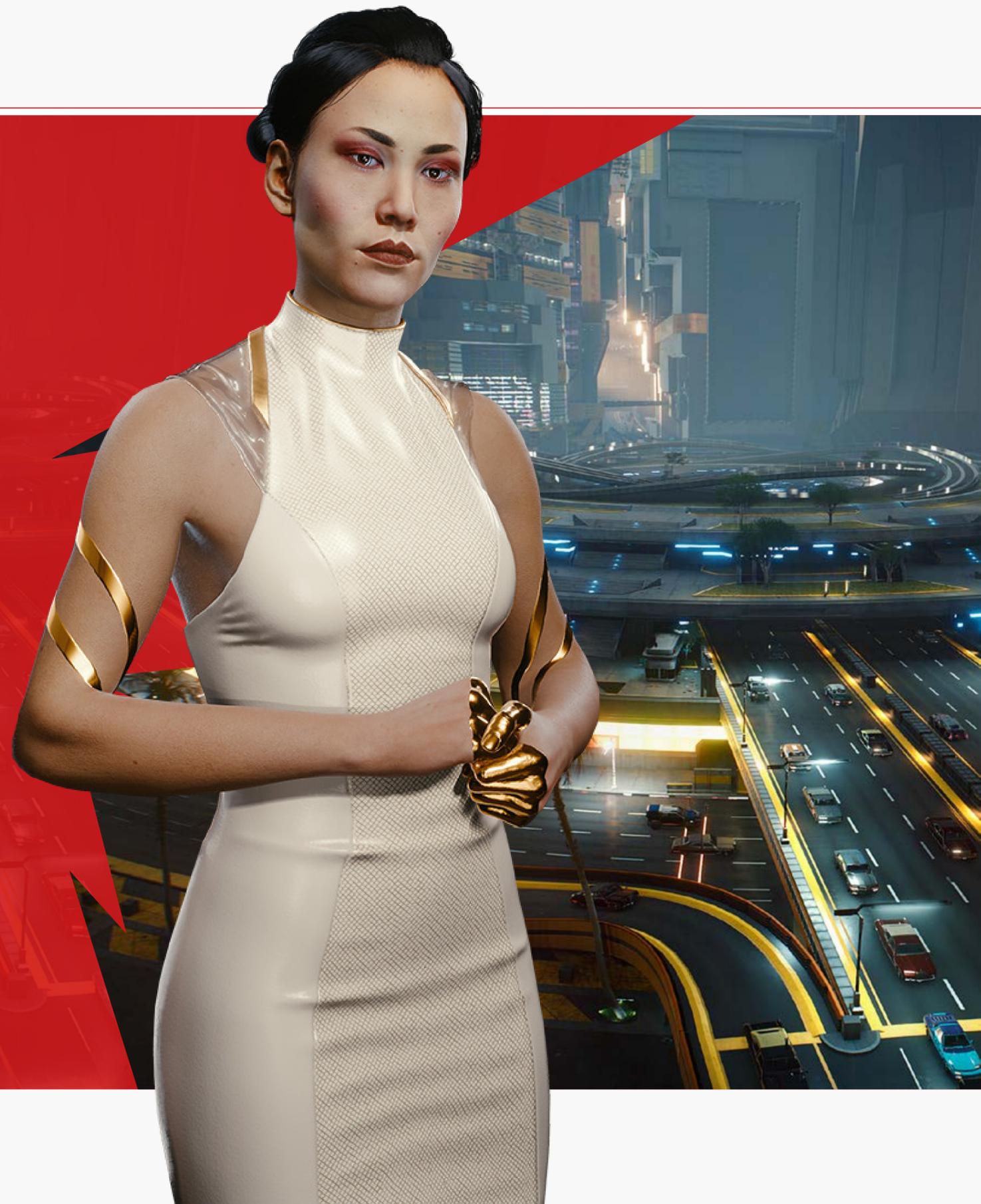
Best regards,
Adam Kiciński



¹ detailed information regarding emissions in our value chain (i.e. in Scope 3) can be found in the section titled Carbon footprint

01

ABOUT THE REPORT



About the Report

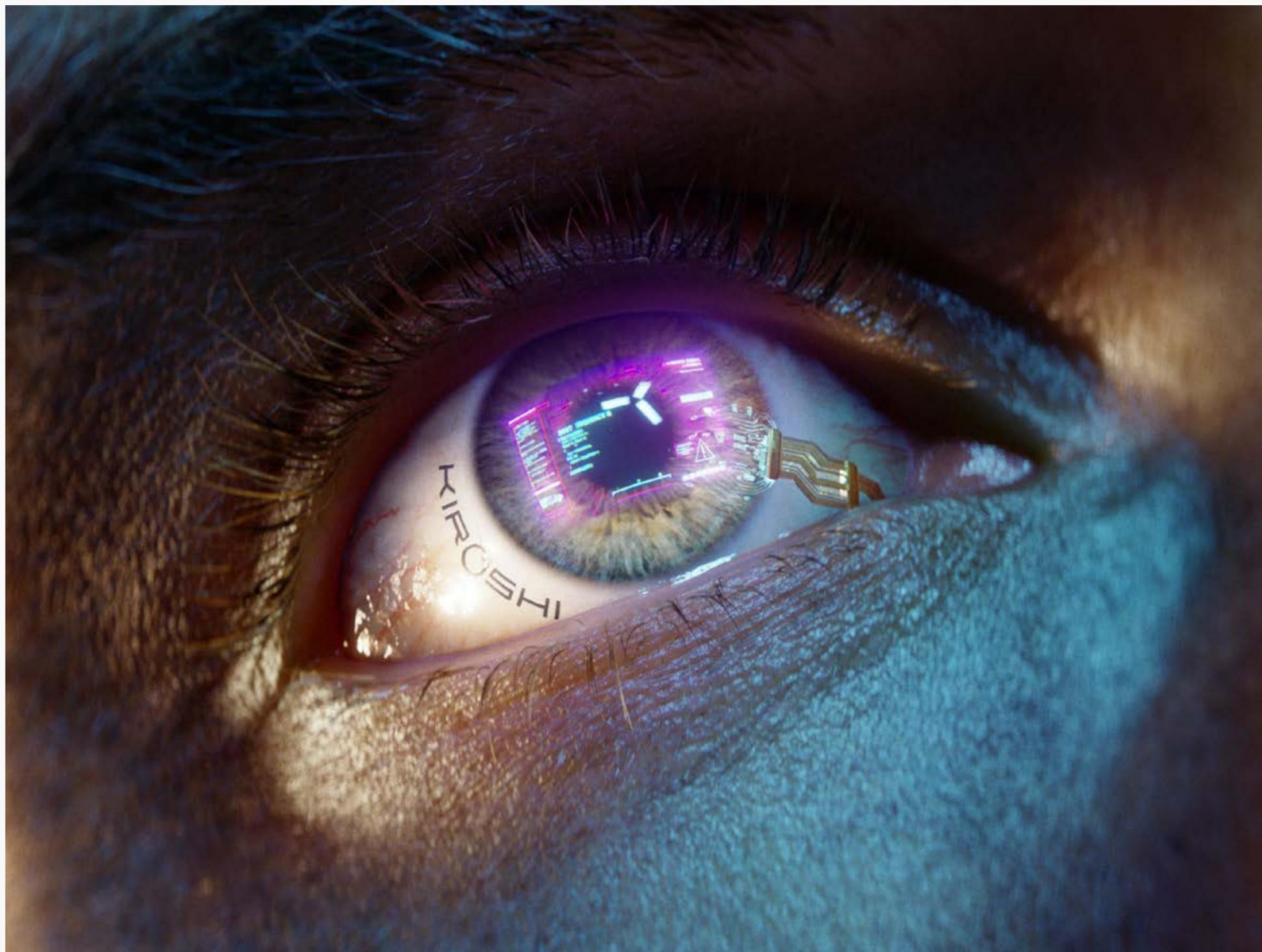
We place in your hands the CD PROJEKT Group Sustainability Report for 2022. The document provides a basic description of the CD PROJEKT Group, a description of sustainability issues which have particularly strong long-term impact on the Group's business, ways in which the CD PROJEKT Group manages these issues, and important risks associated therewith. The Report also contains an update on our progress towards environmental, social and governance goals, as well as goals for further years.

The report is provided, for the second time, on a voluntary basis – despite the fact that CD PROJEKT does not meet the criteria specified in the Accounting Act which imposes upon certain companies traded on the Warsaw Stock Exchange the obligation to publish separate non-financial Statements or distinct Reports.

Scope of reporting

[GRI 2-3]

Information provided in the Report is consistent with the requirements of the Accounting Act, GRI Universal Standards and other international standards published by the Sustainability Accounting Standards Board (SASB). Information regarding compliance with the Accounting Act, disclosure of compliance with the taxonomy for sustainable activities, and tables listing GRI and SASB indicators are annexed to this Report as appendices 1-5 respectively.



Information regarding management of ESG issues at CD PROJEKT and at the CD PROJEKT Group will be published on an annual basis together with the CD PROJEKT Group's annual report.

Information presented in the Report is valid as of 31 December 2022 and covers the period between 1 January and 31 December 2022 unless indicated otherwise. The sustainability reporting period is consistent with the financial reporting period.

Boundaries of reporting

[GRI 2-2]

Given the character of its business activities, which involves significant business and organizational autonomy of member companies, the CD PROJEKT Group, in most cases, does not enforce uniform policies and procedures on the level of the Group, applicable to all its subsidiaries (unless indicated otherwise in the Report). Each member of the Group is responsible for introducing local policies and procedures adapted to the scope and scale of its activity, as well as to local legal requirements. The list of companies covered by sustainability reporting is not equivalent to the list of companies subject to consolidation in the Group's financial statement.

Employment-related data and indicators

Employment indicators are provided for all persons employed at CD PROJEKT S.A. (1 012 individuals as of 31 December 2022) regardless of contract type. We opted for this solution due to the specific nature of the digital entertainment industry. Restricting the scope of reporting to persons who hold standard contracts of employment would distort employment-related disclosures.

Environmental data (GRI 302-1, 303-3, 305-1, 305-2, 305-3, 305-4 and SASB – “Environmental Footprint of Hardware Infrastructure”)

Organizational boundaries for environmental indicators encompass the activities of four companies which belong to the CD PROJEKT Group:

- CD PROJEKT S.A. (3 locations: Warsaw, Kraków, Wrocław)
- GOG Sp. z o.o.
- Spokko Sp. z o.o.
- CD PROJEKT RED STORE Sp. z o.o.

Carbon footprint indicators are consolidated in accordance with the CD PROJEKT Group's operational control criterion for Polish entities, accounting for 100% of emissions generated by the analyzed companies.

Other data and indicators

Given that CD PROJEKT S.A., which is the holding company of the CD PROJEKT Group, accounts for 78% of all of the Group's employees, 79% of its consolidated



revenues for 2022 and 99% of its consolidated net profit for 2022, the management of ESG issues described in successive sections of this report is presented mostly from the perspective of the holding company. This applies both to GRI and SASB indicators.

We proceed from the assumption that CD PROJEKT Inc. and CD PROJEKT RED STORE Sp z o.o., whose financial results are consolidated by the Company as a consequence of past decisions, does not meet the materiality criterion in the context of this report, given its limited scope of activities – unless indicated otherwise.

Changes in reporting practices and external verification

[GRI 2-4, 2-5]

As a result of updates to the GRI standard, the CD PROJEKT Group Sustainability Report for 2022 incorporates the following changes:

- we updated the list of disclosed indicators to comply with the new version of the GRI standard;
- we revised the list of areas of materiality compared to the list identified in 2021.

Moreover, given the uniformization of tier names, our analysis of managerial structures is based on the following tiers: Director, Manager, Lead. We recomputed all related indicators for 2021 accordingly and provide adjusted data in this report (please refer to the annexed table titled “CD PROJEKT S.A. managerial staff by gender”).

The CD PROJEKT Group Sustainability Report was subjected to independent attestation covering all profile indicators and selected material result indicators. This attestation service was provided by Deloitte Audyt Sp. z o.o. sp. k.

The attestation report will be posted at <https://www.cdprojekt.com/en/esg/download-center/>.

Contact information

[GRI 2-3]

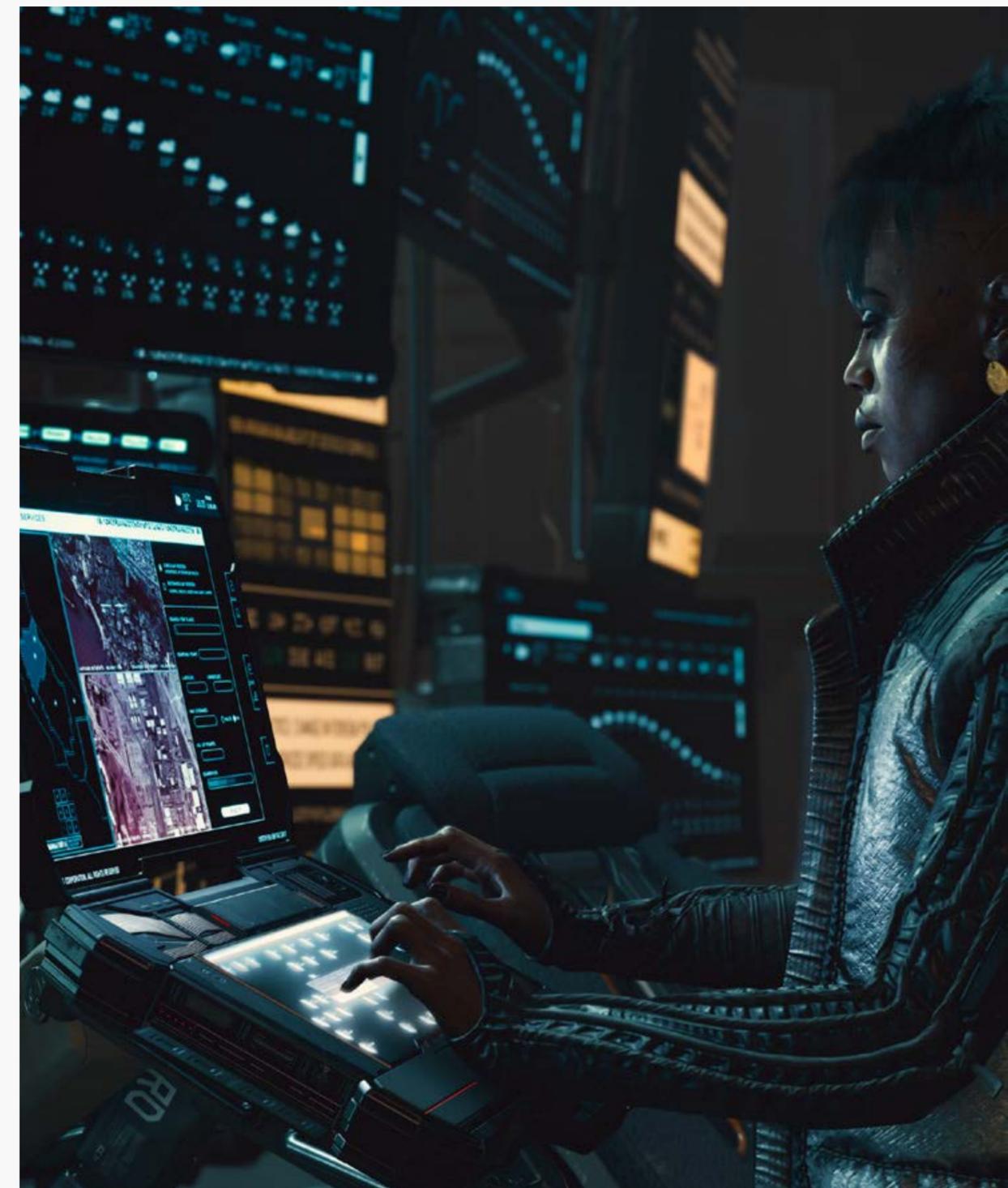
Coordination and preparation of the CD PROJEKT Group Sustainability Report for 2022 is the responsibility of the ESG Team, which is part of the Investor Relations Department.

Any inquiries related to this Report should be addressed to: esg@cdprojekt.com

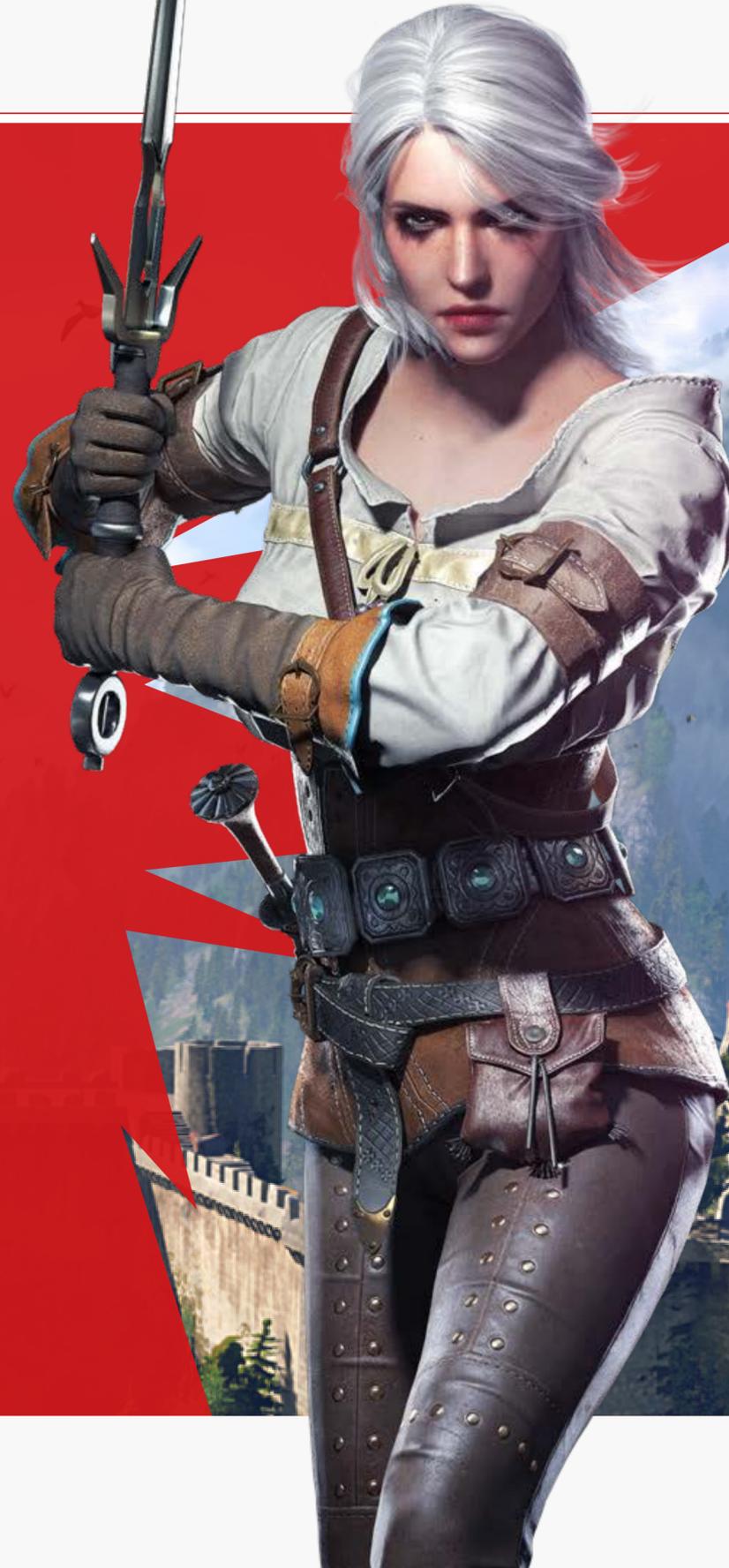
Registered seat; headquarters:

CD PROJEKT S.A.
ul. Jagiellońska 74
03-301 Warsaw

Date of publication: 30 March 2023



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OUR BUSINESS

About the CD PROJEKT Group

As the CD PROJEKT Group we have been active on the dynamically growing global electronic entertainment market for nearly thirty years.

Find out more about [key moments](#) in the CD PROJEKT Group's history

We carry out our operations in two key business segments – CD PROJEKT RED and GOG.COM.

CD PROJEKT RED accounts for the bulk of the CD PROJEKT Group's activities – namely, developing and publishing videogames and other tie-in products based on our brands: The Witcher and Cyberpunk 2077.

GOG.COM is the second, smaller part of our business, which consists in digital distribution of videogames via the proprietary online distribution platform named [GOG.COM](#) and the GOG GALAXY application.



2022 in CD PROJEKT Group

953 million PLN
in consolidated sales revenues

347 million PLN
in consolidated net profit

1 091 million PLN
in financial reserves² at the end of 2022

1 292
employees from 43 countries

32%
women account for 32% of our team

97%
of our sales are exports

² Financial reserves comprise cash on hand, near-cash, bank deposits with maturity periods longer than 3 months and other liquid financial assets in the form of treasury bonds (jointly aggregated with short- and long-term Other financial assets).

Calendar of events

- **26 January**
The Supervisory Board appoints Mr. Paweł Zawodny and Mr. Jeremiah Cohn to the Management Board of CD PROJEKT S.A.
- **15 February**
The next-gen edition of Cyberpunk 2077 is released, along with a major update (1.5) for all supported platforms
- **3 March**
Following Russia's invasion of Ukraine, we suspended sales of our products in Russia and Belarus
- **21 March**
We announce a new Witcher-themed game in development, and a strategic partnership with Epic Games
- **1 July**
We celebrate the 20th anniversary of the founding of our CD PROJEKT RED studio
- **17 August**
We formally adopted the CD PROJEKT Environmental Policy
- **31 August**
Opening of the 4th edition of the Promised Land Art Festival, of which we are co-organizers
- **13 September**
the Cyberpunk: EDGERUNNERS anime series co-produced by CD PROJEKT RED and the Japanese Studio Trigger – was released on Netflix
- **4 October**
We unveil the CD PROJEKT Group Strategy Update, which also describes our ESG ambitions
- **26 October**
We announce The Witcher remake
- **21 November**
We launch the 4th edition of the “Cancer Week: Let's Get Tested” awareness campaign
- **6 December**
We announce our decision to progressively phase out The Witcher: Monster Slayer
- **9 December**
At The Game Awards we unveiled a new trailer of Phantom Liberty – an expansion for Cyberpunk 2077
- **14 December**
The Witcher 3: Wild Hunt – Complete Edition is released for next-gen consoles and PCs



CD PROJEKT S.A. and the CD PROJEKT RED studio

[GRI 2-1, 2-28]

CD PROJEKT S.A. (later referred to simply as “CD PROJEKT” or “the Company”) is the parent company of the CD PROJEKT Group. In 2022 it accounted for 79% of the Group’s consolidated sales revenues, and 99% of its consolidated net profit.

Over a period of nearly thirty years, activities carried out under the CD PROJEKT brand evolved from distribution of games in Poland and later throughout Central-Eastern Europe into full-fledged development of new games, global distribution and franchise management – all within the framework of the CD PROJEKT RED studio.

Our main products include three games from The Witcher series, including the last part of the trilogy – The Witcher 3: Wild Hunt, with its two storyline expansions: Hearts of Stone and Blood and Wine – along with Cyberpunk 2077: the first game set in the Cyberpunk universe, released on 10 December 2020.

In addition to developing games, we continue to explore new business segments, build strong communities around our franchises and work to generate synergies between our products. A good example of this process in action is provided by the Cyberpunk: Edgerunners anime series, co-developed with the Japanese Studio Trigger. Its Netflix release in September 2022 was met with enthusiastic reception on the part of viewers and generated fresh interest in Cyberpunk 2077.



Our core values

- Quality as our top priority
- Gamer-centric approach
- Passionate and talented team as our greatest strength
- Tolerance, fairness and openness at our heart
- Independence as the foundation of creative freedom

To further develop and strengthen our franchises, we also invest in tie-in products dedicated to fans of our games: among others, we offer comic books, board games, posters, music albums, apparel and other collectible gadgets.

Our corporate headquarters are located in Warsaw, Poland. For years we have been progressively expanding our development teams, employing videogame specialists from all around the world. At the end of 2022 the CD PROJEKT Group employed 1 292 persons. The bulk of our workforce is represented by CD PROJEKT RED developers, currently based in four locations: Warsaw, Kraków and Wrocław (in Poland), and Vancouver (in Canada).

CD PROJEKT actively participates in a variety of gaming industry events. We are strongly involved in the activities of the Polish Games Association, which aims to support development and raise the international competitiveness of our domestic videogame industry. We are also a member of the Polish Association of Listed Companies which concerns itself – among others – with promoting development of the Polish capital market.

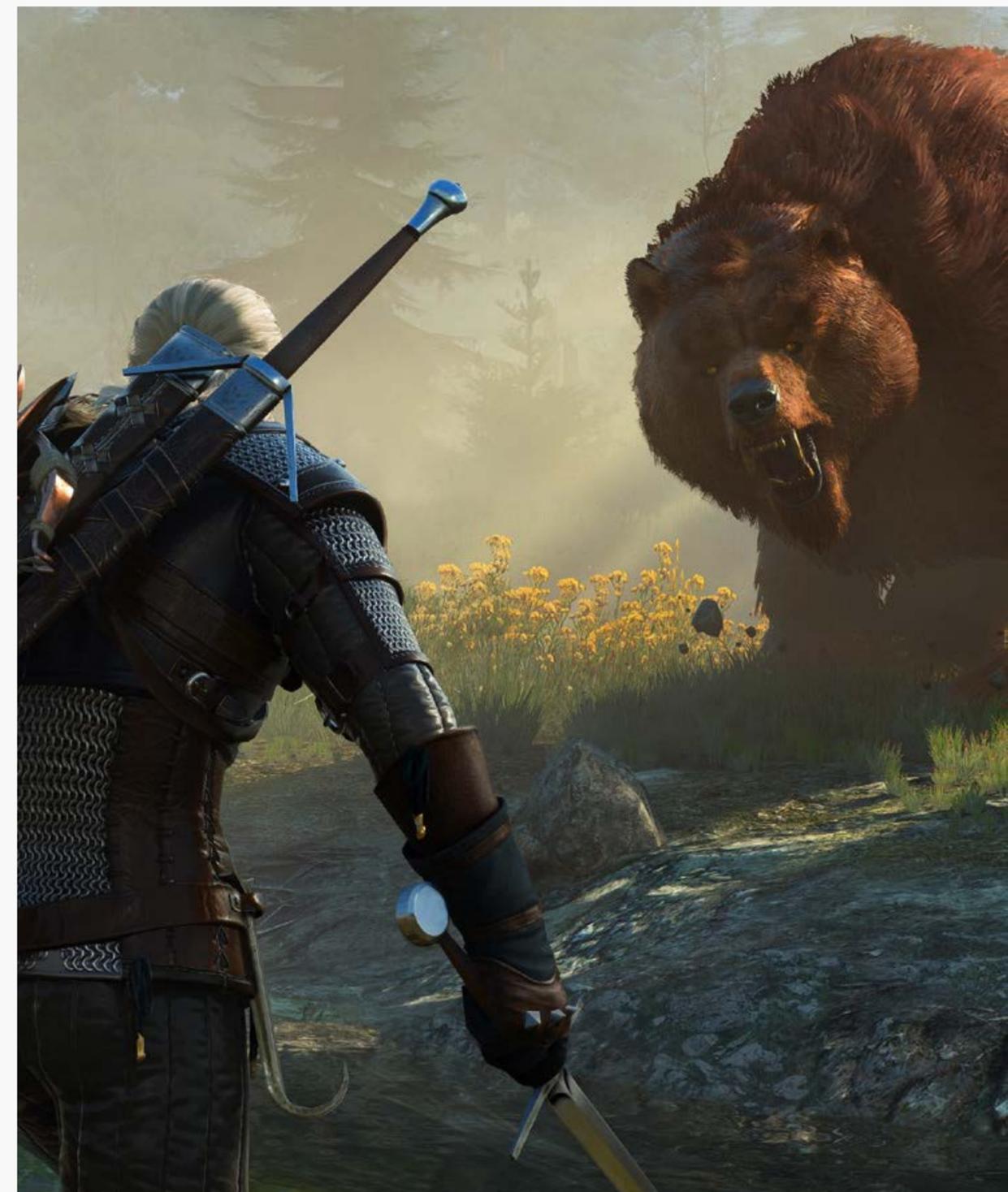
Since 2010 CD PROJEKT has been listed on the Warsaw Stock Exchange. In 2018 the Company also became part of the WIG20 index, which aggregates the largest and most liquid stocks traded on the Warsaw market.

How we create value for stakeholders

[GRI 2-6]

We want to remain an independent company. We believe that operational, financial and publishing independence enables us to pursue our ambitions and our creative vision.

Effective control over every stage of the game development process – creation, production, technology, publishing activities, distribution and external communication – is, in our view, a cornerstone of commercial success.



OUR KEY CAPITALS

HUMAN CAPITAL

Involvement of CD PROJEKT development and publishing teams in creating, producing, publishing, Selling and distributing our games and other products

Backoffice support for CD PROJEKT's operating activities

INTELLECTUAL AND TECHNOLOGICAL CAPITAL

Our proprietary franchises and gamedev tools

CONNECTIONS AND SOCIAL CAPITAL

Strong communities centered around our products

Longstanding trust-based relations with business partners

Supporting the videogame industry in Poland

PRODUCT CAPITAL

Portfolio of available games and tie-in products

FINANCIAL CAPITAL

Financial reserves



CREATION

Own IP and full control over the creative process

Focus on two widely recognizable franchises and limited number of products



PRODUCTION

International team of experienced developers who consistently prioritize quality

Three development studios: CD PROJEKT RED Europe, CD PROJEKT RED North America* and The Molasses Flood



TECHNOLOGY

Own toolset and know-how required in the process of developing captivating open-world role-playing experiences

Strategic partnership with Epic Games enabling us to base our games on Unreal Engine



PUBLISHING ACTIVITIES

Player-first business philosophy supported by publishing autonomy



DISTRIBUTION

Direct digital distribution of games

Global reach – cooperation with handpicked distributors of box editions of video games



PRIORITY – GAMERS

Honest and direct communication with gamers

Full control over message

OUR PERFORMANCE IN 2022:

1 292 employees at the CD PROJEKT Group

70% engagement rate**

2 globally recognizable brands

Range of proprietary tools used in the game development process

4th edition of the Promised Land Art Festival and successful conclusion of the first edition of our mentoring/scholarship program – Girls in the Game!

Active involvement in activities of the Polish Games Association

Sales revenue:

953 MN PLN

Net cash flows from operating activities:

406 MN PLN

Financial reserves**:

1 091 MN PLN

VALUE FOR OUR STAKEHOLDERS:

Developing ambitious, innovative games which continue to generate revenues for years

Ability to carry out promotional campaigns supporting sales of our releases

Franchise development – generating synergies and promoting brand awareness

Brand awareness contributing to sales potential of our releases

Developing unique open-world RPGs which provide a high level of immersion

Passionate community clustered around our games and franchises, contributing to their strength

Good relations with business partners, required for effective business operations

Stable revenue stream and cash inflows

Ensuring the ability to finance the development of our games and other projects while retaining creative and financial independence

* CD PROJEKT RED North America is expected to begin operating in 2023.

** based on a survey conducted with the Culture Amp tool

*** Financial reserves comprise cash on hand, near-cash, bank deposits with maturity periods longer than 3 months and other liquid financial assets in the form of treasury bonds (jointly aggregated with short- and long-term Other financial assets).



We create revolutionary role-playing games with memorable stories that inspire gamers.

Our business strategy

[GRI 2-6]

In October 2022 we announced an update of the CD PROJEKT Group strategy and revealed long-term plans concerning our future releases.

Watch a [video presentation](#) of the main points of the CD PROJEKT Group strategy update.



In the coming years we envision the following strategic growth directions for the Group:

- further upscaling of our development capabilities to be able to deliver more top-quality content to gamers;
- broadening our experience pool to include multiplayer features;
- further development of our franchises.

An important aspect of our long-term business development is the establishment of the CD PROJEKT RED North America studio, which will include the existing CD PROJEKT RED Vancouver team along with a new dev team based in Boston, USA. In future years CD PROJEKT RED North America will be responsible for the Orion project, which is another game set in the Cyberpunk universe. For its part, CD PROJEKT RED Europe will focus on the new Witcher-themed videogame trilogy, starting with the first game codenamed Polaris. The European studio will also be responsible for developing the Group's third franchise (a project codenamed Hadar).

CD PROJEKT operates in a dynamic business environment, affected, among others, by evolving expectations and preferences on the part of gamers, political and macroeconomic uncertainties in Poland and throughout the world, as well as ongoing technological progress.

To effectively implement our long-term strategic plans, we need to remain aware of the opinions voiced by gamers and the broader community of stakeholders.

Our activities involve ESG (Environmental, Social and Governance) aspects. In our adopted business strategy we list a set of ESG ambitions which shape our approach to responsible business development. Further sections of this report will describe the tools and activities used to achieve each of these ambitions.

To learn more about our approach to ESG, watch our [video presentation](#).



We also intend to publish, on an annual basis, our short- and long-term ESG goals, which will drive implementation of our business objectives in the years to come.

Our ESG ratings in 2022³

ESG MSCI:

A

2021: BBB

S&P Global:

29/100

2021: 18/100

Moody's:

31/100

2020: 24/100⁴

ESG Ambitions

- **Provoke reflection through the memorable stories**
- **Be a company people want to be a part of**
- **Continue the green transformation on our campus and beyond**
- **Build relationships based on trust and transparency**
- **Use our resources and competencies to support others**

³ As of the publication date of the CD PROJEKT Group Sustainability Report for 2022.

⁴ Moody's did not rate the Company in 2021.

03

CORPORATE GOVERNANCE



Structure of the CD PROJEKT Group

[GRI 2-6]

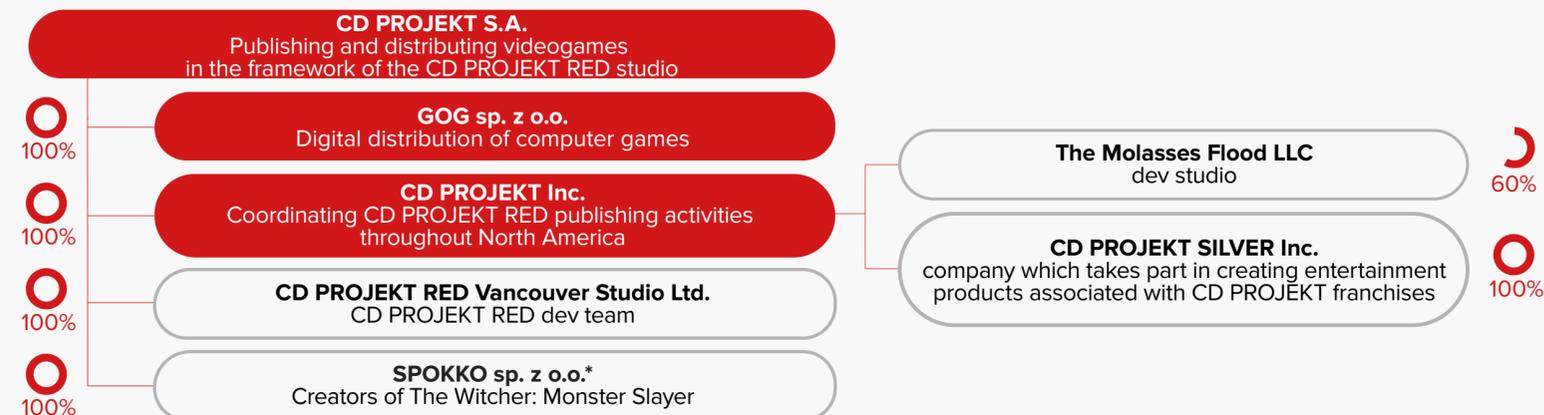
At the end of 2022 the CD PROJEKT Group consisted of the parent entity – CD PROJEKT S.A. – and seven subsidiaries (jointly referred to as the Group). The merger between CD PROJEKT RED STORE sp. z o.o. (as the target company) and CD PROJEKT S.A. (as the surviving company) was formally registered on 28 February.

In December 2022 we also announced plans for a merger between Spokko sp. z o.o. (as the target company) and CD PROJEKT S.A. (as the surviving company).

Share capital and shareholding structure

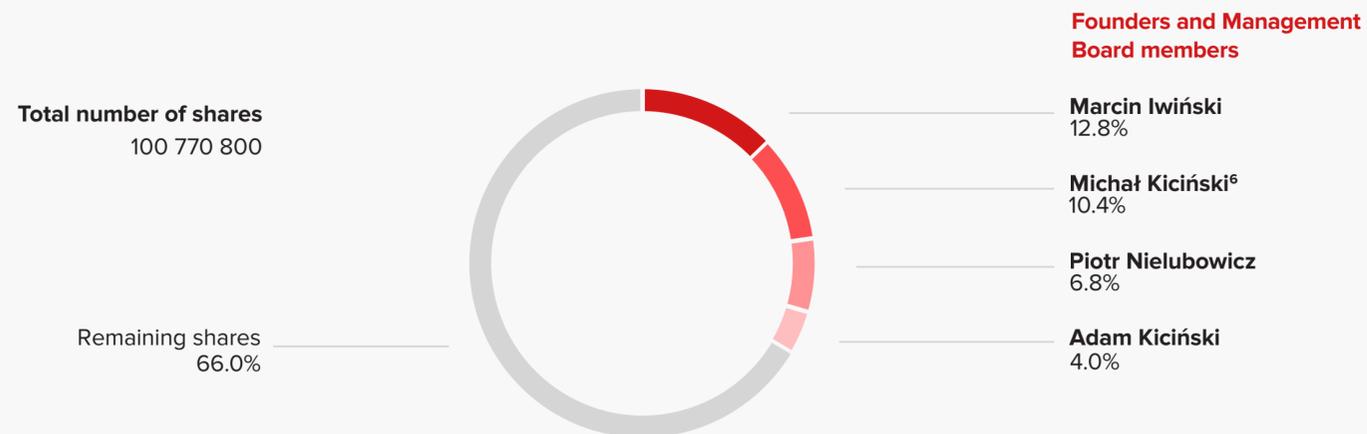
The share capital of CD PROJEKT consists of 100 770 800 bearer shares, with each share affording one vote at the General Meeting⁵.

Structure of the CD PROJEKT Group as of 30 March 2023



* A merger between Spokko sp. z o.o. (as the target company) and CD PROJEKT S.A. (as the surviving company) is planned
■ companies subject to consolidation

Company shareholding structure as of 30 March 2023^{6, 7}



⁵ According to §25a of the CD PROJEKT S.A. Articles of Association, the voting rights of each shareholder of the Company are limited in such a way that no shareholder may exercise more than 20% of votes from all Company shares outstanding as of the date of the General Meeting. This restriction does not apply to entities which jointly control at least 50% of all votes as a result of a public tender offer for all outstanding shares of the Company

⁶ According to a declaration submitted on 26 May 2021.

⁷ As disclosed in Current Report no. 4/2023 of 15 February 2023, the aggregate percentage share of votes controlled by The Goldman Group from shares (1.70%) and other financial instruments (4.70%) held by that entity, was 6.39% as of 10 February 2023. According to the corresponding notification received by the parent Company, The Goldman Sachs Group, Inc. indirectly controls 1 708 240 votes from shares, 2 122 503 votes which may be gained in the exercise or conversion of financial instruments comprising securities on loan, and 2 613 546 votes from other types of financial instruments.

Corporate bodies of CD PROJEKT

[GRI 2-9, 2-11]

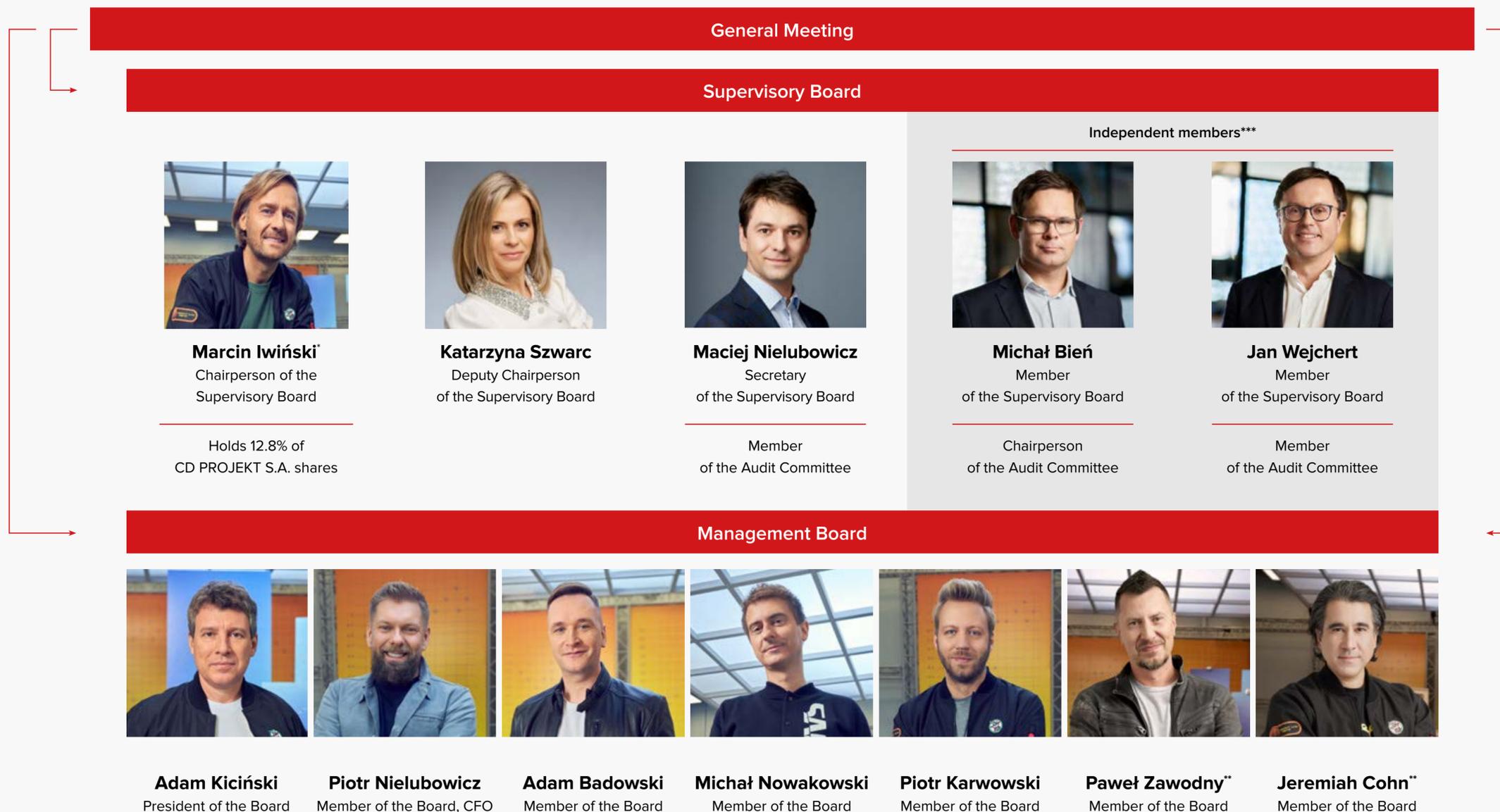
CD PROJEKT is governed by the following corporate bodies: General Meeting, Supervisory Board and Management Board. A single standing committee – the Audit Committee – exists within the organizational structure of the Supervisory Board.

The division of responsibilities among Company bodies does not diverge from basic principles adopted by other joint stock companies traded on the Polish market. As such, members of the Management Board are regarded as executives, while members of the Supervisory Board are regarded as non-executives.

We strive to ensure that the activities of official bodies of CD PROJEKT remain consistent with [Best practices for WSE listed companies.](#)



Corporate bodies of CD PROJEKT S.A. as of 30.03.2023



Employment at the CD PROJEKT Group (years)	29	24	20	18	16	5	9
% of CD PROJEKT shares held****	4.0%	6.8%	0.7%	0.5%	0.1%	–	–

* Marcin Iwiński was appointed to the Supervisory Board on 1 January 2023 pursuant to a resolution adopted by the General Meeting on 20 December 2022. Earlier, on 4 October 2022, Piotr Pałowski tendered his resignation from the Supervisory Board.
The Chairperson of the Supervisory Board is not a Member of the Management Board of CD PROJEKT S.A. [GRI 2-11]

** In 2022 Paweł Zawodny and Jeremiah Cohn were appointed to the Management Board of CD PROJEKT S.A. - effective on 1 February 2023 in both cases.

*** The independence criterion is specified in the Act of 11 May 2017 on licensed auditors, audit firms and public supervision.

**** For holders of at least 0.1% of all shares outstanding.

Management Board of CD PROJEKT

The Management Board of CD PROJEKT acts in compliance with the Commercial Companies Code, [Company Articles](#) and [Management Board regulations](#).

Appointment of Management Board members [GRI 2-10]

Members of the Management Board, including the President of the Management Board, are appointed by the Supervisory Board of CD PROJEKT. Members of the Management Board are appointed to a joint four-year term of office. In line with current practices, key factors which determine appointment of members of the Management Board include professional experience, knowledge and educational background.

The current term of office of members of the Management Board of CD PROJEKT expires in 2025.

Powers of the Management Board

The Management Board handles all Company matters which are not reserved to the General Meeting or the Supervisory Board by the Commercial Companies Code or Company Articles.

Among others, the Management Board of CD PROJEKT:

- sets forth the Group's business strategy, defines its main goals, prepares financial plans for the Company, and oversees implementation thereof so as to ensure that the adopted strategy, goals and financial plans are realized;
- works to ensure that Company management practices remain transparent, effective and consistent with legal regulations, best practices for WSE listed companies and generally accepted market standards.

Management Board regulations are adopted by an absolute majority of votes. In case of a tie, the President of the Board has the casting vote.

In 2022 the Management Board adopted 44 resolutions.

See the [bios](#) of members of CD PROJEKT's Management Board (including any notable involvement in the work of corporate bodies at other companies).



Supervisory Board of CD PROJEKT

The Supervisory Board acts in compliance with the Commercial Companies Code, [Company Articles](#) and [Supervisory Board Regulations](#).

Appointment of Supervisory Board members [GRI 2-10]

Members of the Supervisory Board of CD PROJEKT are appointed and dismissed by the General Meeting. Members of the Supervisory Board are appointed to a joint four-year term of office. At its first meeting, the Supervisory Board appoints its Chairperson, Deputy Chairperson and Secretary from among its members.

The current term of office of the CD PROJEKT Supervisory Board expires in 2025.

Supervisory Board members submit declarations attesting to their independence⁸ and the lack of any factual and material links with shareholders who control at least 5% of the total number of votes at the Company. As of the publication date of this report, two members of the Supervisory Board (Michał Bień and Jan Łukasz Wejchert) meet the independence criterion.

See the [bios](#) of members of CD PROJEKT's Supervisory Board (including any notable involvement in the work of corporate bodies at other companies).



Powers of the Supervisory Board

Among others, the Supervisory Board of CD PROJEKT S.A.:

- supervises all areas of activity at the Company;
- contracts licensed auditors to perform audits of the Company's annual financial statements and reviews of its semiannual financial statements;
- endorses petitions submitted by the Management Board to the General Meeting;
- authorizes the Management Board to buy and sell properties, shares in properties, or perpetual usufruct thereof;
- prepares reports on remuneration of Members of the Management Board and Supervisory Board, as well as activity reports which contain a concise assessment of the Company's condition – including its internal control system, risk management and compliance.

Audit Committee

Activities of the Audit Committee are regulated by the CD PROJEKT S.A. [Audit Committee Regulations](#) along with the applicable legal regulations. The Audit Committee consists of at least three persons appointed in an open ballot by the Supervisory Board from among its own members. The term of office of the Audit Committee is consistent with that of the Supervisory Board itself. Chairpersonship of the Audit Committee is held by a member of the Supervisory Board who meets independence criteria and is not the Chairperson of the Supervisory Board. At least one member of the Audit Committee should possess knowledge and skills in the scope of accounting or auditing financial statements.

⁸ These refer to independence criteria defined in Art. 129 section 3 of the Act of 11 May 2017 on licensed auditors, audit firms and public supervision.



General Meeting of CD PROJEKT

The General Meeting of CD PROJEKT acts in compliance with the [Company Articles](#), [General Meeting Regulations](#) and applicable legal regulations, including the Commercial Companies Code. Shareholders exercise their rights as defined in the [Company Articles](#), [General Meeting Regulations](#) and applicable legal regulations.

Powers of the General Meeting

General Meeting approval is required for all decisions regarded as crucial for the Company. Powers of this body include:

- approving financial statements and the Management Board's activity reports;
- granting discharge 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 Members of the Supervisory Board;
- amending the Company's Articles of Association;
- changing the Company's share capital.

Among other matters, the General Meeting of CD PROJEKT S.A. is also responsible for setting the remuneration of Supervisory Board members⁹.

A General Meeting is held at least once per financial year. General Meeting resolutions are adopted by a 3/5 majority of votes cast, with the exception of matters where the applicable regulations require a higher supermajority of votes.

Conflict of interest

[GRI 2-15]

Rules to be observed in relation to a conflict of interest are determined by the Company's internal regulations and the Commercial Companies Code.

According to the [Management Board Regulations](#), Members of the Management Board should notify the Supervisory Board whenever a conflict of interest has arisen or may arise in connection with their duties. A Management Board member may not, without express approval of the Supervisory Board:

- be a member of any corporate body of an entity which is not part of the Company's Group;
- engage in competition with the Company;
- be a partner in a civil law partnership or sit on an official body of a limited company which engages in competition with the Company;
- be a member of an official body of any other legal entity which engages in competition with the Company;
- hold at least 10% of shares or stock of a competing company, or be empowered to appoint at least one member of the management board of a competing company.

If a conflict of interest arises between the Company and a Member of its Management Board, their spouse or relative up to the second degree of kinship, or a person with whom the member of the Management Board has a personal relationship, the affected member should declare that a conflict of interest has arisen and recuse themselves from making any decisions in the relevant matter. They may also demand that a corresponding note be included in the meeting minutes.

According to [Supervisory Board Regulations](#) in circumstances when the adoption or non-adoption of a Supervisory Board resolution would trigger a conflict of interest involving a Member of the Supervisory Board, the affected Member should notify the Supervisory Board and recuse themselves from further discussion and voting on the resolution. A corresponding note is also included in the Supervisory Board meeting minutes.

Thus far the Company has not encountered a situation where a conflict of interest would arise with respect to a Member of the Management Board or Supervisory Board.

⁹with the exception of setting the remuneration of a Supervisory Board member delegated to perform the duties of a Management Board member in temporary capacity, which is instead handled by the Supervisory Board.

Diversity on corporate bodies of CD PROJEKT

[GRI 405-1]

In line with the [Diversity Policy](#), a general non-discrimination principle applies to teams and bodies of CD PROJEKT, and consequently also to members of the Management Board and Supervisory Board, as well as other top managers.

The Company's policy with regard to its corporate bodies and other top managers is to appoint creative individuals who have the required competences, professional experience and educational background. Members of the Management Board and Supervisory Board possess expertise in areas such as management and marketing, finance, law and IT.

All Members of the Management Board of CD PROJEKT have long standing experience as holders of managerial positions at CD PROJEKT Group member companies.

Given the provisions of Directive (EU) 2022/2381 of the European Parliament and of the Council on improving the gender balance among directors of listed companies and related measures¹⁰, as well as the regulations which will be transposed to the Polish legal order in association therewith, CD PROJEKT will strive to take action to improve gender balance on its corporate bodies.

Company activities related to improving gender balance on corporate bodies will be taken in accordance with the applicable regulations, and will acknowledge the opinions of Members of the Supervisory Board or shareholders who exercise their voting rights at the General Meeting and are empowered to appoint Members of the Management Board and the Supervisory Board respectively.

In 2022 the Management Board of CD PROJEKT consisted solely of men, whereas the Supervisory Board included one woman, who was also its Chairperson during the reporting period¹¹.



¹⁰ <https://eur-lex.europa.eu/legal-content/PL/TXT/PDF/?uri=CELEX:32022L2381&from=PL>

¹¹ Starting on 1 January 2023 Ms. Katarzyna Szwarz is the Deputy Chairperson of the Supervisory Board of CD PROJEKT S.A.

Remuneration policy for members of the Management Board and Supervisory Board

[GRI 2-19, 2-20]

The CD PROJEKT [Remuneration Policy](#) regulates the remuneration of Members of the Company's Management Board and Supervisory Board, and is part of the overall employment and compensation policy at the Group. In order to avoid conflicts of interest related to the Remuneration Policy, responsibility for adopting, enforcing and verifying the Remuneration Policy is divided among various corporate bodies of the Company.

The Remuneration Policy is adopted by the General Meeting at least once every four years. The Supervisory Board develops elements of the Remuneration Policy on the basis of a suitable authorization issued by the General Meeting, and prepares recommendations concerning the Policy's effectiveness. The Management Board is charged with enforcing the Remuneration Policy and preparing the relevant documentation, as well as providing the Supervisory Board with information required in the process of verifying and applying the Policy.

The overall aim of the Remuneration Policy is to create favorable conditions for recruitment, retention and incentivization of persons who possess competences and experience required to ensure the Group's further dynamic growth.

The Remuneration Policy applicable to members of the Management Board and Supervisory Board of the Com-

pany was submitted to a vote at the General Meeting on 28 July 2020, and duly approved by shareholders with 69.4% of votes cast in favor of the corresponding resolution.

As authorized by the General Meeting, on 27 August 2020 the Supervisory Board of CD PROJEKT announced detailed provisions regarding specific elements of the Remuneration Policy, among them – descriptions of components of variable remuneration, criteria and deferment periods applicable to variable remuneration as well as non-monetary benefits which may be assigned to members of the Management Board as part of their fixed compensation packages.

The remuneration of a Management Board member includes a fixed portion, i.e. a base salary which is assigned on an individual basis by the Supervisory Board, pursuant to the Remuneration Policy and consistent with the scope of responsibilities of the given Management Board member. Members of the Management Board may additionally be assigned variable remuneration, which is dependent on meeting certain objectives related to the Company's business performance – financial and non-financial. A claw-back clause applies if variable remuneration is assigned on the basis of erroneous information obtained from the Management Board Member in the context of meeting the aforementioned objectives, or if it is assigned in breach of the applicable provisions of the Remuneration Policy or conditions of assignment of variable remuneration.

The Supervisory Board may, by adopting a suitable resolution, assign a bonus to a specific member of the Management Board for performing a certain task – such as effective

management of environmental issues, ensuring observance of the Company's social responsibility commitments, overseeing corporate governance practices at the Company, or accomplishing other managerial objectives as defined by the Supervisory Board.

Members of the Supervisory Board obtain only fixed remuneration in the form of cash payments which are not dependent on any performance indicators and are not tied to the Company's earnings. Remuneration of Supervisory Board members is assigned on the basis of General Meeting resolutions and must comply with the provisions of the Remuneration Policy in force at the Company.

The Company does not assign to Members of its Management Board and Supervisory Board any individual remuneration in the framework of retirement and pension programs, early retirement programs, welcome bonuses or – with regard to candidates for appointment to the aforementioned bodies – monetary incentives to seek such appointment.

Detailed information regarding the remuneration of members of the Management Board and Supervisory Board of CD PROJEKT can be found in the Management Board report on CD PROJEKT Group activities in 2022, which is available on the Company website at www.cdprojekt.com.

Managing sustainability at CD PROJEKT

[GRI 2-12, 2-13, 2-14, 2-17, 2-18]

At CD PROJEKT S.A. supervision of ESG reporting is the responsibility of Piotr Nielubowicz, Member of the Board, CFO. He participates in preparing the Report and reviews the ESG disclosures contained within.

Setting and overseeing implementation of specific goals related to ESG is the responsibility of Management Board members tasked with supervising specific areas of the Company's activity. At CD PROJEKT, ESG matters fall within the scope of activity of numerous teams and departments, including HR, payroll, internal communication, diversity and inclusion, administration (incl. environmental issues), IT, operations, legal (incl. matters related to compliance, IP and corporate law), taxation, community, PR and others. The Management Board has delegated to leads of these teams and departments the responsibility for managing ESG issues related to their respective profiles.

In 2021 Members of the Management Board of CD PROJEKT and other top managers at the CD PROJEKT Group took part in a materiality assessment which identified key non-financial aspects of the Group's activity. In 2022 this materiality assessment was revised, with involvement of top executives at CD PROJEKT, as a result of which two topics were added to the list of issues regarded as material: maintaining stable long-term relations with key suppliers and business partners, and social engagement.

In 2022 a separate ESG team was created within the framework of the CD PROJEKT Investor Relations department. This team is responsible for coordinating ESG disclosures at CD PROJEKT and throughout the Group, and for overseeing implementation of the Group's strategy insofar as it relates to sustainability.

In 2022 the President of the Management Board and the Vice President-CFO took part in workshops devoted to assessing the business value of diversity at CD PROJEKT. The Vice President-CFO furthermore participated in a training course concerning compliance-related disclosures and their relation with the environmental taxonomy for sustainable activities. In addition to the above, each member of the Management Board participated in meetings concerning key aspects of ESG which fall within their respective areas of responsibility. The resulting materials were used to formulate our ESG ambitions, later enshrined in the CD PROJEKT Group's Strategy document.

According to the adopted Compliance Policy, the Chief Compliance Officer, together with the Privacy & Compliance team informs the Management Board of actions undertaken in the scope of compliance. Information regarding material risks related to CD PROJEKT activities is conveyed to the Management Board by the Risk Management Committee.

As mandated by the [Best Practices for WSE Listed Companies](#), the Management Board prepares and submits to the Supervisory Board annual reports on the operation of the internal control system, risk management, compliance and internal audit. These reports contain, among

others, a description of actions undertaken in the scope of risk mitigation, compliance (including ethics), internal regulations, investigations related to the internal whistleblowing system and training activities. The Supervisory Board prepares annual reports which express (among others) its assessment of the above systems and submits them to the Ordinary General Meeting for approval. Moreover, the Chief Compliance Officer is able to submit reports directly to the Supervisory Board and the Audit Committee.

Additional sustainability training courses for members of the Management Board and Supervisory Board of the Company are scheduled for 2023.

No assessment of the Management Board's performance in the scope of managing the impact of environmental, social and governance issues at CD PROJEKT was carried out in 2022.

Managing sustainability-related risks

In 2021 a Risk Management Procedure was instituted at CD PROJEKT. Based on this procedure we identify, assess and analyze risks, and make decisions related to further management of strategic risks.

The goal of the risk management process at the Company is to ensure an acceptable level of risk for all identified threats. In the framework of identifying strategic risks, the Company also identifies opportunities which may have a positive impact on the analyzed risk events.

A Risk Management Committee has been set up at the Company, consisting of Risk Owners, i.e. top managers or executives charged with coordinating specific areas of the Company's activity. Risk management at each member company of the CD PROJEKT Group is the responsibility of that company's management board.

Additional information regarding the risk management system in place at CD PROJEKT S.A., along with a description of risks identified as material for the CD PROJEKT Group and a description of actions undertaken to mitigate such risks, can be found in the [Management Board report on CD PROJEKT Group activities in 2022](#).

The following ESG-related risks have been identified as material and are managed in accordance with the Risk Management Procedure.

Team-related risks:

- Risk associated with availability and recruitment of specialists
- Risk associated with departure of team members
- Risk of noncompliance with employment regulations

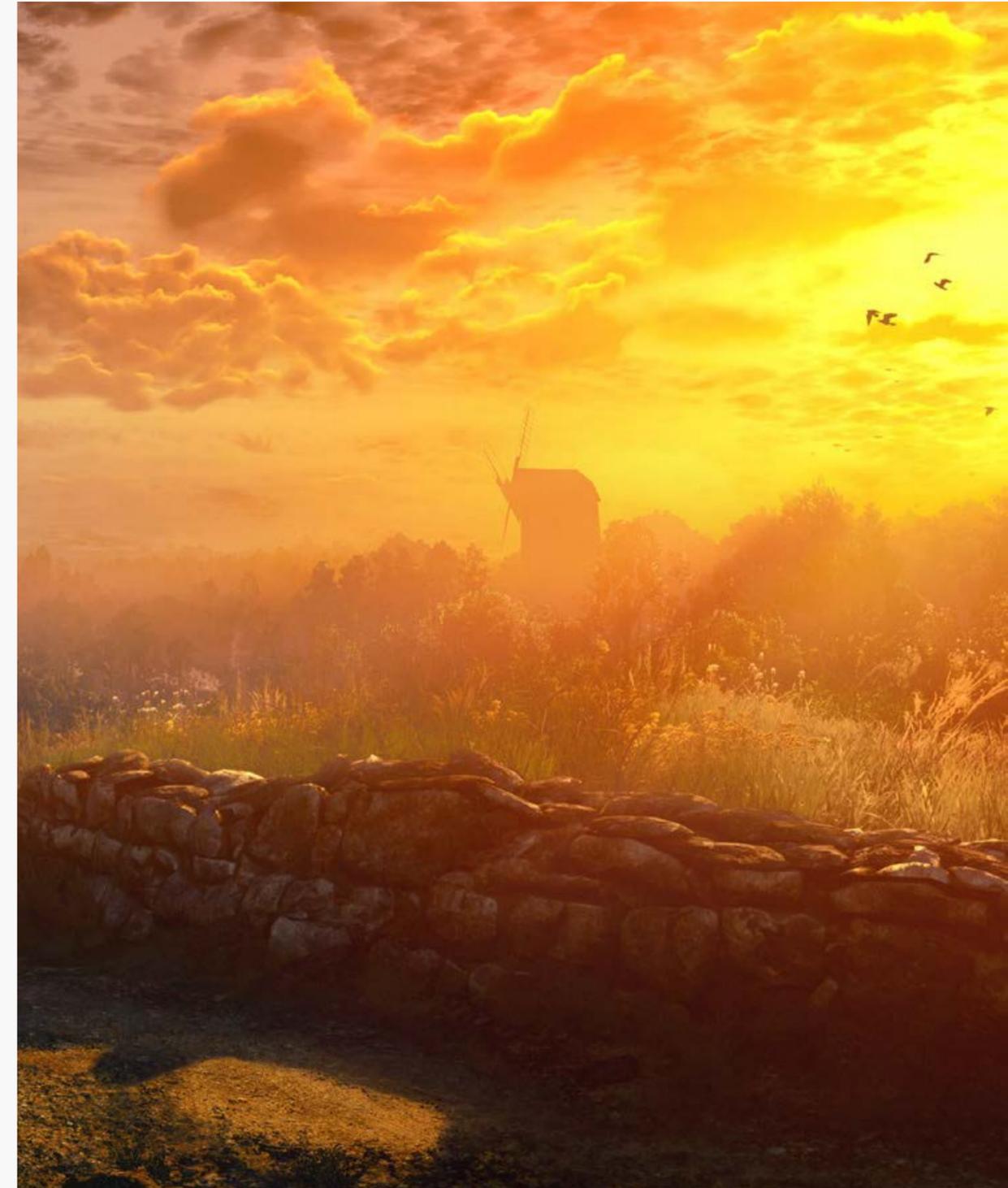
Environmental risk:

- Risk of facing regulatory and market pressure to undertake activities related to environmental and climate protection

Business model risks:

- Risk of temporary restriction of access to distribution channels which carry the Group's products, or to certain markets and hardware platforms
- Cybersecurity risks related to leakage, loss or unauthorized modification of data
- Risk of unavailability of IT infrastructure or service
- Risk associated with processing personal data
- Risk associated with entering new market segments
- Risk associated with intellectual property rights
- Risk related to collaboration with key suppliers
- Risk associated with focusing on a limited number of projects with long investment cycles and unpredictable commercial potential
- Risk of failure to meet production goals

A detailed list of risks and opportunities related to climate change can be found in the Environment section.



04

OUR APPROACH TO ESG



CD PROJEKT Group stakeholders

[GRI 2-29]

Key stakeholders are entities which have a material impact on the operations of the Group and the Company, and which are affected by the Company's activities in the public economic and social spheres.

We preceded our preparation of the CD PROJEKT Group Sustainability Report for 2022 by a review of key stakeholder groups, based on the Johnson&Scholes matrix. Below we list the key groups of stakeholders with which we interact.

The overall aim of engagement is to ensure that stakeholders are kept up to date on the Company's daily affairs, and also that they are able to share their opinions regarding our ongoing activities.



Key stakeholders

Type 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.

Capital market

- institutional and retail investors
- rating agency analysts, including ESG rating agencies
- sell-side analysts
- buy-side analysts
- representatives of capital market institutions and organizations

We endorse transparency – we provide detailed and transparent information in the form of press releases, current reports and periodic reports regarding financial performance indicators and key operating and corporate events. We also engage in direct dialogue during meetings, conferences and conference calls, and also by responding to inquiries on an ongoing basis.

We care about providing transparent information on our investor relations website. We organize and broadcast General Meetings of Shareholders at which we facilitate real-time remote voting. Each year we participate in over a dozen international conferences and roadshows dedicated to institutional investors, and in selected events targeting individual investors. We run a dedicated investor relations profile on Twitter: @CDPROJEKTRED_IR.

Information regarding CD PROJEKT and its current activities is provided in two language versions – in Polish and in English.

Business partners (suppliers and clients)

We maintain business relations through individual meetings, phone calls and e-mail discussions. Our agreements are based on fair standards of cooperation complying with the internal policies of both parties.

Media:

- trade journalists
- finance and economic journalists,
- web creators
- opinion leaders

Our PR, marketing and investor relations departments remain 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 delegating Company representatives to take part in trade events, interviews and expert panels.

Internal stakeholders

Team members

We stay in touch with our team members – among others via meetings, e-mail, surveys, opinion polls, periodic reviews and feedback collection. Team members are also able to submit reports of potential irregularities, either directly or using anonymous contact forms.

Assessing the materiality of ESG topics

[GRI 3-1, 3-2]

An initial ESG materiality analysis was carried out in 2021. It involved a broad pool of internal and external stakeholders, and was based on anonymous surveys and in-depth interviews.

The analysis carried out in a 2021 produced an ESG materiality matrix for the CD PROJEKT Group, with key topics described in terms of their relevance to stakeholders and importance for the Group's development.

The outcome of the materiality analysis process led us to formulate five ESG-related ambitions for inclusion in the CD PROJEKT Group Strategy Update, which was published on 4 October 2022.

In November 2022, on the basis of internal and sectoral surveys, we carried out a review of ESG topics identified as material in our 2021 report. This process took place in the framework of internal analyses involving top management at CD PROJEKT, where we analyzed the CD PROJEKT Group's impact on the environment and the economy. Subsequently, we defined specific areas where we intend to maximize our positive impact while minimizing negative impact.

Assessing the materiality of ESG topics

Review of key groups of stakeholders for the Company and the Group

Initial list of topics regarded as material for the purposes of reporting:

- listing 22 topics regarded as material for our market sector, based on our own assessment and analysis of disclosures provided by companies representing the global gamedev industry

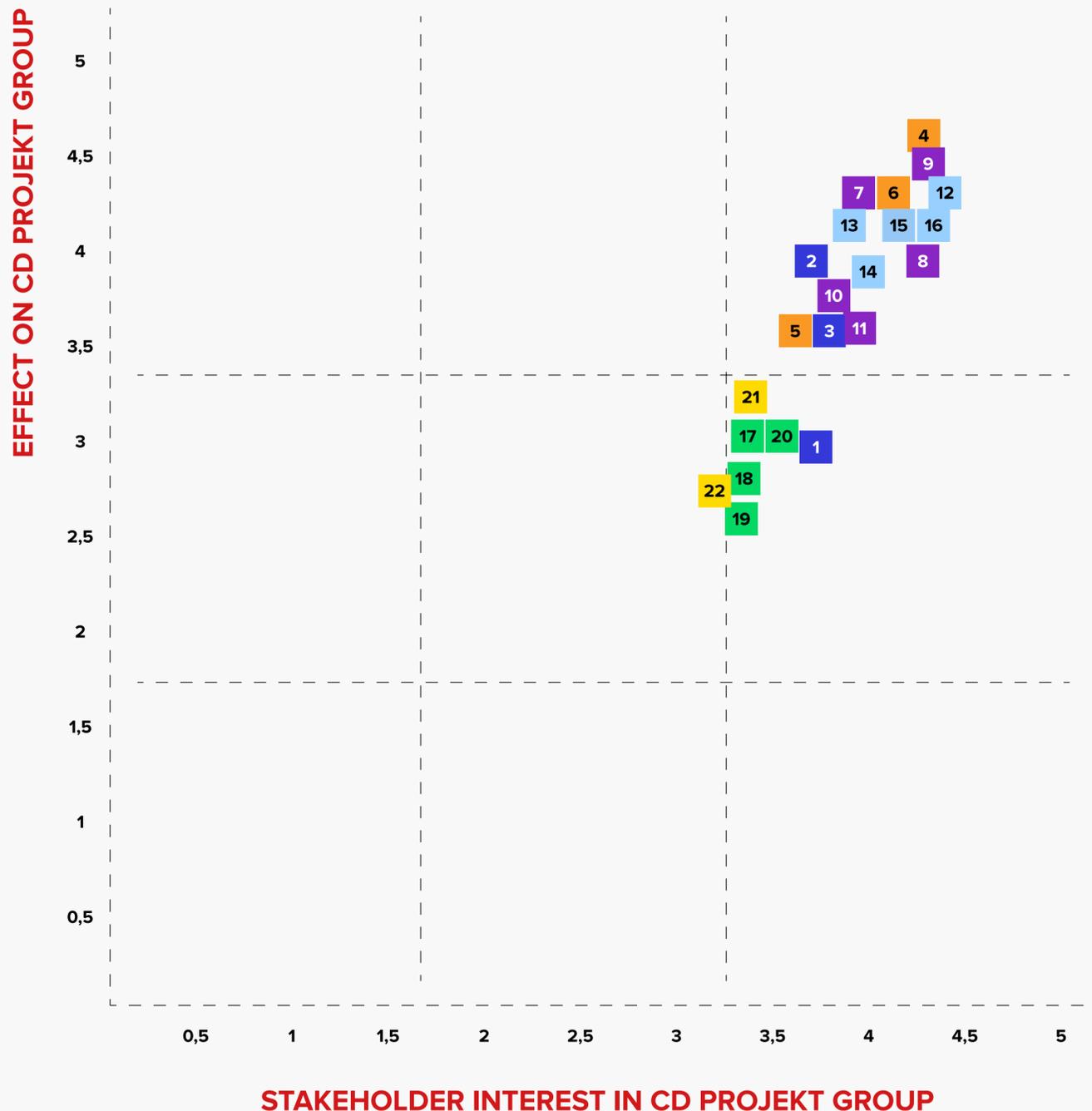
Dialogue with stakeholders:

- using anonymous surveys and in-depth interviews to determine stakeholders' expectations regarding priority ESG disclosures

Preparing a materiality matrix:

- CD PROJEKT S.A. Management Board approval for the materiality matrix which identifies material ESG topics for the purposes of reporting

Materiality matrix of ESG topics for CD PROJEKT Group



OUR PRODUCTS

- 1. Ensuring accessibility of games – adapting games for individuals with special needs
- 2. Ensuring in-game diversity
- 3. Gamers’ health and safety

GAMERS

- 4. Community moderation; listening to feedback; dialogue
- 5. Supporting the gaming industry
- 6. Responsible marketing communications

GOVERNANCE

- 7. Clearly defined rules and norms related to Company management and directions of growth – enshrined in a formal Strategy document
- 8. Privacy of clients and customers; personal data protection; guarding against cybercrime
- 9. Business ethics: fair competition, respect for intellectual property, counteracting corruption and preventing other irregularities
- 10. Stable long-term cooperation with key suppliers and business partners
- 11. Screening suppliers with regard to quality of supplies as well as environmental and social aspects (human rights, child labor, etc.)

TEAM MEMBERS

- 12. General health and safety
- 13. Training and career development
- 14. Well-being, workplace comfort and ergonomics
- 15. Diversity and inclusion; equal treatment
- 16. Satisfaction and motivation

ENVIRONMENT

- 17. Responsible use of utilities (limiting consumption of water and energy) and waste management
- 18. Working to reduce greenhouse gas emissions in business activities and throughout the value chain
- 19. Product (game) packaging
- 20. Environmental awareness among team members

SOCIAL RESPONSIBILITY

- 21. Social initiatives and cooperation with NGOs
- 22. Sponsorships and charity work

Compared to last year's list of relevant ESG topics, the updated list includes long- and short-term collaboration with key suppliers and business partners, as well as social engagement..

List of key ESG topics for the CD PROJEKT Group [GRI 3-2]

- Talent acquisition
- Team members' satisfaction and motivation
- Training and professional development of team members
- Diversity and inclusivity, equal treatment, well-being
- Reducing our impact on the environment and on the climate
- Long-term, stable collaboration with key suppliers and business partners
- Business ethics: fair competition practices, respect for intellectual property, combating corruption/fraud
- Privacy of clients and team members; securing personal data, combating cybercrime
- Responsible marketing; moderating communication with the gamer community
- Social engagement

The next materiality analysis is scheduled for 2023, based on CSRD¹² and ESRS¹³.



¹² Corporate Sustainability Reporting Directive

¹³ European Sustainability Reporting Standards

Analysis of the effect of material ESG topics on the environment, society and economy

[GRI 3-3]

Ambition 1.

Provoke reflection through memorable stories

Potential impact		
Environmental	Social	Economic
No impact	Positive impact	No impact

We believe we can influence the world at large by developing games which enrich gamers' perceptions. This is why we do not shy away from confronting socially important topics in the stories we tell. Our games depict social inequalities, the various paths people take through life, and the problems they face. We want to make sure that the characters populating the worlds we create represent a diverse set of mindsets, social groups, and backgrounds. In The Witcher 3: Wild Hunt, we tackle, among others, the issues of domestic violence, strained family relationships, and discrimination. For its part, Cyberpunk 2077 addresses alienation and dehumanization of society. Our products reach millions of people around the world — so we want to focus on what's important and encourage gamers to reflect upon the choices that surround them.

Ambition 2.

Be a company people want to be a part of

Potential impact		
Environmental	Social	Economic
No impact	Positive impact	Positive impact

Our team is our greatest value, and actions which benefit the team are also in the interest of social responsibility — particularly in the area of human rights, where we strive to support the well-being of our team members and follow best practices associated with the labor market. We exert a positive effect on the economy as the largest employer in the Polish gaming industry, with 1 292 people working at the Group. We are aware that a motivated team is a prerequisite of product quality and innovation, which in turn has a positive impact on our business performance and thereby also on the economy. We continually monitor labor market trends and take action to be seen as the employer of choice for people who wish to pursue a career in the digital entertainment industry. Our unique organizational culture helps foster involvement, a sense of belonging and long-term relations with other employees.



Ambition 3.
Continue the green transformation on our campus and beyond

Możliwy wpływ		
Environmental	Social	Economic
Negative impact	No impact	No impact

Potential negative impact on the environment results from the use of natural resources in ongoing activities, as well as consumption of energy which is required to play our games. To limit our footprint in this area in 2022 we adopted an official [Environmental Policy](#) where we pledge to calculate and monitor our carbon footprint, work to reduce greenhouse gas emissions throughout our value chain, promote responsible management of resources and optimize our energy requirements. We also work to raise environmental awareness among our team members as well as business partners and tenants who engage in business activities on our premises.

Ambition 4.
Build relationships based on trust and transparency

Możliwy wpływ		
Environmental	Social	Economic
No impact	Positive impact	Positive impact

Our actions to gain trust and increase our transparency and reliability in daily business practice may have a positive impact on the society and the economy. When dealing with capital market representatives we aim to provide everyone with equal access to information about the Company, and to ensure that the information we disclose remains up-to-date, comprehensive and accurate. We also manage the impact of our business dealings by observing a range of policies and procedures, chief of them being [Rules of the Game. Business and Ethics Standards at the CD PROJEKT Group](#), which guide our approach to issues such as human rights, counteracting corruption or resolving conflicts of interest. In 2023 we intend to adopt the Code of Conduct for Suppliers. Our social impact in this scope is also managed by maintaining dialogue with the gamer community. Being able to reach a broad pool of customers affects CD PROJEKT’s earnings and thereby the taxes we pay in Poland, which further benefits the economy.

Ambition 5.
Use our resources and competencies to support others

Możliwy wpływ		
Environmental	Social	Economic
No impact	Positive impact	No impact

We express our values by sharing our knowledge, skills and resources. In this scope, we benefit the society by maintaining our scholarship and mentoring program titled “Girls in the Game!”, organizing the Promised Land Art Festival and providing team members with opportunities to engage in charitable activities. We also react to changes in our social environment, as evidenced by our support for victims of the war in Ukraine. Such actions are guided, among others, by our Donations Policy.

Summary of implementation of ESG goals in 2022

In our report for 2021 we listed – for the first time ever – specific operating goals in the scope of environmental, social and governance activities for 2022. These goals are aligned with the UN’s 2030 Agenda for Sustainable Development. Below we provide a summary of our to-date work to achieve each goal.

Summary

Governance and organization

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

Achieved. Our ESG strategy, which encompasses five ambitions related to sustainable development, is presented as part of our business strategy in the [“Our approach to ESG”](#) deep dive presentation.

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

Achieved*. We instituted a Procedure for Reporting Irregularities and an Anti-Corruption Policy. Protection of human rights was enshrined in [Rules of the Game. Business and Ethics Standards at the CD PROJEKT Group](#), while our Human rights policy was published on our corporate website at www.cdprojekt.com under the “ESG” tab.

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

Achieved. PWe carried out a range of training activities encompassing legal and ethical aspects of business, incl. training for Trusted Persons on recognizing undesirable behavior; 2 open webinars covering IPR protection in the videogame development process, as well as open webinars on anti-mobbing policy, cultural differences and inclusive speech. Detailed information regarding training and webinars held in 2022 can be found in the section titled *Rules of the Game and other internal regulations*.

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

Achieved. We adopted the CD PROJEKT Group Information Security Policy. Its rollout was accompanied by a series of cybersecurity webinars, mandatory for all employees.

*achieved in the first quarter of 2023.

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 and while creating D&I-related standards and rules significant for the organization

Partly achieved*. We assessed the business value of diversity and inclusion, developed a D&I strategy and set D&I goals for the coming years.

In line with our adopted strategy, we intend to implement D&I norms and rules important for CD PROJEKT

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

Achieved*. Our adopted Diversity and Inclusion strategy identifies goals and actions undertaken with the aim to increase the share of women in the overall CD PROJEKT workforce, including among holders of managerial posts.

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

Achieved. We rolled out a comprehensive package of general, managerial and expert training courses, along with training efficiency assessment based on the Kirkpatrick model.

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

Achieved*. We developed and officially adopted an Employer Branding strategy; the first edition of our internship program took place in the summer of 2022.

*achieved in the first quarter of 2023.

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

Achieved. We undertook a range of actions to assist victims of the conflict in Ukraine, including a direct cash donation to the Polish Humanitarian Action in the amount of 1 million PLN, earmarked for this purpose.

Environmental area

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

Achieved. We implemented and published the CD PROJEKT S.A. [Environmental Policy](#).

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

Partly achieved. We developed procedures which are part of an environmental management system, identified and assessed environmental aspects of our activities, and analyzed environmental opportunities and threats.

Calculation of CD PROJEKT Group's carbon footprint in 2022 in line with Scope 3 of the GHG Protocol³ and determination of the greenhouse gas emission reduction target

Partly achieved*. We calculated our Scope 3 carbon footprint. We intend to set reduction targets in 2023.

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

Achieved. We identified and assessed climate change risks in accordance with TCFD guidelines (this action had originally been scheduled for 2023).

* achieved in the first quarter of 2023.

05

OUR GAMES



[GRI 3-3]

ESG ambition: To provoke reflection through the memorable stories we tell in our games

We believe we can leave a strong mark on the world by creating games which broach important subjects and provoke reflection.

To create memorable storylines, unconventional characters, and immersive worlds we must provide our developers with a creative work environment along with artistic freedom. This freedom – unconstrained by external factors – is necessary if we want our stories to go to the hearts of gamers the world over.

Marcin Blacha, VP, Narration w 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.

Our games reveal the inequalities that exist in the world, the paths people take through life, and the problems they face. We try to create distinctive characters who face ambiguous choices and whose decisions are weighed with consequences.”



006



OUR TEAM

CD PROJEKT as an employer¹⁴

[GRI 3-3]

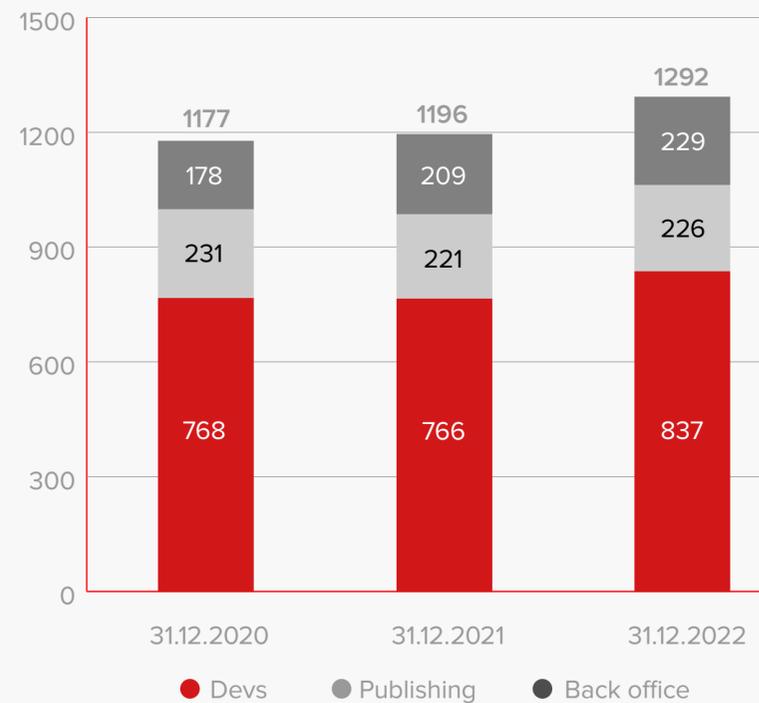
The Group’s greatest strength and value are rooted in our team. We hire energetic individuals who are passionate about delivering top-notch products and services consistent with global standards. Their talent, commitment and motivation make up the CD PROJEKT Group’s human capital. They and their creative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

The fundamental document governing the rights and obligations of CD PROJEKT employees is our set of Work Regulations. They are applicable to all employees as required by Polish labour law – regardless of contract, type of work performed and position held.

At yearend 2022, the CD PROJEKT Group had 1 292 staff members, i.e 8% more than the year before. 78% of them were members of the CD PROJEKT S.A. team, 12% belonged to the GOG team, 4% were members of The Molasses Flood team and 5% were employees of other companies comprising the Group.

At yearend 2022 65% of CD PROJEKT Group employees were developers, with back office and publishing departments accounting for 18% and 17% respectively.

Employment at the CD PROJEKT Group by type of work performed



ESG ambition

To be a company people want to be a part of

Key areas

- Talent acquisition
- Satisfaction and motivation
- Training and career development
- Diversity and inclusion, equal treatment, well-being

Goals

- 2025: Increasing the engagement score for CD PROJEKT employees to at least 75% (currently at 70%; measured using the Culture Amp tool)
- 2023: Improving team diversity, among others by carrying out a survey of career development requirements and obstacles faced by female employees, and preparing recommendations based on its results.

Sustainable Development Goals



¹⁴ 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 (permanent contract, fixed-term contract, project, trial period etc.)

At yearend 2022 the vast majority of the CD PROJEKT RED dev team – 83% of employees – worked out of the Group’s Warsaw office. 9% of employees were based in Kraków, 5% in Wrocław and 3% in Vancouver.

The CD PROJEKT turnover rate (i.e. the ratio between the number of departures and the total number of employees) was 14.3% in 2022, which was nearly 6% lower than in 2021. The reasons behind this decrease are twofold.

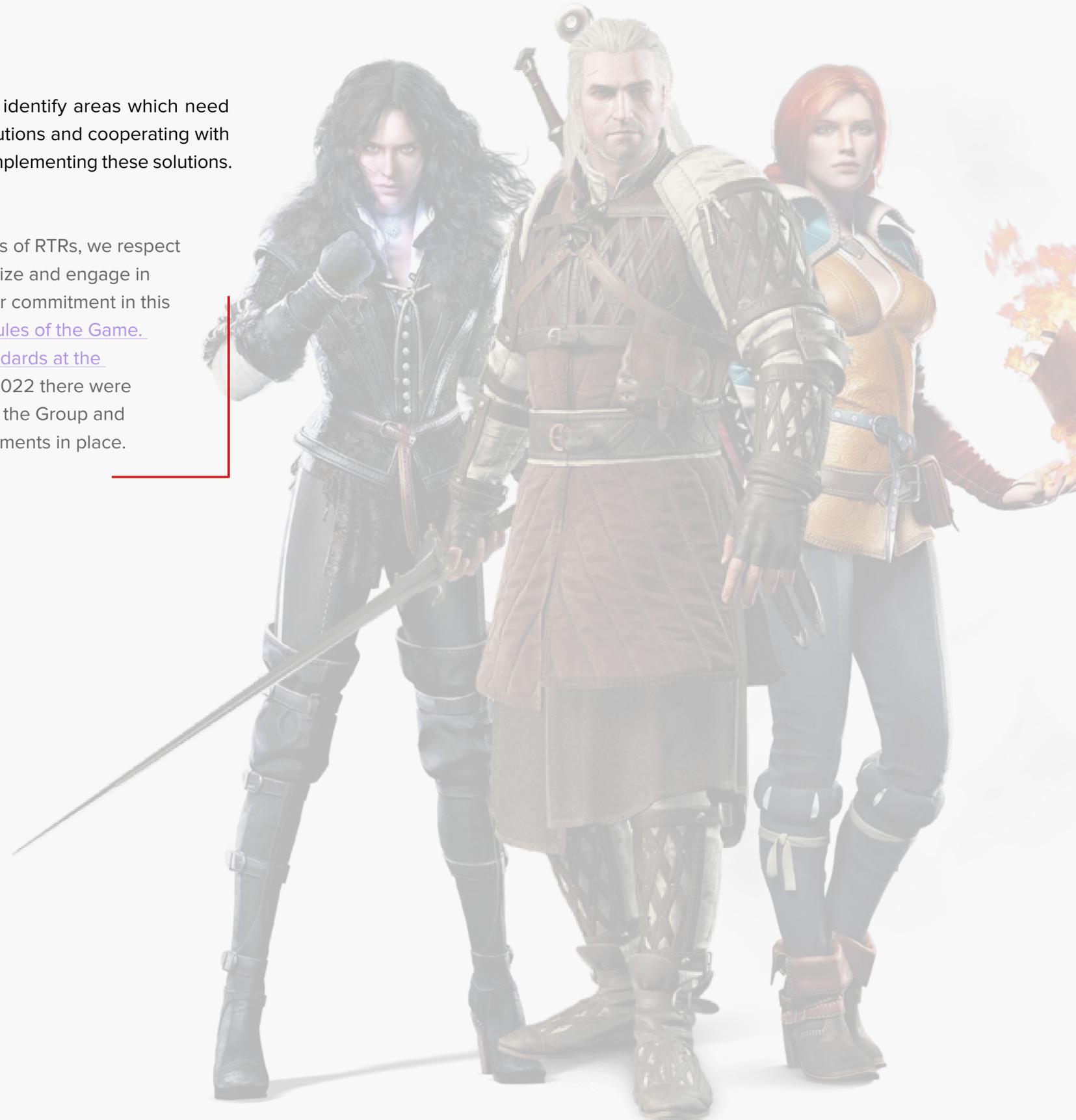
On the one hand, there was increased churn in 2021 in the aftermath of the release of Cyberpunk 2077 in 2020 – note that it is a common occurrence in the videogame industry for some team members to seek other employment once a project has been completed. On the other hand, however, in recent years we initiated a number of activities aiming to further improve working conditions and enrich the compensation packages offered to employees. This promotes engagement, improves job satisfaction, and – as a result – reduces employee turnover.

RED Teams Representatives (RTR) [GRI 2-30]

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 CD PROJEKT’s employees. It consists of thirteen team members representing all areas of CD PROJEKT’s structure. RTRs are elected for yearlong terms in anonymous and democratic elections from among all employees who do not hold directorial or other senior positions at the organization.

The main task of RTRs is to identify areas which need improvement, proposing solutions and cooperating with the Management Board on implementing these solutions.

Irrespective of the actions of RTRs, we respect everyone’s right to unionize and engage in collective bargaining. Our commitment in this regard is expressed in [Rules of the Game. Business and Ethics Standards at the CD PROJEKT Group](#). In 2022 there were no active trade unions at the Group and no collective labor agreements in place.



Talent acquisition

We want to create conditions which would enable us to attract, retain and incentivize individuals who possess key skills and experience required for further dynamic growth of the Group. This is one of the most important factors which enable us to compete for talent on the global electronic entertainment market.

To familiarize potential candidates with the working conditions at CD PROJEKT and improve our talent acquisition potential, in 2022 we rolled out an employer branding strategy, focusing on improving our perceived attractiveness as an employer (which is expected to result in a greater number of applications from appropriately skilled candidates), and on increasing employee engagement.

In 2022 CD PROJEKT received over 45 thousand job applications (compared to over 30 thousand in 2021). 255 candidates were successfully recruited.

On 1 July 2022 we launched our first-ever summer internship program (RED SUMMER INTERNSHIP), which, given the ongoing global events (war in Ukraine) was enlarged to provide additional places for young Ukrainians. From among more than 4 800 applicants, we selected 31 interns who joined 20 different teams. Following three-month internships, 25 of our interns received offers of employment.

Given that our candidates hail from all around the world, in some cases acceptance of a job offer triggers a relocation process. In the scope of relocation we organize – and later coordinate – immigration and settlement in Poland for the candidate and their loved ones, and also provide ongoing advice and assistance.

Number of relocations and countries of origin of relocated employees

Year	Number of relocations	Countries of origin of the relocated persons
2022	27	19
2021	28	17
2020	24	16

Interested in joining the CD PROJEKT Group?
Curious about our recruitment process?



Visit www.cdprojektred.com and reply to a selected job posting – or just send us your spontaneous application!

Employee recommendation system

CD PROJEKT employees are able to recommend candidates for open positions using our internal system. In 2022 we recruited 38 persons through the employee recommendation system (compared to 36 in 2021 and 14 in 2020).

Candidate experience surveys

We strive to improve our recruitment process and appreciate any feedback from people who have taken part in it. At CD PROJEKT we measure the quality of our recruitment by conducting candidate experience surveys (since 2020). In this scope, any candidate who was not ultimately offered a position, but who took part in at least one interview, is sent a survey where they can broadly rate and comment upon our recruitment process.

According to candidate experience surveys gathered in 2022:

- 86% of candidates would recommend applying to CD PROJEKT or contacting our recruiters;
- the most important factors from the point of view of applicants included our brand reputation (94%), type of job sought (67%) and our products (61%).

Satisfaction and motivation

At CD PROJEKT we want to surround ourselves with people for whom work is a passion and a source of professional pride – people who want to join us to create unique and inspiring games which go straight to the hearts of gamers from around the world.

It is with our team in mind that we strive to build a healthy work environment where everyone can pursue their ambitions and expand their knowledge and skills. In our daily practice we work to make sure that every employee feels their contribution to CD PROJEKT matters, and that their voice is heard. We also take care to provide fair and equitable remuneration – we continue to improve our practices in this regard in a bid to attract and retain top talent at our studio.

Training and professional development

[GRI 404-2]

A Training and Development Team operates at CD PROJEKT with the aim to enable all employees to improve their professional skills. Professional development involves not only improving one's technical skills and specialization, but also soft skills and exchange of experiences among teams. In 2022, similarly to preceding years, we provided open professional development paths geared to improve key strategic skills of RED team members, as well as individual training plans available to all employees.



CD PROJEKT offers an open-access training and development platform called 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 obtain access to in-house training and development materials.

In 2022 87% of employees took part in at least one training course (compared to 76% in 2021 and 57% in 2020).

General development path

The general development path covers training in the scope of soft skills, such as management of emotions, providing feedback, negotiating and managing impression. This training is organized on a periodic basis and open to all employees.

In 2022 general training activities attracted 641 participants.

In addition to soft skills, in 2022 we also organized training sessions in the following areas:

- mandatory training on online safety organized in collaboration with Zaufana Trzecia Strona (with more than 750 persons participating) at Polish locations, and with the KnowBe4 platform at our foreign offices;
- training on how to deal with mobbing, or bullying, conducted by Diversity Hub (58 participants);

- UX training conducted by an expert – Celia Hodent (109 participants);
- intercultural competences training conducted by Diversity Hub (80 participants);
- Agile methodology training – a total of 27 training sessions aimed for developers, with 277 participants, along with back-office training sessions attended by 38 participants.

A set of workshops and open training events also took place in the reporting period, organized on the initiative of individual team members willing to share their expertise, among others in the area of:

- storytelling and quest design in games (16 workshops);
- programming (16 workshops);
- IPR in the gamedev industry (2 workshops).

42 foreign staff members at CD PROJEKT participated in Polish language classes in 2022. On average, 43 classes were held per month, for a total of 383 hours of instruction in 2022. For those employed in the back office, the studio also arranged English language classes. In 2022, 64 participants took advantage of this opportunity – an average of 135 classes were held monthly, or a total of 1 548 hours of English language training throughout the year.

Managerial development path

Improving the leadership skills of managerial staff is particularly important for implementing the Group's business strategy. In 2021, we created a new long-term development program at CD PROJEKT to enhance key competences of our managers. The program is tailored to challenges existing at various management levels and involves, on average, 90 hours of instruction. Each manager may choose the training type, level of advancement and formula, all tailored to their individual preferences and needs.

The diverse offer 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 workshops (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. Follow-up modules are dedicated for more experienced managers, and focus on skills such as managerial courage, change management or employee development. In 2022, we trained a total of 164 persons under this program.

All development programs – for managers and otherwise – are assessed for their effectiveness. In this process we employ the Kirkpatrick model, which, in addition to measuring trainee satisfaction, also takes into account knowledge gain and behavioral changes – i.e. the outcome of training. This helps us ensure that the programs have the desired effect and properly address the needs of the organization and its employees, thereby contributing to implementation of the Company's strategy.

Rating and feedback system [GRI 404-3]

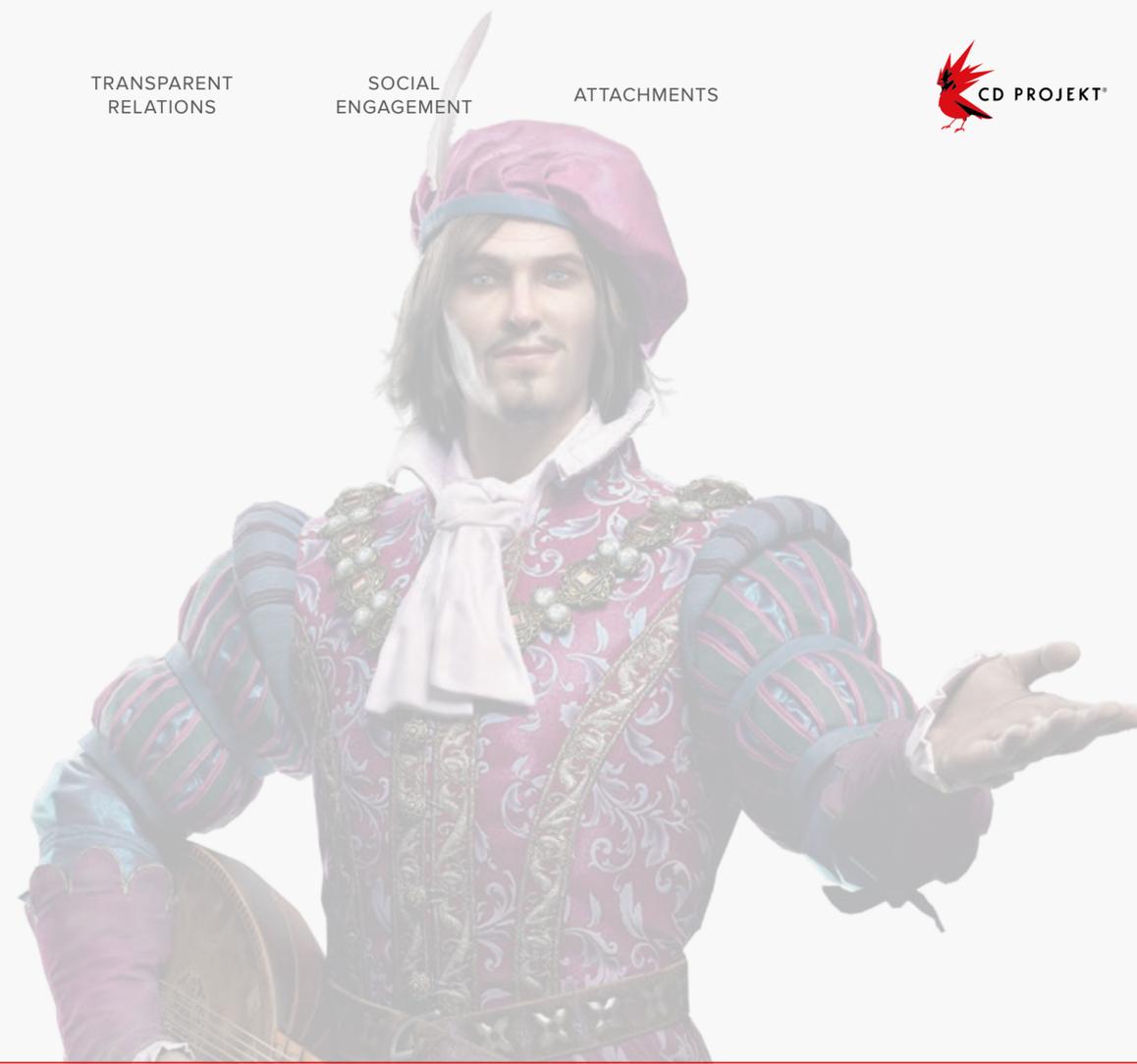
The ongoing Agile transition at CD PROJEKT RED required us to adapt the employee appraisal criteria to the new approach in team management. The essence of the changes in the employee appraisal system rolled out in 2022 is to shift focus from assessing the individual effort of each staff member to joint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

One of the ways in which we supported our Agile transition in 2022 is continued bolstering of CD PROJEKT's feedback culture. Our activities in this area include encouraging all staff members to provide feedback to their colleagues and continuing to develop tools which assist in this process (360-degree assessment, 180-degree assessment, feedback tab in employee portal). In addition, in the context of this activity in 2022 we launched a day-long training course called "Daily feedback – give & receive", which is available to all employees.

In 2022 (similarly to 2020 and 2021) 100% of CD PROJEKT employees received, on at least one occasion, feedback concerning their attitude and quality of work in the given period.

Culture Amp engagement survey

In order to better address the needs of our employees and remain up to date on the challenges they face, in 2022 we rolled out the Culture Amp tool for measuring team engagement. This helps us keep track of the condition of our organization and implement – in collaboration with employees – solutions which aim to increase engagement. The first Culture Amp survey was carried out in the fall of 2022. Currently, based on its results, we are implementing a range of initiatives on the level of the organization as a whole, as well as within individual teams. In 2023 we will focus on bolstering leadership, enhancing collaboration between teams, supporting feedback and appraisal activities, improving the efficiency of internal communication, and further expanding our offer for employees.



70%

Engagement score for CD PROJEKT employees

85%

Share of employees participated in the Culture Amp survey

Approach to remuneration [GRI 2-20]

At CD PROJEKT we attach great importance to equal treatment of all our team members. Our commitment in this regard is expressed in [Rules of the Game. Business and Ethics Standards at the CD PROJEKT Group](#). We continue to improve our personnel-related policies with the aim to ensure equitable remuneration and career development opportunities for all our employees regardless of gender, age or nationality. Our practices in this regard are consulted with key internal stakeholders.

To make sure that our remuneration is consistent with market standards, we carry out annual reviews of our pay grid, comparing our salaries to market benchmarks. We also monitor the Compa Ratio (CR) indicator.

Given the structure of employment in the gamedev industry, both in Poland and globally, and the resulting difficulties in obtaining comparative data for all tiers of the corporate hierarchy, at CD PROJEKT pay gap analysis – which assesses potential differences in remuneration offered to men and women – is based on Compa Ratio indicator. This indicator, in our opinion, accurately reflects the variance in remuneration which may be attributable to employee gender.

Compa Ratio (CR) for all employees¹⁵ in 2021 and 2022

2021	2022
97%	97%

CR provides a baseline for determining the midrange point of compensation brackets at each level. The listed values represent CR derived for women and men respectively.

We regard 97% as a very good result, made possible by our longstanding remuneration policy. The slight difference (3%) in favor of men is generally due to their longer average duration of employment at the Company, which translates into additional job experience.

Benefits for team members [GRI 401-2]

In addition to financial remuneration for staff, CD PROJEKT also offers several fringe benefits. Their scope depends on the place of employment and is independent of working hours.

- **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.

- **Cafeteria benefits plan** – in 2022 we rolled out a cafeteria plan where the Company, monthly, adds points to participants' personal accounts. Team members may exchange these points for a range of additional benefits, including sports cards, additional medical coverage, or one-off perks such as movie/theatre tickets or vouchers redeemable in selected stores. The plan is successively being expanded based, among others, on employee feedback.
- **Campus gym** – the Warsaw studio operates a gym which is available 24 hours a day, 7 days a week, and staffed by a personal fitness trainer.
- **Flexible working hours** – CD PROJEKT offers flexible working hours. Team members may start their working day between 8 and 10 in the morning.
- **Dogs at 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 colleagues, improves cooperation and promotes positive team dynamics.
- **Events** – integration meetings such as a Christmas party and summer picnic are held several times a year. In 2022 we organized a special event to celebrate the 20th anniversary of CD PROJEKT RED.

¹⁵ Covering all types of contracts (employment contract, contract of mandate, work order, B2B) and excluding remuneration of members of the Management Board of CD PROJEKT

In 2022 we formally regulated our flexible work model where each employee may decide to either work primarily at the office (office-first) or remotely (home-first). Persons who opt for the office-first model must report to the office at least 10 days each month, and have personal desks assigned to them. Home-first employees may instead use hot desks while at the office. Work model selection is based on internal agreements within each team, acknowledging the team's goals and the need for direct interaction between employees.

In 2022 the portfolio of employee benefits did not include life insurance coverage. Retirement benefits and parenting leave are handled in accordance with the provisions of the Polish Labor Law.

Earnings bonuses **[GRI 401-2]**

In line with current practice, in 2022 10% of our net profit was allocated to a separate budget from which bonuses are paid out to all employees. This budget is divided among team members according to a formula which acknowledges everyone's base salary and tenure at the Group.

Starting in 2023 we introduced an important change in our remuneration policies: the above-mentioned earnings bonus was discontinued, and a proportional change in the base salary assigned to each employee was introduced in its place. This change is consistent with the Company's long-term strategy and augments its implementation.

Share-based incentive program **[GRI 401-2]**

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 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, achievement of individual goals.

Detailed information on the current Incentive Plan for 2020-2025 can be found in the Management Board report on CD PROJEKT Group activities in 2022, available at www.cdprojekt.com.

Employee Pension Scheme **[GRI 401-2]**

The Employee Pension Scheme 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.

At CD PROJEKT 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 50 PLN). At yearend 2022, 32.1% of eligible CD PROJEKT employees participated in the Employee Pension Scheme. The Employee Pension Scheme is managed by NN Investment Partners TFI S.A.

Diversity and inclusion

Since 2018 a [Diversity Policy](#) is in place at CD PROJEKT. This policy sets core values upon which our organizational culture is based.

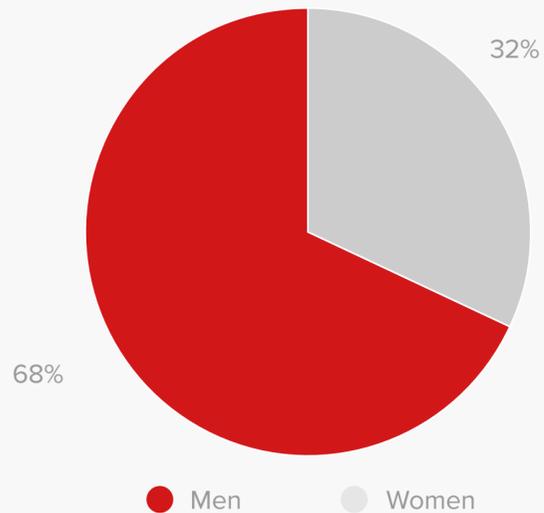
CD PROJEKT is also a signatory of the Diversity Charter – an international initiative under the auspices of the European Commission which obligates us to forbid discrimination in the workplace and take action to create and promote diversity and engage team members and business partners in such actions

Our commitments regarding diversity and inclusion are expressed in [Rules of the Game. Business and Ethics Standards at the CD PROJEKT Group.](#)

Basic diversity indicators at CD PROJEKT [GRI 401-3]

At yearend 2022 women accounted for 32% of all CD PROJEKT employees – this represents a 3% increase over yearend 2021, and is 7% higher than the Polish gamedev industry average¹⁶.

Employment at CD PROJEKT by gender at yearend 2022



- Women represent 22% of managerial staff¹⁷ at the Company.
- 25% of developers employed at CD PROJEKT are women.
- The average age of CD PROJEKT employees in 2022 was 32, which is consistent with global trends in the gamedev industry.
- 22% of CD PROJEKT employees are foreigners. At the end of 2022 we employed nationals of 43 countries. Besides Poles, Ukrainians are the most represented nationality.

Share of men and women in the CD PROJEKT workforce in 2020-2022 compared to the Polish gamedev industry

	31.12.2020	31.12.2021	31.12.2022
Women	27%	29%	32%
Men	73%	71%	68%
Average % of women in the Polish gamedev industry ¹⁶	25%	26%	25%

¹⁶ According to the report "PolskiGamedev.pl – największy raport o kondycji polskiej branży gamedev 2022/23"

¹⁷ Director, Manager, Lead

All CD PROJEKT Group employees are entitled to parental leave in accordance with the applicable laws. Those include all types of leave to which people are entitled on account of giving birth to/taking in a child, such as maternity leave, additional maternity leave and parental leave. In 2022 32 employees took advantage of parental leave (compared to 47 in 2021). 22 people returned to work from parental leave in 2022 (compared to 26 in 2021).

At yearend 2022 CD PROJEKT employed 10 persons with disabilities. Our Warsaw HQ is adapted to the needs of such people – among others, buildings on the campus are equipped with wide elevators, four accessible toilets, as well as dedicated parking spaces for the disabled right next to the main entrance. We also strive to remain open to the unique needs of each employee, customizing the workstations to the specific requirements associated with their health condition or disabilities.

Activities promoting diversity

Cultural Diversity Week

In connection with the World Day for Cultural Diversity for Dialogue and Development celebrated on 21 May, between 16 and 20 May 2022 we organized an event called the Cultural Diversity Week. The goal was to foster cultural sensitivity among team members, and establish a forum where our employees can get to know the cultural habits of their colleagues.

As part of the Cultural Diversity Week, we invited Fundacja Ocalenie to discuss the circumstances of refugee families in Poland, while Diversity Hub organized webinars devoted to intercultural dialogue. We also held a meeting with CD PROJEKT expats (called Culture Connect) while on each day of the Week our canteen served national dishes from a different region of the world.

Pride Month

To celebrate Pride Month¹⁸ in collaboration with the Stonewall Group we organized a webinar devoted to the history of the LGBTQ+ movement. We also collected funds for Kampania Przeciw Homofobii and coordinated the participation of CD PROJEKT representatives in the annual Pride Parade, organized by Fundacja Wolontariat Równości.

CD PROJEKT for parents

In 2022 we continued activities initiated the year before in the context of supporting parenthood and guardianship. This includes webinars organized in conjunction with Mother's Day (titled "Bittersweet Motherhood – Facts and Myths About Family life and Femininity") and Father's Day ("Let Your Child Be"), co-organized with the Sharethecare organization and attended by 43 persons.

To celebrate International Children's Day our employees' children were offered a tour of our Warsaw campus – this event attracted 69 participants. We also organized and co-financed a series of day camps, with 43 children participating. In 2022 we gave away 21 layettes for newborn children of our team members.

To better address the needs of parents who work at CD PROJEKT, in 2022 we carried out a survey titled "Family-friendly workplace" in which 98 employees took part. For 2023 we scheduled a more in-depth study, which will involve group interviews with parents and guardians. Based on this research we will develop a plan for supporting parents and guardians who return to work following long-term leave, and we will investigate how to adapt our benefits portfolio to their specific needs.



¹⁸ June is commonly regarded as the Pride Month for sexual minorities.

Health and well-being

Occupational health and safety (OHS)

[GRI 403-1, 403-3, 403-4, 403-5, 403-8, 403-9]

All CD PROJEKT employees with an employment contract are referred for initial medical examination upon hiring. They also undergo regular or ad-hoc medical tests in accordance with referrals considering the nature of their work. Information concerning the health of our employees is covered by the physician-patient privilege and is not processed by our organization for any purpose. Access to medical certificates is limited to persons in charge of HR, in accordance with their assigned duties.

On the first day at work, employees undergo an orientational OHS e-learning course (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. In addition, we organize and carry out specialized training focused on e.g., first aid or operating AED defibrillators. OHS and fire safety regulations are described in the Company's intranet.

An Occupational Health and Safety Committee is in place at CD PROJEKT, representing the interests of all 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 six members: three representatives of the employer and three representatives of employees (elected in a ballot). OHS Committee meetings are held at least once per quarter.

In 2022 and 2021 no workplace accidents occurred at CD PROJEKT. One such accident occurred in 2020.

In addition to ensuring compliance with occupational health and safety (OHS) regulations, we also engage in initiatives which benefit the health and well-being of our team members.

Actions benefitting the team's health and well-being

[GRI 403-6]

In October and November 2022, the fourth edition of a campaign which promotes awareness of early detection, diagnosis and treatment of cancer, was organized on our premises in Warsaw, Kraków and Wrocław. In the framework of this campaign members of our team underwent over 380 blood tests and nearly 450 USG examinations.

In 2022 we carried on the series of webinars – initiated the year before – titled “Minding your mind” and organized by experts from the SWPS University of Social Sciences and Humanities. We discussed how to care for one's mental health as well as personal and professional development. A total of 20 webinars were held in 2022, with an average attendance of 199.

If required, our team members can participate in free-of-charge individual psychological consultations, which are offered in five languages.



07



ENVIRONMENT

[GRI 3-3]

As we strive to maintain a balance between the Group’s dynamic growth 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.

Environmental management is the responsibility of the Environmental Management Coordinator who is a member of the Administration department.

To the best of our knowledge, in 2022:

- no deviations from applicable environmental protection laws and regulations were identified at the CD PROJEKT Group;
- the CD PROJEKT Group did not incur any penalties as a result of deviations from environmental protection laws and regulations.

CD PROJEKT environmental policy

In 2022 we adopted an [Environmental Policy](#) in which we pledge to (1) implement and then progressively refine an Environmental Management System consistent with ISO 14001 and the EMAS regulation; (2) reduce the negative impact of our activities on the environment and the climate; (3) take environmental issues into account when making business decisions

In line with our commitment, in 2022 we carried out the following activities:

- calculating our carbon footprint in Scopes 1, 2 and 3 which will enable us to monitor and manage our environmental impact,
- design work on the redevelopment of our campus and construction of a multistory parking lot incorporating the latest technological innovations (including electric car charging stations and a rainwater recuperation/plant irrigation system),
- energy efficiency audit of our Warsaw campus and development of a plan to improve the efficiency of energy consumption,
- encouraging team members to engage in environmental protection activities – including cleanup work on the Vistula embankments in Warsaw,

- promoting commuting by bike, electric vehicles or public transport,
- Green Up – a series of webinars and workshops devoted to environmental issues,
- enabling remote work which cuts down emissions associated with commuting to the office,
- climate risks and opportunities analysis consistent with TCFD recommendations¹⁹.

ESG ambition

To continue the green transformation on our campus and beyond

Key area

Limiting the impact of our activities on the environment and the climate

Goals

- 2023: Submitting to EMAS certification as the first gamedev company in Poland
- 2023: Setting long-term emissions reduction targets in Scopes 1 and 2 for domestic member companies of the CD PROJEKT Group
- 2023: Reducing our carbon footprint in Scope 2 by expanding the renewable energy infrastructure at CD PROJEKT’s Warsaw campus by at least 40% and modernizing our IT infrastructure

Sustainable Development Goals



¹⁹ Task Force on Climate-Related Financial Disclosures

Carbon footprint

[GRI 305-1, 305-2, 305-3, 305-4]

The CD PROJEKT Group measures and discloses its carbon footprint in three scopes (1, 2 and 3) which together reflect the extent of our impact on the environment. Carbon footprint is defined as the aggregate emissions of greenhouse gases caused – directly or indirectly – by the company. It covers both direct emissions, such as burning fuels, but also indirect emissions – e.g., in the process of generating electrical and heat energy. Carbon footprint is expressed as carbon dioxide equivalent (CO₂e), with a ton of carbon dioxide equivalent (tCO₂e) being its basic unit. It is calculated in accordance with the requirements of the GHG Protocol²⁰.

We focus on calculating the emissions of the CD PROJEKT Group in Poland²¹ and consolidate the results of this calculation in the framework of CD PROJEKT Group's operational control in Poland, considering 100% of emissions at each analyzed company.

Emissions of greenhouse gases by the CD PROJEKT Group encompass the following:

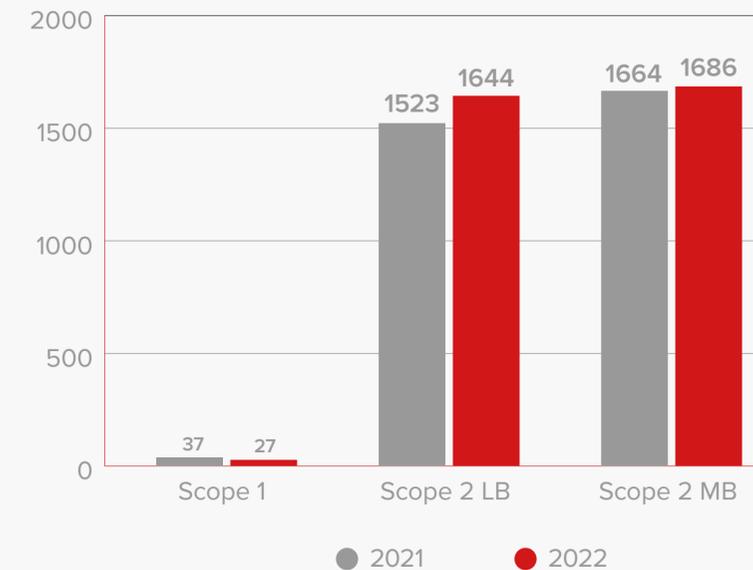
- **Scope 1** – direct GHG emissions at premises owned or managed by the Group. At CD PROJEKT this comprises emissions from burning fuels and release of refrigeration agents.
- **Scope 2** – indirect GHG emissions associated with generation of electrical and heat energy consumed by the Group. Scope 2 emissions are calculated using market-based indicators

(published by each energy distributor) or location-based indicators (based on the average emission coefficient for Poland).

- **Scope 3** – other indirect GHG emissions not covered by Scopes 1 and 2, identified throughout the value chain. Scope 3 includes upstream emissions (purchase of raw materials and services, capital assets, energy- and fuel-related emissions not covered by Scopes 1 and 2, transportation and distribution of raw materials, waste management, business travel, employee commuting) and downstream emissions (transportation and distribution of our products, consumption of energy when playing games, and emissions related to leased assets²²).

Emissions indicators for various fuels are published by the National Center for Emissions Management (KOBIZE), while the corresponding indicators for refrigeration agents are derived from the DEFRA (UK Department for Environment, Food and Rural Affairs) database and calculated based on baseline data contained in the IPCC Sixth Assessment Report – Global Warming Potentials (AR6). Regarding thermal energy, we rely on energy generation intensity indicators reported for Poland by the Energy Regulatory Office (URE). About electrical energy, we rely on indicators published by each energy distributor (market-based method) and the average emissions indicator for electrical energy in Poland for 2021, based on KOBIZE publications (location-based method). Regarding selected resources as well as waste, tap water, transportation, business travel and commuting we rely on the DEFRA database. About other resources, emissions data is derived from documentation obtained from manufacturers and the Ecoinvent 3.8 database.

The CD PROJEKT Group's Scope 1 and 2 carbon footprint in 2021 and 2022



In 2022 our Scope 1 GHG emissions totaled 27 tCO₂e, which is 27% lower than in 2021 (reduction by 10 tCO₂e). This result was driven by a reduction in the quantity of fuels consumed, and by diligent maintenance of our air conditioning devices. In 2022 no emissions related to leakage of refrigeration agents from air conditioning units were identified.

No biogenic greenhouse gas emissions were identified at the CD PROJEKT Group in 2022.

²⁰ Greenhouse Gas Protocol, GHG Protocol – accounting tool used for measuring greenhouse gas emissions; co-developed by the World Resources Institute and the World Business Council for Sustainable Development.

²¹ This is due to the relative immateriality of emissions caused by the Group's foreign entities.

²² Leased assets comprise space leased to external entities at the Group's Warsaw campus. The corresponding calculation takes into account consumption of heat by lessees and leakage of refrigeration agents from air conditioning units on leased premises.

In Scope 2, our greenhouse gas emissions calculated using the location-based (LB) method were 1 644 tCO₂e, which is 121 tCO₂e more than in 2021. When applying the market-based (MB) method, our Scope 2 emissions in 2022 work out to 1 686 tCO₂e (increase by 22 tCO₂e). These increased emissions in Scope 2 are caused by increased consumption of electrical energy at the Group's offices compared to 2021, when Covid-19 restrictions were still in place and fewer employees were physically present at the office. The GHG²³ figures reported for 2022 more accurately reflect our actual environmental footprint under standard working conditions and will serve as the basis for developing an emissions reduction plan. Location-based figures are somewhat lower, given that the market-based indicators published by energy distributors tend to be higher than the average indicator for Poland as a whole.

The vast majority (98.4%) of greenhouse gas emissions generated during the Group's operating activity fall within Scope 2: those are indirect emissions from the consumption of purchased electricity and heat. The bulk of this figure is related to consumption of electrical energy – 74% of the overall emissions in Scopes 1 and 2 combined.

The remaining 25% (LB method) or 24% (MB method) of aggregate Scope 1 and 2 emissions is related to consumption of heat. Scope 1 emissions are identified only at CD PROJEKT S.A. and are related to consumption of fuel in vehicles operated by the Company and combustion of fuel in local sources (emergency generator powering the server room); they contribute 1.5% to the Group's overall carbon footprint in Scopes 1 and 2.

The structure of Scope 1 and 2 GHG emissions underscores the importance of the existing commitment to improving energy efficiency at our offices and transition to renewable energy sources. 328 photovoltaic panels with a total capacity of 100 kWp deployed at our campus buildings in Warsaw generate benefits associated with lower greenhouse gas emissions.

To illustrate the intensity of GHG emissions, we refer to indicators and parameters specific to the Group's activities, such as office space and number of employees.

Intensity of Scope 1 and 2 greenhouse gas emissions at the CD PROJEKT Group in 2021 and 2022 [GRI 305-4]

	2022	2021
Emissions per m ² of space used (location-based) [t CO ₂ e/m ²]	0.12	0.12
Emissions per m ² of space used (market-based) [t CO ₂ e/m ²]	0.13	0.13
Emissions per employee (location-based) [t CO ₂ e/osobę]	1.44	1.39
Emissions per employee (market-based) [t CO ₂ e/osobę]	1.48	1.52

Location-based figures are somewhat lower, given that the market-based indicators published by energy distributors tend to be higher than the average indicator for Poland as a whole. GHG emissions in Scopes 1 and 2 per unit of space remained like 2021 levels but increased slightly per employee when calculated using the location-based method. This is due to increased consumption of energy in 2022, caused by return to office work after the pandemic period.

Scope 3 covers other indirect GHG emissions throughout the organization's value chain. It is divided into 15 categories. Following analysis, we selected those categories which are material from the point of view of the Group's activities and for which adequate input data can be obtained. We discarded categories which do not apply to the Group's activities, which are regarded as immaterial, or for which no reliable estimates can be provided. Regarding Scope 3, we primarily relied on emissions data provided by our suppliers. In cases where a supplier could not provide us with emissions data related to their products or services, we instead relied on public data derived from specialized databases (e.g., Ecoinvent, DEFRA), Type III Environmental Product Declarations (EPDs) or scientific publications.

²³ Greenhouse Gas Emissions

In calculating Scope 3 emissions for domestic member companies of the CD PROJEKT Group the following categories were considered:

- **Category 1:** Purchased goods and services, i.e., emissions from production of goods and services purchased by Group member companies;
- **Category 2:** Capital goods, i.e., purchased fixed assets whose useful economic life lasts for at least several years;
- **Category 3:** Fuel- and energy-related activities not included in Scope 1 or Scope 2, i.e., emissions from production and distribution of electrical energy and transport fuels – here, we relied on actual usage reports related to Scope 1 and 2, and on emissions indicators published by DEFRA 2021 and KOBIZE;
- **Category 4:** Upstream transportation and distribution, i.e., emissions from transportation of resources and of finished products whose costs are borne by Group member companies;
- **Category 5:** Waste generated in operations of CD PROJEKT Group member companies, including transport and utilization of waste, and wastewater discharged to the sewer system;
- **Category 6:** Business travel of Group employees, including emissions from the associated transport and accommodation;
- **Category 7:** Employee commuting, including emissions produced by remote work;
- **Category 8:** Upstream leased assets – not applicable to the CD PROJEKT Group;
- **Category 9:** Downstream transportation and distribution, i.e., transportation and distribution

of finished products whose costs are not borne by any member company of the Group. In the case of online distribution of videogames or distribution of data using streaming tools, calculations are based on the volume of data transmitted;

- **Category 10:** Processing of sold products – not applicable to the CD PROJEKT Group;
- **Category 11:** Use of sold products, which includes direct emissions (Scope 1 and 2 for end users) and indirect emissions, e.g., from consumption of electrical energy required to operate the product;
- **Category 12:** End-of-life treatment of sold products – considered immaterial for the CD PROJEKT Group;
- **Category 13:** Downstream leased assets, i.e., office space leased to external entities at the Group's Warsaw campus. This calculation acknowledges greenhouse gas emissions resulting from consumption of electrical and thermal energy by lessees, and leakage of coolant agents from air conditioning devices throughout leased space;
- **Category 14:** Franchises – not applicable to the CD PROJEKT Group;
- **Category 15:** Investments (mainly concerning investors and companies which provide financial services) – not applicable to the CD PROJEKT Group.

Other indirect greenhouse gas emissions (Scope 3) [GRI 305-3]

Scope 3 –other material indirect emissions	2022 emissions market-based [tCO ₂ e]	% scope 3 emissions
Cat. 1. Purchased goods and services	1 284.15	0.40%
Cat. 2. Capital goods	201.36	0.06%
Cat. 3. Fuel- and energy-related activities	323.12	0.10%
Cat. 4. Upstream transportation and distribution	224.65	0.07%
Cat. 5. Waste generated in operations	0.18	0.00%
Cat. 6. Business travel	514.28	0.16%
Cat. 7. Employee commuting	73.28	0.02%
Cat. 9. Downstream transportation and distribution	270 973.02	84.29%
Cat. 11. Use of solid products	46 853.58	14.57%
Cat. 13. Downstream leased assets	1 042.45	0.32%
Total:	321 490.07	100.00%

Regarding emissions, the most important categories are Category 9: Downstream transportation and distribution (over 84% of Scope 3 emissions) and Category 11: Use of sold products (over 14% of Scope 3 emissions).

By purchasing subsidies for sustainable aircraft fuel in 2022, we have achieved a reduction in emissions from air travel by 2.83 tCO₂e.

CD PROJEKT Group's 2022 carbon footprint

Scope	LB emissions [tCO ₂ e]	MB emissions [tCO ₂ e]	% of total
1	27	27	0.01%
2	1 644	1 686	0.51% (LB), 0.52% (MB)
3	320 856	321 490	99.48% (LB), 99.47% (MB)
1 + 2 + 3	322 527	323 203	100%

The CD PROJEKT Group's 2022 carbon footprint was 323 203 tons CO₂e (market-based method) or 322 527 tons CO₂e (location-based method). The largest contribution to this figure is from Scope 3, which accounts for almost 99.5% of the Group's aggregate carbon footprint.

Calculation of greenhouse gas emissions forms the foundation upon which the Group devises its carbon footprint management strategy for the coming years. We intend to focus on further improving our energy efficiency and increasing the share of renewable energy in the Group's overall energy balance, among others by expanding our own renewable energy infrastructure.

Environmental impact of our products

We are aware of our environmental impact throughout the value chain – which includes the games we distribute around the world. Consumption of energy related to playing games represents 14.6% of our total carbon footprint in Scope 3.

Environmentally friendly campus

In August 2020, 328 photovoltaic panels with a peak capacity of 100 kWp were installed on the rooftops of four buildings at CD PROJEKT's Warsaw campus. In 2022 these panels generated a total of 92.8 MWh (334 GJ) of electricity, preventing the release of 65 tons of carbon dioxide equivalent into the atmosphere.

[Check](#) the energy output of our photovoltaic panels.



Among the major investment projects carried out in 2022 and 2023 is the construction of a parking lot which consists of two underground stories and two above-ground stories. Eco-friendly solutions are integrated in its design given the increasing popularity of electromobility and the ever-growing demand for electric car infrastructure, all 129 parking spaces are ready for deployment of EV charging stations. In 2022 we deployed 20 charging stations. Over 4 800 plants were planted throughout our campus grounds, on rooftops and in pots mounted on building façades. We also deployed a rainwater recuperation system coupled to a plant irrigation system, which will enable us to reuse all water collected in the parking structure. The new parking lot is scheduled to open in the first half of 2023.

To improve energy management at the CD PROJEKT campus we contracted a specialized entity to perform an energy audit of our structure and carry out a series of analyses focusing, among others, on the economic and practical feasibility of implementing additional renewable energy solutions. Based on the results of this work, we prepared an investment plan which deals with improving the energy efficiency of the CD PROJEKT campus. By rolling out targeted solutions we aim to reduce our Scope 2 GHG emissions.

Team commitment to aiding the environment

Cleaning up the Earth

Together with Fundacja Ja Wisła we organized an activity where our team members were encouraged to help clean up the Vistula embankments. The event was open to all employees at our Warsaw offices and to their loved ones. It was preceded by mandatory OHS training for volunteers and culminated in a bonfire BBQ. Together we managed to collect approximately 40 bags of trash weighing over half a ton.

Bike to work

To foster healthy lifestyle habits and promote eco-friendly transportation we organized a challenge where our employees were encouraged to commute to work by bike. Participants could register their commutes in a dedicated app, with each commute rewarded with a 50% discount coupon redeemable at our Warsaw canteen. Employees working at our Kraków and Wrocław offices received lunch vouchers instead. The challenge lasted between July and September 2022 and attracted 137 participants who jointly logged 2 530 commutes totaling 16 650 km and preventing the emission of 2.9 tCO₂e.

Webinars and eco-friendly activities

In addition to the above, we organized a series of webinars titled Green Up with the aim to increase environmental awareness among our team members and promote environmentally friendly actions. Meetings were devoted

to creating an eco-friendly work environment, explaining how the recycling system works, preventing wastage of food or making sustainable fashion choices. We also underscored the importance of individual actions in the face of the climate crisis. The session devoted to sustainable fashion was accompanied by a swap meet – participants could bring to the office items of clothing which they no longer needed and swap them for other items. Unclaimed items were turned over to the Ubrania do Oddania foundation. We also organized an eco-workshop at our September team integration meeting. Posters displayed at our offices explain the principles of recycling, and there are also pictograms which encourage employees to turn off unneeded lights, conserve water and avoid wasting paper.

Datacenter management

At CD PROJEKT we store data in our own server room, as well as in global cloud infrastructures (including Google Cloud Platform, AWS, Alibaba, OVH or Atman Cloud). We also collocate our servers at facilities which rent out specialized space.

The Company's own servers are powered by electrical energy purchased from the distributor who serves the entire CD PROJEKT campus in Warsaw. Public cloud providers use – in whole or in large part – renewable energy sources or have plans in place to cover their current energy needs with 100% renewable energy in the coming years. Servers located outside of the Company's premises, under a collocation agreement with Atman, are powered with electrical energy based on contracts concluded

between the datacenter operator and energy distributors. In 2022 Atman datacenters worked to ensure that their facilities are powered only using renewable energy sources. This goal was achieved on 1 January 2023.

In 2022 we decided to upgrade the central IT infrastructure deployed in the server room at our Warsaw HQ. This upgrade will significantly limit consumption of electrical energy and reduce the quantity of equipment needed to support the operations of CD PROJEKT.

Our computing resources are virtualized and/or containerized and using automatic scaling mechanisms for selected 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 distribution platform are partially or fully supported by additional computing resources procured from the above-mentioned public cloud providers, as well as by our own resources which are not used at the given time – 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.

Climate-related risks and opportunities

In accordance with TCFD guidelines, CD PROJEKT carries out identification, assessment and management of climate-related risks and opportunities. At a workshop held in November 2022 and attended by members of teams whose activities may have the greatest impact on the climate and the environment, we identified climate-related risks and opportunities

TCFD recommendation	Implementation
Identifying the short-, medium- and long-term perspectives	<ul style="list-style-type: none"> ■ Short-term perspective – by 2025 ■ Medium-term perspective – 2025 to 2030 (based on EU medium-term climate goals) ■ Long-term perspective – 2030 to 2050 (based on EU long-term climate goals)
Analysis involving two scenarios, one of which posits an increase in global temperatures by 2°C or less	Risks have been assessed in the context of two climate change scenarios: RCP ²⁴ 2.6 and RCP 8.5

facing CD PROJEKT in two distinct climate change scenarios and under three different time horizons.

Expert analysis, carried out by our internal team, determined the impact and likelihood of materialization of each identified physical risk as well as for each transformational risk related to climate change. Risks were assessed in accordance with two scenarios: RCP 2.6 (which assumes an average increase in temperatures by 1.5°C compared to the preindustrial period – in line with the aspirational goal of the Paris Agreement), and RCP 8.5 (maintaining the current rate of increase of GHG emissions under the “business as usual” formula; in this scenario average temperatures will increase by 4.5°C compared to the preindustrial period, leading to irreversible destabilization of the Earth’s climate).



²⁴Representative Concentration Pathways (RCP) have been accepted by the Intergovernmental Panel on Climate Change. They concern ranges of future changes in anthropogenic climate change drivers. In each scenario, the anticipated emissions depend on socioeconomic factors, degree of mitigation, climate change and reduction in air pollution.

Base scenario

RCP 2.6 – 1.5°C temperature increase

Greater likelihood and scale of medium- and long-term transformational risks:

- Meeting EU emissions reduction goals defined for 2030 and 2050
- Poland adopts and meets the goal of achieving climate neutrality, or achieves it with a minor delay
- Significant increase in the cost of energy carriers
- Significant increase in energy prices
- Significant increase in ecological awareness on the part of consumers; greater demand for low-emissions products
- Fastest-ever increase in the efficiency of renewable energy technologies

Alternative scenario

RCP 8.5 – 4.5°C temperature increase

Lower likelihood and scale of medium- and long-term transformational risks:

- Failure to meet EU emissions reduction goals defined for 2030 and 2050
- Poland does not implement the goal of achieving climate neutrality, and instead significantly deviates from this goal
- Moderate increase in emissions-related costs
- Gradual and moderate increase in energy prices
- Significant increase in ecological awareness on the part of consumers; greater demand for low-emissions products
- Slower than expected increase in the efficiency of renewable energy technologies

The presented analysis covers 29 physical risks (16 persistent risks and 13 acute risks) as well as five categories of transformational risks: policy-related risk, regulatory risk, market risk, technological risk and risk associated with loss of reputation.

From among physical phenomena which may potentially affect our activities we analyzed, among others, risks related to the consequences of heavy rainfall, heat waves, water stress or global sea level change.

In the RCP 2.6 scenario the likelihood of materialization of physical risks in the short and medium term is somewhat low and has been assessed as “negligible/improbable”. In the RCP 8.5 scenario the likelihood of materialization of such risks increases to “possible/likely”, particularly in the long-term perspective. In addition, the risk of electrical outages caused by violent weather events is regarded as “nearly certain” in this scenario.

The impact of the materialization of physical risks in both scenarios is deemed as not having a significant impact on the activities of our organization (i.e. their potential financial consequences are below the assumed materiality threshold).



In the scope of transformational risks, we analyzed four risk categories:

Market risks:

- risk of increase in energy prices;
- risk of having to raise product prices as a result of increased costs.

Regulatory risks:

- risk of additional financial liabilities related to introduction of EU climate regulations;
- risk of facing additional non-financial reporting obligations related to environmental issues;
- risk of incurring penalties because of failing to observe more restrictive environmental regulations.

Technological risks:

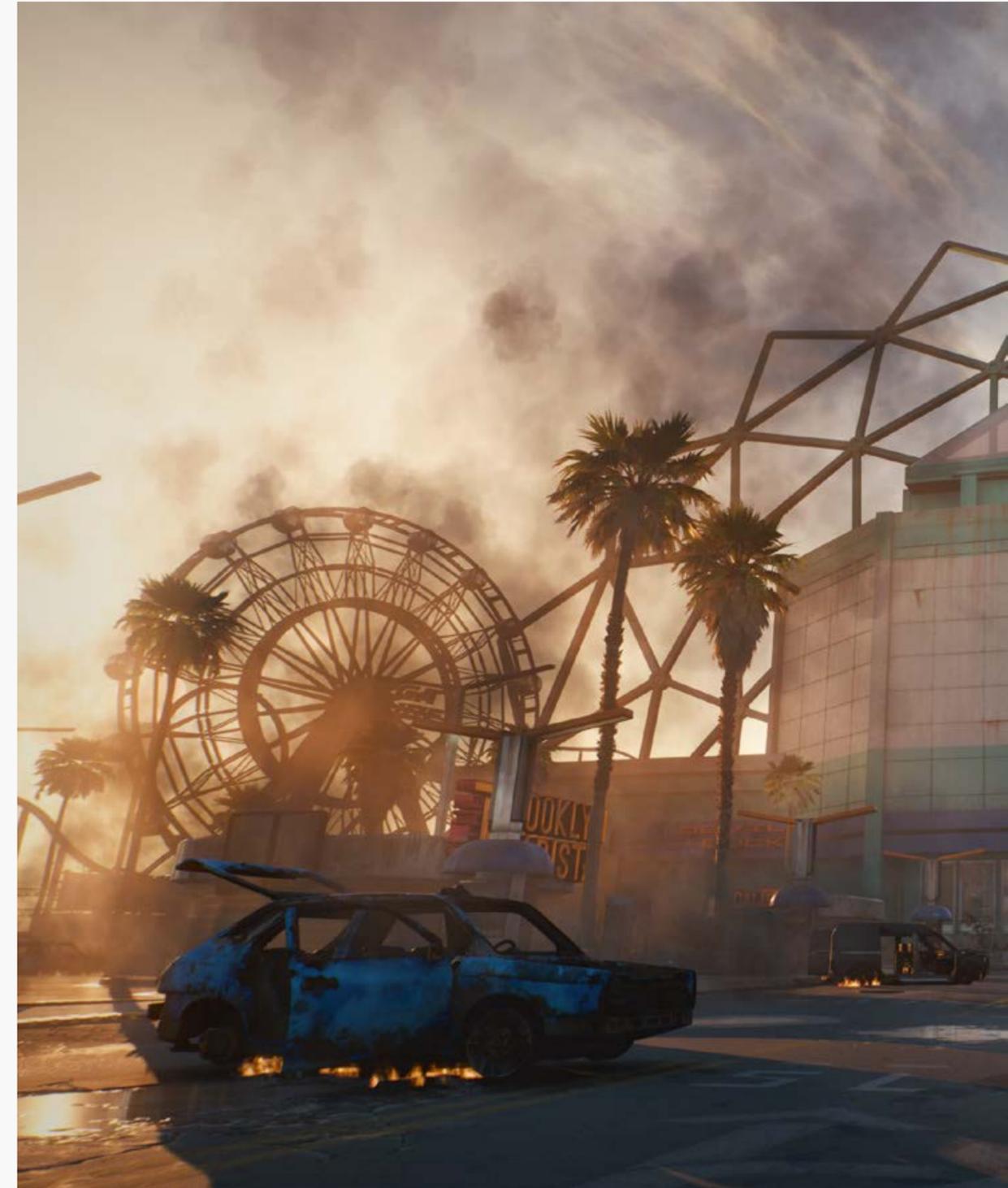
- risk of increased expenditures when faced with a requirement to upgrade equipment to meet high energy efficiency standards;
- risk of reduced interest in energy-intensive games on the part of gamers;
- risk of increased expenditures due to changes affecting the logistics and transport sectors;
- risk of losing key technology partners because of failing to meet their environmental and climate protection standards.

Reputational risks:

- risk of losing customers due to an insufficiently ambitious approach to climate change issues;
- risk of the Company's pro-environmental activities being branded as greenwashing.

Transformational risks have a higher likelihood of materialization in the RCP 2.6 scenario, particularly in the short and medium term, due to the need to take immediate action to ensure compliance with the Paris Agreement. The average likelihood of the materialization of such risks in the aforementioned scenario is assessed as "improbable/possible". The risk event which is regarded as the most likely to materialize is an increase in energy prices. In the RCP 8.5 scenario transformational risks have a lower likelihood of materialization, which is assessed as "negligible/improbable".

The impact of the materialization of transformational risks is deemed as not having a significant impact on the activities of our organization (i.e., their potential financial consequences are below the assumed materiality threshold).



Transformational risks are listed in our strategic risk catalogue under the header “risk of facing institutional and market pressure take action in the scope of climate and environmental protection” and are monitored in accordance with our internal Risk Management Procedure.

The following climate opportunities faced by CD PROJEKT were identified at the previously mentioned internal workshop:

- increased reliance on cloud solutions which are less energy-intensive than the in-house infrastructure currently used by CD PROJEKT;
- potential decrease in expenses because of improving the energy efficiency of buildings and devices operated at the CD PROJEKT campus in Warsaw;
- being regarded as the gaming industry leader in terms of climate-friendly approach to business;
- deploying eco-friendly solutions at new CD PROJEKT buildings (with construction of a modern office building set to begin in 2023).

The above opportunities are most likely to materialize in the short and medium term in the RCP 2.6 scenario.

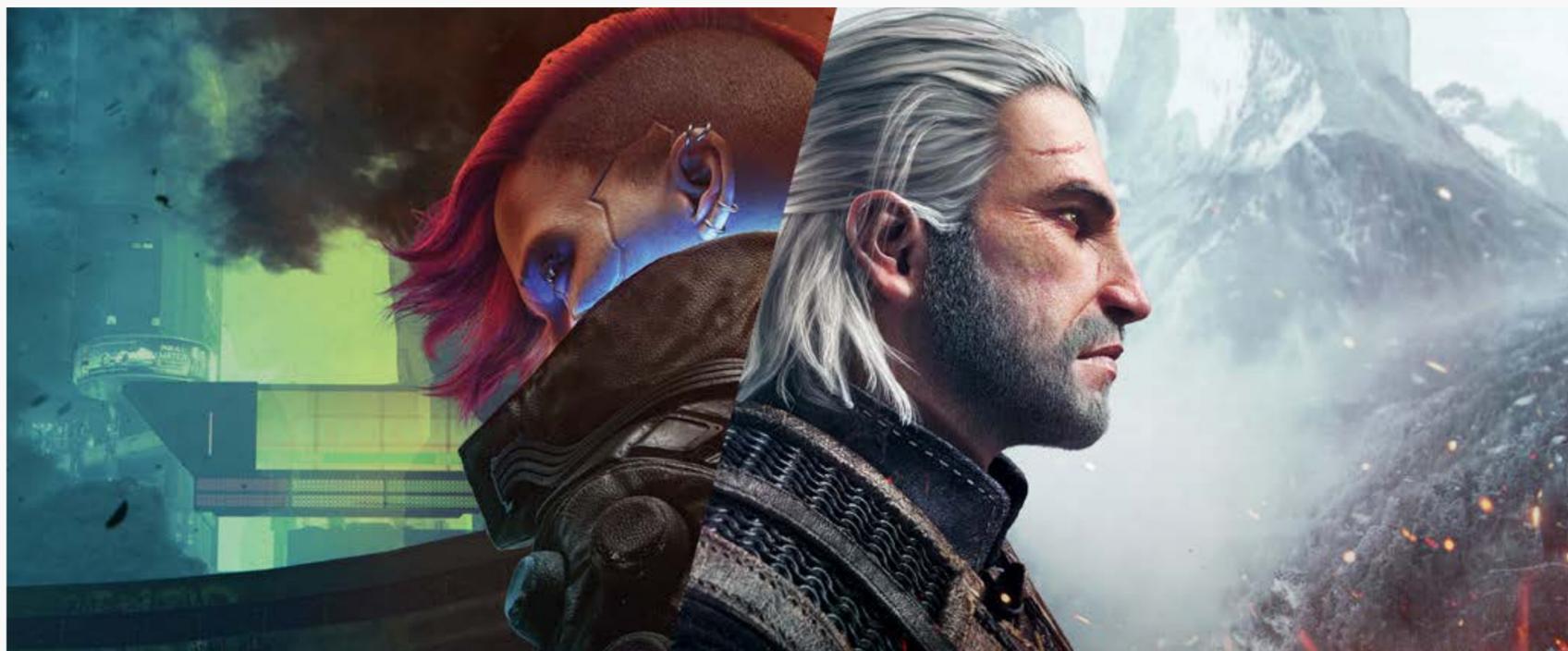
The presented identification and assessment of climate-related risks and opportunities represents a preliminary step towards a full TCFD-compliant climate disclosure, which is scheduled for publication in 2024.



08

TRANSPARENT RELATIONS





[GRI 3-3]

Gamers first

Treating players with respect is one of the cornerstones upon which CD PROJEKT RED was founded. When creating our titles, we always give it our all in a bid to provide gamers with top-quality entertainment and best value for money they can get.

We are gamers ourselves – thus, we want to treat others in the same way we would like to be treated. We believe each gamer should feel that they are an important and integral part of the community built around the games we create – which is why we put big emphasis on engaging in open communication with our communities around the world. We analyze received feedback and take it into account when working on patches and updates for our projects.

Dialogue with community

At CD PROJEKT, a dedicated Community team is responsible for interacting with the gaming community.

In 2022 we communicated with gamers from around the world in thirteen languages (English, Polish, Russian, German, French, Italian, Spanish, Japanese, Brazilian Portuguese, Arabic, Korean, simplified Chinese and traditional Chinese). In every region there is 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 has a presence on all main platforms, both global – such as Facebook, Instagram,

Twitter, Discord, YouTube and Tumblr – as well as local, such as the Chinese Bilibili, Weibo and WeChat platforms. In February 2022 we launched the studio’s channel on TikTok, where we already have 167 thousand followers and nearly 1.7 million likes for the content posted thus far.

In 2022 our communication focused on the next-gen console releases of Cyberpunk 2077 and The Witcher 3: Wild Hunt, as well as on the NETFLIX premiere of the Cyberpunk: Edgerunners anime series.

ESG Ambition

Build relationships based on trust and transparency

Key areas

- Moderation of dialogue with the gaming community and responsible marketing communication
- Stable long-term business relations with key suppliers and partners
- Business ethics – fair competition practices, respect for intellectual property, counteracting corruption and fraud
- Privacy of customers and team members; securing their data and safeguarding against cybercrime

Goals

- 2023: Improving the contractor verification process and developing a Code of Conduct for Suppliers
- 2023: Raising awareness of ethical and legal issues at CD PROJEKT, i.a. by training additional employees in the scope of whistleblowing, preventing corruption and GDPR compliance

Sustainable Development Goals





In 2022 we organized, among others:

- 4 four live streams dedicated to game updates where we discussed upcoming changes and replied to questions from gamers;
- a series of streams celebrating CD PROJEKT RED's 20th anniversary;
- a community meetup at our Warsaw HQ where over 100 fans from around the world had the opportunity to participate in the studio's 20th anniversary celebrations;
- several contests for gamers, including Growl FM – a dedicated music competition targeting talented fans of Cyberpunk 2077. The goal was to create a playlist for a radio station which will feature in the Phantom Liberty expansion. Participants submitted over 7 800 musical pieces, 14 of which have been selected to appear in the expansion.



The culmination of CD PROJEKT RED's 20th anniversary celebration coincided with a major Italian event for fans of comic books and videogames – Lucca Comics & Games 2022. To mark the occasion, the studio prepared a range of attractions, chief of them being a dedicated zone at Villa Bottini modeled after the city of Toussaint which appears in the Blood and Wine expansion. Participants also had the opportunity to view a gallery detailing two decades of CD PROJEKT RED's history, participate in discussion panels with creators of Cyberpunk 2077, The Witcher and Cyberpunk: Edgerunners, and attend a music concert which reprised the soundtrack from The Witcher 3: Wild Hunt, featuring the Percival band and Marcin Przybyłowicz.

A technical support team is also active at CD PROJEKT, serving as the primary point of contact for gamers who require assistance with our games and services.

The technical support team is tasked, among others, with the following:

- collecting and analyzing feedback from gamers using feedback forms available on our tech support website,
- advising development teams on which areas require improvements, and assisting in work on these improvements,
- maintaining our support profile on Twitter https://twitter.com/cdpred_support along

with our online knowledge base <https://support.cdprojektred.com/> and answering frequently asked questions;

- preparing informational content for gamers – for example, by collecting information on upcoming changes and collating patch notes for each update).

Product labeling

[GRI 417-1]

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:

- labeling games with an age-based rating suitable for the given territory (e.g. PEGI, ESRB). Information regarding each game's rating is placed on its physical package, on a dedicated website, on selected marketing materials related to the game, and on its product sheet;
- putting in place photosensitivity warnings.

We also take action to restrict access to certain types of content related to the studio's games for persons regarded as too young to access such content. This is done by adding age gates to dedicated websites and the studio's product websites on digital distribution platforms.

According to the Company's knowledge, in 2022 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 impact of products and services at every stage of their life cycle.

Business relations

[GRI 2-6]

Developing large-scale RPGs is a process which requires cooperation with dozens of companies – both those which provide generic business services and those which represent the creative and artistic industries from around the world.

At CD PROJEKT establishing and maintaining relations with key business partners is the responsibility of the Business Development team. For its part, the Procurement team supports CD PROJEKT employees in purchasing products and services required in our daily activities.

No significant changes related to CD PROJEKT's main sector of activity occurred in the reporting period. With regard to markets on which the Company sells its products, on 3 March 2022, following the Russian invasion of Ukraine, the Management Board of CD PROJEKT decided to suspend sales of CD PROJEKT Group products and games distributed on the GOG.COM platform throughout

Russia and Belarus²⁵. A notable business development which occurred during the reporting period was the initiation, on 21 March 2022, of a strategic partnership with Epic Games under which future products developed by the studio will be based on Unreal Engine 5²⁶.

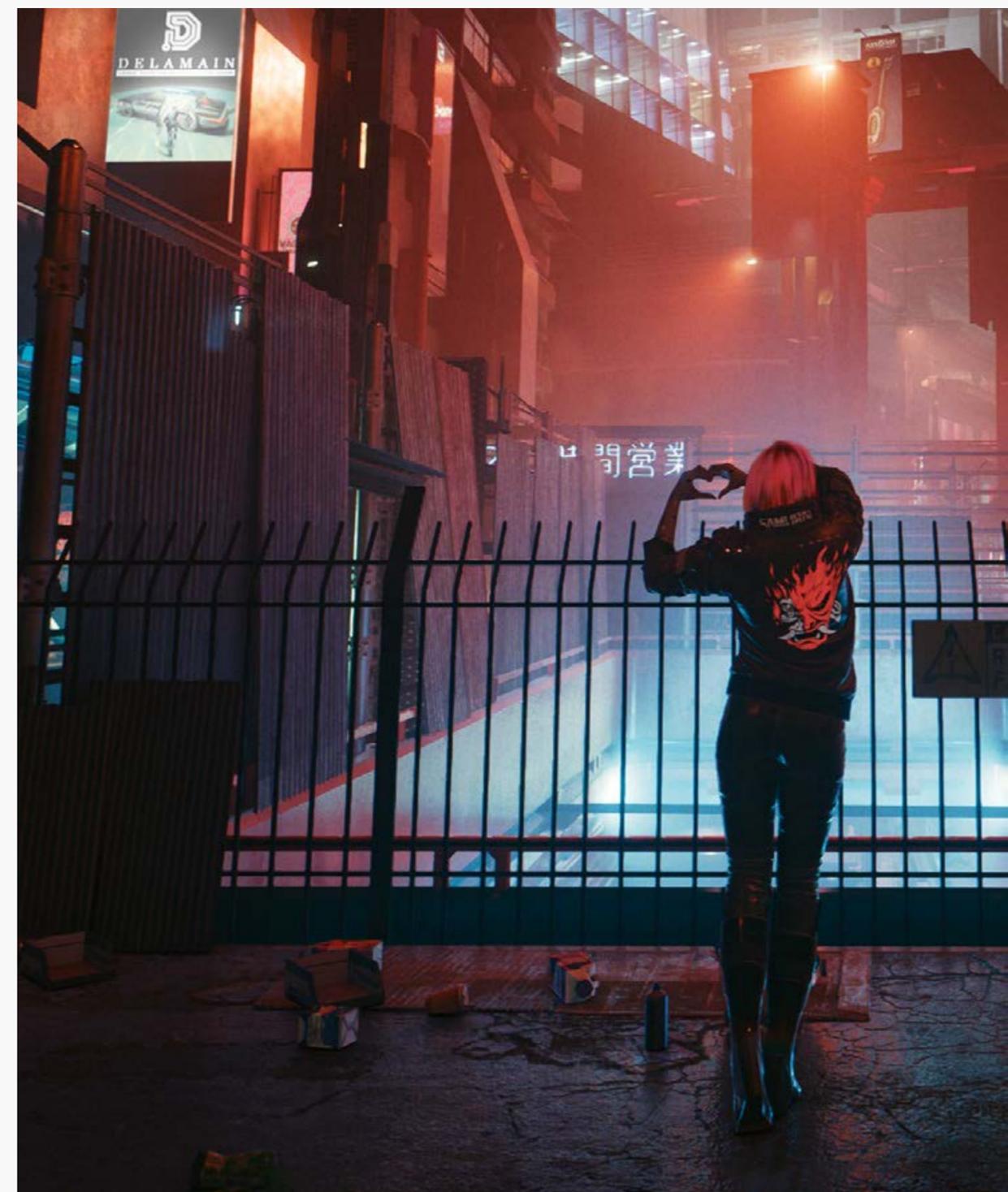
CD PROJEKT business environment

CD PROJEKT collaborates with providers of generic business services as well as partners whose activities are specific to the videogame industry.

Our gamedev partners include, among others:

- distributors of digital and box editions of videogames and fan merchandise,
- game engine vendors,
- external production studios (responsible e.g. for developing audio tracks or motion capture)
- outsourcing partners who specialize in services such as QA, localization, translation, programming and training,
- manufacturers of physical components of box editions of videogames, and merchandising partners,
- streaming services providers,
- providers of middleware used in the game development process,
- providers of middleware and technologies incorporated directly in videogames,
- artists and content creators – including actors, musicians and writers.

Establishing professional business relations based on mutual trust and shared values is a key aspect of our growth strategy – in the area of game development as well as in all other areas of our activity. In 2023 we intend to unveil a Code of Conduct for Suppliers, specifying our standards and expectations regarding each supplier's activities and our mutual interactions.



²⁵ See Current report no. 6/2022

²⁶ See Current report no. 7/2022

Rules of the Game and other internal regulations

[GRI 2-23, 2-24, 2-27]

At CD PROJEKT we want each of our policies and procedures to have practical applicability. We also work to ensure that such policies and procedures are understandable and accessible to our employees..

CD PROJEKT has published a set of standards titled [Rules of the Game. Business and Ethics Standards at the CD PROJEKT Group](#) (“the Standards”). They represent our commitment to abide by the highest ethical norms, legal regulations, and other principles guiding member companies of the CD PROJEKT Group in their daily work. The Standards provide a set of guidelines, explaining which actions are encouraged and which ones are not condoned. Every employee at the Company is obligated to follow the Standards, and the Company also encourages its business partners to follow similar rules. This concerns respect for human rights, conservation of resources, respect for privacy, acting in accordance with the law and broadly accepted rules, and reacting to any perceived irregularities.

The Standards are available for download in the Company intranet and on our corporate website, in both Polish and English. The Company does not require its employees or contractors to submit written declarations stating that they have familiarized themselves with the Standards.

The Standards were instituted by the corresponding Management Board resolution adopted in 2021, and are subject to annual reviews and updates. All changes in the Standards are communicated to our employees via e-mail.

In order to further increase the awareness of responsible business practices among our employees, CD PROJEKT provides training, which, depending on the issue, can be mandatory, voluntary, or dedicated to selected teams or persons.

In 2022 at CD PROJEKT:

- 253 persons took part in onboarding training which also covers issues related to responsible business practices;
- 208 persons from selected teams took part in IPR protection training;
- 750 persons participated in information security training;
- 24 representatives of selected teams participated in personal data protection training;
- Trusted Persons took part in training which addressed whistleblowing practices;
- 58 employees participated in open webinars on the Company’s anti-mobbing policy;
- 80 persons participated in an open webinar on cultural differences and inclusive language.



Human rights policy

Acceptance and mutual respect are part of our organizational culture. We commit to respecting human rights in our daily business activities. This commitment concerns in particular:

- employees working for the CD PROJEKT Group;
- candidates for employment;
- gamers;
- business partners;
- our local community.

At CD PROJEKT we act in compliance with international standards, including the Universal Declaration of Human Rights and UN Guiding Principles on Business and Human Rights. We exert due diligence in matters related to human rights by following the six-step approach proposed by OECD (Organisation for Economic Cooperation and Development).

Our Human rights policy is part of [Rules of the Game. Business and Ethics Standards at the CD PROJEKT Group](#). Examples of best practices in the scope of human rights are provided on our corporate website at www.cdprojekt.com.

REPORTING
on addressing human
rights issues

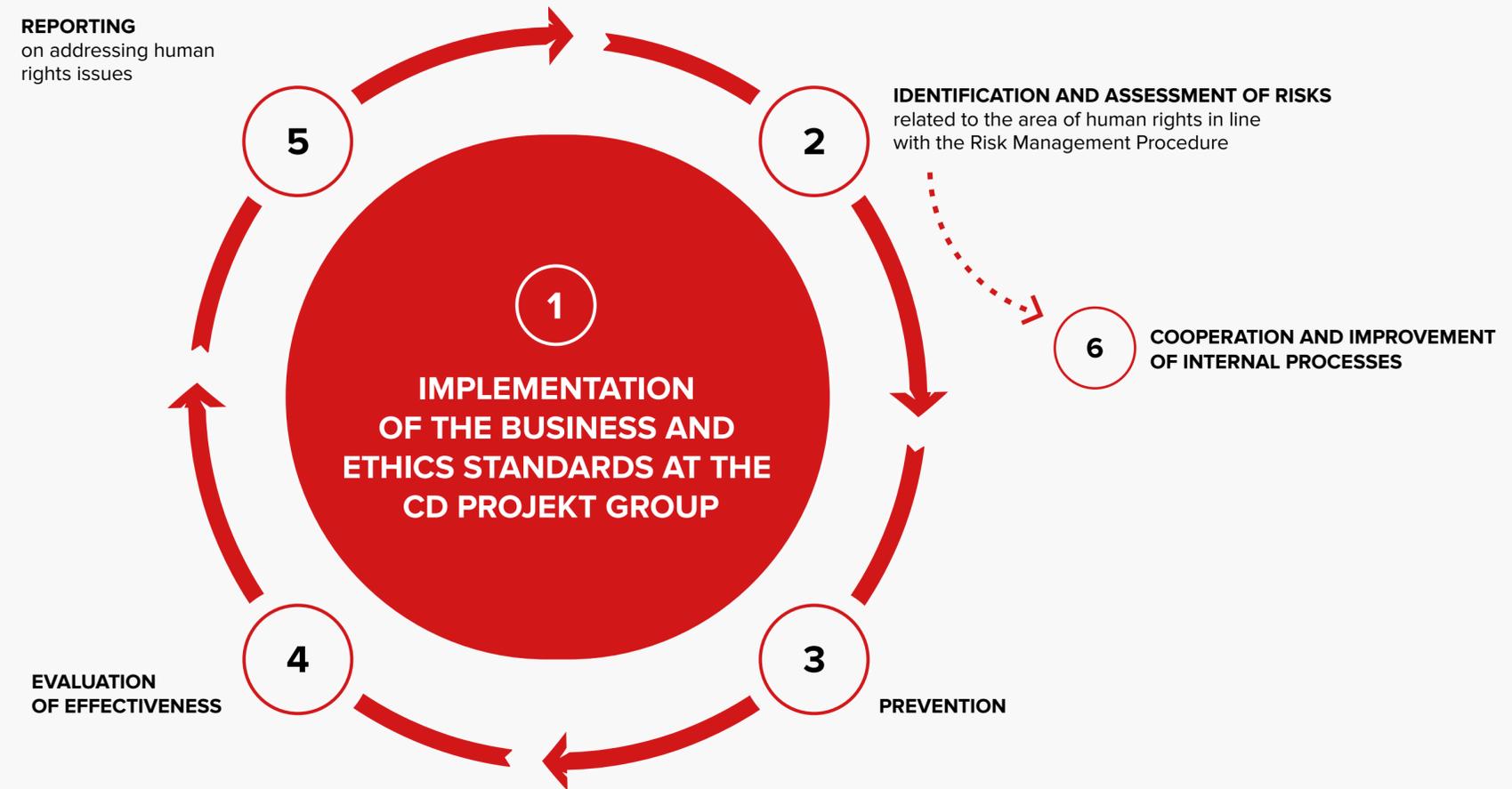


Illustration of the human rights due diligence process at CD PROJEKT Group based on the OECD Due Diligence Guidance for Responsible Business Conduct

Compliance management

Compliance and business ethics are among the responsibilities of the Privacy & Compliance team which is a distinct unit within the Company's legal department. At CD PROJEKT compliance is based on the principle of ongoing improvement and alignment with regulatory requirements as well as with the needs of our daily activities. Our goal in this scope is to maintain a balance between compliance and the Company's business objectives.

We regard communication as one of key aspects of effective compliance management. This is why we work to clearly and efficiently communicate our goals, use simple language and streamline our internal regulations and procedures. We organize internal training, including e-learning courses to increase our employees' awareness regarding matters such as confidentiality, personal data protection, IT security or protection of our intellectual property.

In 2022 our activities in the area of compliance included the following:

- we instituted a formal CD PROJEKT S.A. Compliance Management Policy, based on which our Chief Compliance Officer, supported by the Privacy & Compliance team, monitors and coordinates the Company's requirements regarding compliance management;
- we introduced a new whistleblowing system which provides, among others, the ability to submit anonymous notifications of irregularities;
- we instituted an [Anti-Corruption Policy in CD PROJEKT Group](#) and trained selected teams which interact with external partners in recognizing and counteracting corruption;
- we launched the process of revising our internal regulations on the basis of clear language and legal design principles, to ensure that they remain understandable for employees.



Whistleblowing

[GRI 2-16, 2-25, 2-26, 406-1]

Whistleblowing is an important component of open communication and building trust – for this reason in 2022 we updated our existing whistleblowing system. We instituted a new Procedure for reporting irregularities at CD PROJEKT S.A. and refined internal regulations which deal with issues of mobbing, discrimination and harassment – i.e. the Procedure for counteracting undesirable conduct in employee relations at CD PROJEKT S.A.

Based on the above procedures, the Company commits to strengthening activities which aim to prevent and counteract any undesirable conduct which may constitute a breach of the applicable laws, ethical norms or internal regulations, or which may be construed as mobbing, discrimination or harassment.

Notifications are brought to the attention of the Chief Compliance Officer along with a dedicated Member of the Management Board (for allegations which concern breaches of the law, internal regulations or ethics norms), the Supervisory Board (for allegations of improper conduct of Management Board members) or to Trusted Persons, who are elected from among all employees in an open ballot (for allegations of misconduct in employee relations – eg. discrimination, mobbing or harassment). A team of HR Partners is also in place at CD PROJEKT, tasked with providing support for any employee regardless of their official position.

At CD PROJEKT all whistleblowers, and also anyone who assists them in the process of reporting regularities, is offered protection against potential reprisals which may violate their rights or otherwise cause them harm. In 2022, as part of the employees survey, we began to assess the effectiveness of our whistleblowing mechanisms in order to identify areas which call for improvement.

In 2022 we received 12 notifications. In 4 cases which involved misconduct in employee relations, investigative committees were established (compared to 3 similar proceedings in 2021 and 5 in 2020). Allegations of misconduct in employee relations concerned mobbing (2 cases) and harassment (2 cases). With regard to 2 reports alleging other types of irregularities (suspected leak of information; suspected misappropriation of funds in the procurement process) follow-up investigations did not uncover any actual wrongdoing. The remaining 6 notifications involved contacts with Trusted Persons where advice or consultation was sought. In each case, the Company bases further actions of the type of reported irregularity and the outcome of investigation, and acts in accordance with the applicable laws as well as internal by-laws.

No cases of discrimination were identified at CD PROJEKT in 2022.

Reporting irregularities

For employees:

- an internal form, providing the ability to submit anonymous notifications,
- in person.

For external parties:

- in writing, addressed to the Company with a “Confidential: Compliance” annotation on the envelope, or by e-mail, at: naruszenia@cdprojektred.com

Anti-corruption policy

[GRI 205-1, 205-2, 205-3]

Counteracting corruption is one of the cornerstones of [Rules of the Game. Business and Ethics Standards at the CD PROJEKT Group](#).

In 2022 we formally adopted an [Anti-corruption Policy](#) in CD PROJEKT Group, aiming to prevent and limit the risk of corruption and related irregularities in the daily activities of Group member companies. The rules set forth in the Policy apply to our business relations as well as to our dealing with public authorities.

“Zero tolerance” principle regarding corruption

The [Anti-corruption Policy](#) specifies rules applicable to giving and accepting gifts, interacting with external partners (whether business partners or administrative bodies) and exercising caution in situations which may trigger a conflict of interest – for example, when seeking additional employment, becoming involved in activities of entities which engage in competition or cooperation with CD PROJEKT, or making personal decisions.

Our Policy specifies basic standards of conduct, e.g.:

- we emphasize due diligence in keeping accounts and other documentation; we believe it is unacceptable to use Company funds in order to engage in corruption;
- we process payments in accordance with our internal standards;
- we keep our recruitment procedures transparent;
- we screen the beneficiaries of our charitable activities.

Thus far the Company has not carried out an analysis of the risk of encountering corruption among our business partners.

To build awareness in the scope of recognizing and counteracting corruption, in 2022 we began training for departments regarded as particularly exposed to this kind of risk (Business Development and Procurement – with 9 people participating in training sessions in 2022). In future years we plan to continue training employees of departments which are at risk of encountering corruption. Additionally, all of our employees, including members of the Management Board and Supervisory Board, have been informed of our anti-corruption policies and procedures.

Anyone who receives a request which is indicative of corruption, or has a justifiable reason to believe that such a request may have been made, or may be made in the future, may report it using our whistleblowing system.

No instances of corruption were reported in 2022.



Compliance with international regulations and fair competition

[GRI 2-27, 206-1, 417-2, 417-3]

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.

To ensure compliance of our efforts with the legal regulations in force in various countries, our internal Legal Department, among others, provides 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.

To the best of the Company's knowledge, in 2022 at CD PROJEKT S.A.:

- no incidents involving non-compliance regarding marketing communication were identified;
- no incidents involving non-compliance of product and service labeling, or of product- and service-related information, were identified;
- no fines or non-monetary sanctions for non-compliance with laws and regulations were imposed upon the Company;

- no legal steps concerning incidents of breaches of the principles of free competition or monopolistic practices were taken against us;
- no financial losses were incurred as a result of litigation due to unfair competition.

In the framework of the 2021 case pending before the US District Court for the Central District of California, on 27 January 2022 the Company announced that it had been notified of a formal Stipulation Agreement concluded with the law firm representing holders of securities traded in the USA under ticker symbols "OTGLY" and "OTGLF" and based on CD PROJEKT shares. Subsequently, on 4 January 2023 the Company announced that it had been notified that the Court had issued an order concerning preliminary approval of the class action settlement. Further information concerning this litigation and the conditions of the agreement can be found in the Management Board Report on CD PROJEKT Group activities for 2022, available on www.cdprojekt.com.

Intellectual property

The intellectual property rights vested in CD PROJEKT are primarily related to the universe of "The Witcher" and "Cyberpunk 2077". For each 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.

Creation and protection of intellectual property are the cornerstones 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 of our video games consists of many different elements – including software, graphics, animation, sound effects and storylines. Each one of them, taken individually and as a whole, constitutes intellectual property. The dedicated Business & IP team operating as part of CD PROJEKT's Legal Department is responsible for the protection and management of intellectual property rights.

Within the framework of the Business & IP team:

- we ensure that each element of intellectual property created by CD PROJEKT receives the appropriate legal protection. As part of this area, we register trademarks and other rights subject to registration, and we ensure that we acquire full copyright 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 infringe upon third-party rights, among others, by entering into the pertinent agreements, including licensing agreements or investigating the risk of violating trademark rights.

At CD PROJEKT we want to give the gaming community the ability to become inspired by our products by supporting the process of creating content based on our games. For instance, we have adopted a set of [Fan Content Guidelines](#) that make it possible to create fan content for non-commercial purposes. In the event of encroachment on the bounds of 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.

Personal data protection

[GRI 418-1]

Activities involving personal data protection are pursued at 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. CD PROJEKT's activities in the scope of personal data protection are monitored on an ongoing basis by an external Data Protection Officer designated by the Company.

To the best of our knowledge, in 2022 at CD PROJEKT S.A.:

- no leak, theft or loss of customer data was identified;
- no complaints were filed against CD PROJEKT with any institution responsible for personal data protection;
- CD PROJEKT did not incur any monetary 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.



Cybersecurity

In 2022 we uniformized our information security standards, among others by adopting the CD PROJEKT Group Information Security Policy and rolling out an Information Security Management System (ISMS)..

The Information Security Management System contains, among others, rules concerning:

- security of IT systems, workstations and backups;
- continuity of operations;
- classifying information and granting access thereto;
- managing security incidents and ensuring compliance;
- cooperation with external entities.

In 2022 we undertook the following cybersecurity-related actions, among others:

- we equipped our employees with U2F hardware keys and provided access to a centrally supported and integrated password manager;
- we launched a Security Operations Center (SOC) which improves our capabilities for early detection of security threats to our infrastructure;
- we organized mandatory cybersecurity training for all employees;
- we took action to raise awareness of phishing threats;

- we streamlined the process of handling potential cybersecurity breach notifications and security incidents.

In keeping with the security obligations incumbent upon providers of software solutions, we carry out screening of contractors who may require access to our IT infrastructure or production data. This screening process involves analysis of risks associated with each given partner, along with assessment of their security safeguards. We do not initiate collaboration with contractors who do not maintain our required level of security.

Tax transparency

[GRI 207-1, 207-2]

In discharging our fiscal obligations we exercise due diligence – we transparently provide all disclosures required under law, and we discharge our public law liabilities in a timely manner.

Maintaining control over implementation of our fiscal strategy, as well as over discharge of fiscal duties, is the responsibility of the Tax Department working in collaboration with CD PROJEKT's CFO.

CD PROJEKT has instituted a set of internal policies and procedures which aim to ensure proper discharge of fiscal obligations and thus mitigate the associated risks. When in doubt regarding the interpretation of tax law, the Tax Department submits requests for individual interpretations to the appropriate public tax authorities, or arranges consultations with external entities which provide

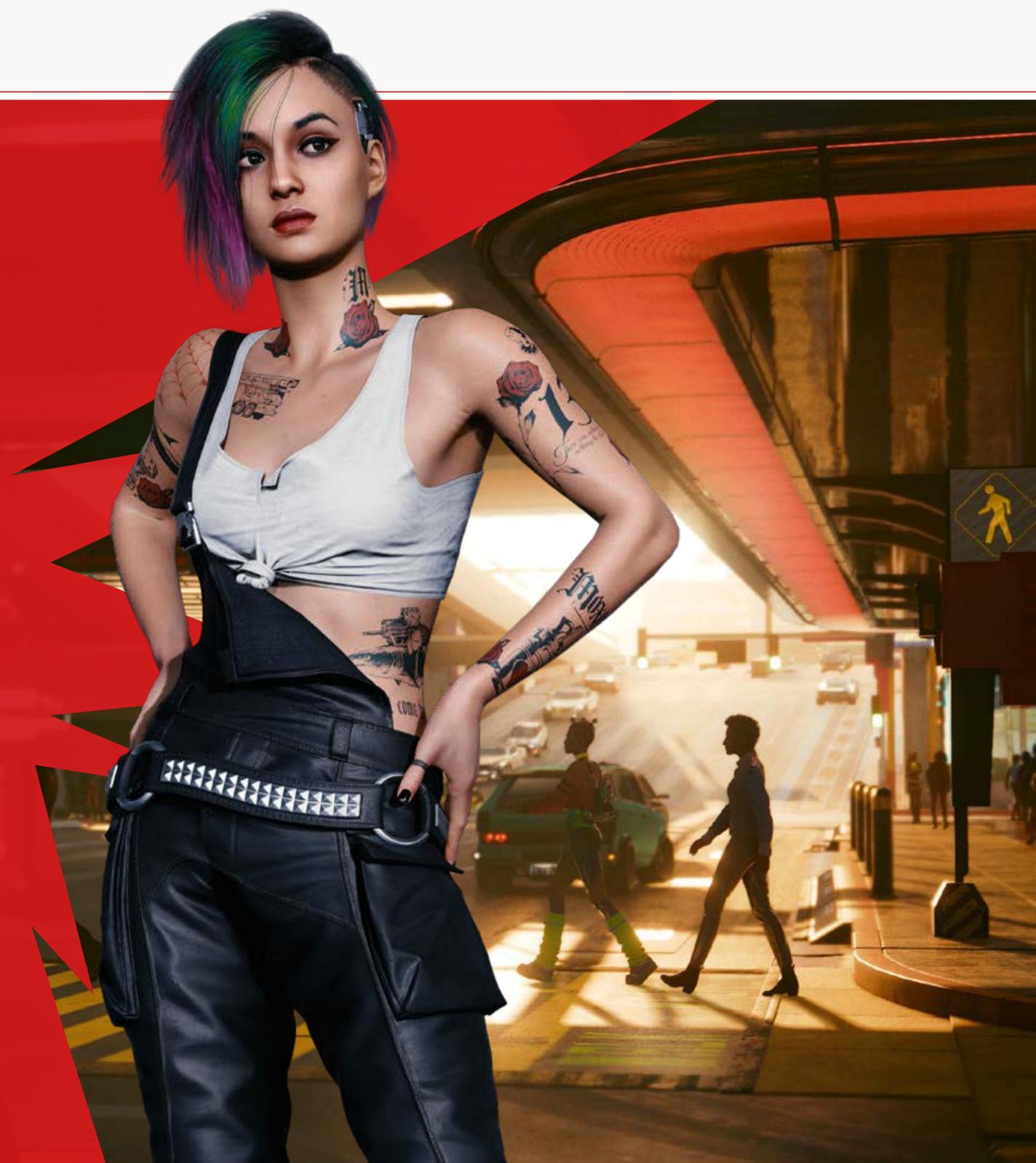
consultancy services in this scope. These activities aim to ensure transparent decision-making, appropriate risk analysis, verification of the applicability and observance of our procedures, and assessment of the effects of our decisions on matters related to taxation.

The Company does not engage in any action which could be construed as unlawful tax optimization or tax evasion.

The Company discharges its public-law disclosure obligations concerning CD PROJEKT's tax strategy in a diligent and timely manner. Information regarding CD PROJEKT S.A. Tax Strategy for the given financial year is updated on an annual basis and published on our corporate website at www.cdprojekt.com.

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SOCIAL ENGAGEMENT



[GRI 3-3]

CD PROJEKT takes action to positively affect its social environment, instill shared values in our employees, and assist others with our resources and skills. The Company engages in social projects, national charity drives and global aid campaigns through material donations, financial support and knowledge sharing. We also carry out projects targeted at the young generation, enabling participants to develop their skills and gain experience in the gaming industry.

In 2022 we donated a total of 1 210 611 PLN to charity. Our beneficiaries included the Polish Humanitarian Action, the Tech to the Rescue initiative (which mobilizes IT companies to support non-profit Ukrainian organizations by delivering digital solutions to maintain the integrity of Ukraine in the face of war), the Ministry of Internal Affairs Hospital as well as a CD PROJEKT employee participating in a wheelchair fencing competition. This amount also includes scholarships paid out to participants enrolled in the Girls in the Game! program.

Support for Ukrainian war refugees

On 25 February 2022, one day after the beginning of the Russian invasion of Ukraine, acting in solidarity with the victims of that aggression, we donated 1 million PLN to the Polish Humanitarian Action, for the purpose of helping refugees and victims of the ongoing armed conflict in Ukraine.

At CD PROJEKT we offered, among others, support for our Ukrainian team members and their loved ones. We provided psychological and legal aid, as well as assistance with organizing their stay in Poland. Two families took advantage of our offer of accommodation in 2022.

In collaboration with NGOs – SOS Wioski Dziecięce and Fundacja Ocalenie – we carried out a collection of personal hygiene products. Our office canteen prepared meals for refugees accommodated in reception centers. On 14 March 2022, on the Twitch platform CD PROJEKT organized a charity stream where our team members played and provided commentary on the Studio's games. The collected donations, in the amount of 15 thousand PLN, were transferred to the Siepomaga.pl foundation.

Faced with the ongoing armed conflict, on 3 March 2022 the Management Board of CD PROJEKT decided to suspend distribution of CD PROJEKT Group products and sales of games on the GOG.COM platforms throughout the territory of Russia and Belarus. We were among the first companies to make and announce such a decision.

In addition to activities undertaken by the CD PROJEKT Group itself, members of our team actively supported a range of grassroots initiatives to support Ukrainian refugees. In order to enable such work, anyone who volunteered for refugee assistance work was granted three additional days of paid leave.

In response to numerous inquiries, we announced a new initiative – an internship program addressed to young Ukrainians forced to relocate to Poland following the invasion. Eight internships were offered as part of the program, four of which related to the videogame development. The paid internship lasted for three months. Participants were provided with accommodation (if required), free lunches at our canteen and Polish language classes

ESG Ambition

Sustainable Development Goals

Use our resources and competencies to support others



Girls in the Game!

“Girls in the Game!” is the first scholarship and mentoring program in Poland dedicated specifically to female high school students, offering the opportunity to learn practical aspects of work in the videogame industry and gain valuable experience under the supervision of our experts. The program is co-organized by CD PROJEKT and Fundacja Edukacyjna Perspektywy.

The program is addressed to girls who live in smaller towns and are at the early steps of planning their future and their professional career. Our goal is to make our industry more accessible to such candidates – which also contributes to diversity.

The first edition of “Girls in the Game!” ended in January 2023. From the very beginning the program attracted great interest – we received 1 400 applications from all around Poland. Following a multistage recruitment process, we extended formal invitations to 20 exceptionally talented applicants..

Over the course of one year, our mentors – CD PROJEKT specialists – shared their knowledge and professional experience with program participants. They also helped their protégés gain self-confidence and plan further steps along their chosen path of professional development. Participants took part in workshops and events, and received financial support (1000 PLN monthly) to finance further development and educational activities.

The second edition of the program was launched on 28 January 2023.

Promised Land Art Festival

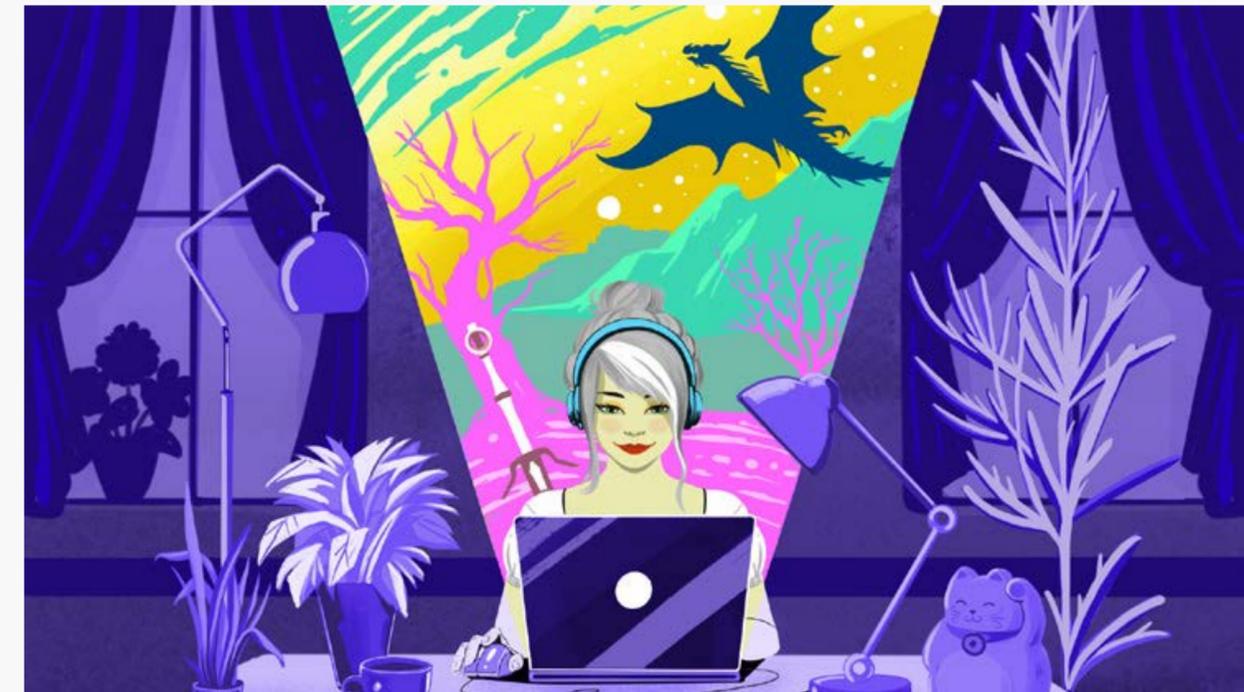
In 2022, together with the Municipality of Łódź and the “EC1 Łódź – Miasto Kultury” initiative, we organized the 4th edition of the Promised Land Art Festival. The event attracted over 850 participants from all around the world, including nearly 60 speakers.

The Festival is addressed to content creators affiliated with the digital industry, including computer graphics, 2D and 3D animation, and special effects. It includes sculpting and illustration workshops (31 hours overall in 2022, including 15 hours of activities involving professional models) as well as meetups with celebrated artists. During the Festival EC1 was visited, among others, by the famous comic book author Grzegorz Rosiński. Sculpting workshops were supervised by the sculptor and illustrator Tomasz Radzewicz.

A distinct part of the Festival is the Open Day which, in 2022, attracted 500 attendees. During this day the venue can be visited by persons who are not professional artists; many of whom at the outset of their professional careers. The Open Day provides the opportunity to attend talks by creators from CD PROJEKT RED and other studios, establish contacts, present one’s own work to artists participating in the event, and gain valuable feedback. In 2022 almost 100 persons took advantage of this opportunity, enabled by artists affiliated with CD PROJEKT RED and People Can Fly.

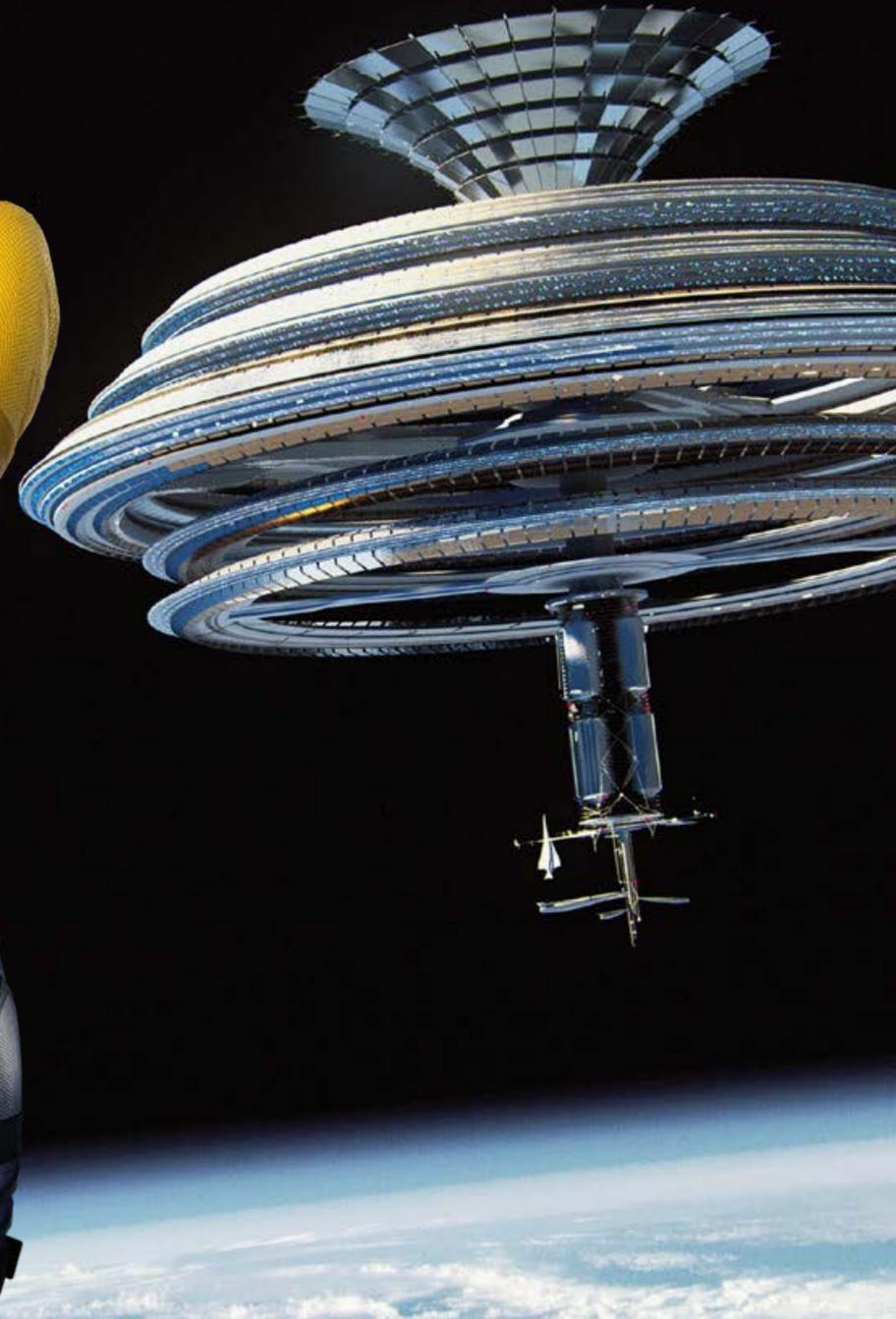
Holiday charity events

A number of charity events were held around the Christmas season. The auction of skills and joint activities offered by our team members proved particularly popular – such activities included, among others, photography workshops coupled with a walk around the Praga district of Warsaw, as well as public speaking workshops for individual participants. Another grassroots initiative involved the creation and sale of a calendar featuring photos of CD PROJEKT team members’ pets. We also organized a bake sale, with cakes prepared by our team members, as well as a collection of pet food. Altogether, our holiday charity events attracted over 500 people. We collected nearly 37.5 thousand PLN, which was donated to two foundations – Fundacja Ocalenie and Fundacja Złap Dom.



10

ATTACHMENTS



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

Requirement (Accounting Act)	Document reference
Description of the entity's business model and key performance indicators	Our business
Description of management of risks identified as material	Managing sustainability-related risks
Description of policies, due diligence procedures and performance indicators related to the entity's activities in the scope of counteracting corruption	Anti-corruption policy
Description of policies, due diligence procedures and performance indicators related to the entity's activities with regard to respect for human rights	Human rights policy
Description of policies, due diligence procedures and performance indicators related to the entity's activities with regard to social issues	Social engagement
Description of policies, due diligence procedures and performance indicators related to the entity's activities with regard to the natural environment	Environment
Description of policies, due diligence procedures and performance indicators related to the entity's activities with regard to labor issues	Our team
Description of policies, due diligence procedures and performance indicators related to the entity's activities with regard to consumer/client relations and quality	Gamers first

Attachment 2. Numerical data

Employment figures

[GRI 2-7 and 2-8] Number of employees at the CD PROJEKT Group – all forms of collaboration

Company	Type of cooperation	Gender		Total	
CD PROJEKT S.A.	Permanent employment contract	women	190	451	
		men	261		
	Fixed-term employment contract	women	25	57	
		men	32		
	Self-employed, cooperators under civil law contracts				504
	Total:				1012
Total number of employees at other companies belonging to the Group				280	
Total:				1292	
Company	Type of cooperation	Gender		Total	
CD PROJEKT S.A.	Full-time employment contract	women	210	499	
		men	289		
	Part-time employment contract	women	5	9	
		men	4		
	Self-employed, cooperators under civil law contracts				504
	Total:				1012
Total number of employees at other companies belonging to the Group				280	
Total:				1292	

Headcount as of 31 December 2022

“Total number of employees at other companies belonging to the Group” includes persons employed at GOG Sp. z o.o., CD PROJEKT Inc., The Molasses Flood LLC, CD PROJEKT SILVER Inc., SPOKKO Sp. z o.o., CD PROJEKT RED Vancouver Studio Ltd. and CD PROJEKT RED STORE Sp. z o.o.

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 (permanent contract, fixed-term contract, project, trial period, etc.).

[GRI 2-21] Annual total compensation ratio

CD PROJEKT S.A.	2022
Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)	31.74
Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)	3.99*

This calculation covers all individuals employed at the Company, on the territory of Poland, throughout all of 2022, regardless of contract type.

*The reported decrease in compensation is due to the fact that the bonus pool, which is tied to the Company's net profit was higher for bonuses paid out in 2021 (for 2020 – which was a release year) than for bonuses paid out in 2022 (for 2021 – when there was no new release). The total compensation for the highest-paid individual and the median total compensation for all employees both decreased, with a fourfold decrease observed in the former.

[GRI 202-1] Ratios of standard entry level wage by gender compared to local minimum wage

CD PROJEKT S.A.	2022
Minimum wage in Poland (gross)	3010
Ratio of standard entry level wage of women compared to local minimum wage	1.36
Ratio of standard entry level wage of men compared to local minimum wage	1.36

[GRI 205-2] Communication and training about anti-corruption policies and procedures

Employee category	Number of employees as of 31.12.2022	Number of employees that the organization's anti-corruption policies and procedures have been communicated to	% of employees that the organization's anti-corruption policies and procedures have been communicated to	Number of employees that have received training on anti-corruption	% of employees that have received training on anti-corruption
Junior	138	138	100.0%	0	0.0%
Specialist	396	396	100.0%	2	0.5%
Senior	307	307	100.0%	1	0.3%
Expert	47	47	100.0%	0	0.0%
Lead	28	28	100.0%	1	3.6%
Manager	46	46	100.0%	3	6.5%
Director	42	42	100.0%	2	4.8%
Management Board	8	8	100.0%	0	0.0%
Supervisory Board	5	5	100.0%	0	0.0%

In 2022 we launched training for employees in departments seen as particularly at risk for corruption. By the end of 2022 9 persons had taken part in anti-corruption training. In future years we intend to continue organizing anti-corruption training for other teams which may be at risk for corruption.

[GRI 401-1] New employee hires and employee turnover

CD PROJEKT S.A.	Number of employees as of 31.12.2022	Number of new employee hires	Rate of new employee hires	Number of employee turnover	Rate of employee turnover
Women	324	96	29.6%	37	11.7%
Men	682	148	21.7%	99	14.5%
No data available	6	–	–	–	–
Total:		244		136	

CD PROJEKT S.A.	Number of employees as of 31.12.2022	Number of new employee hires	Rate of new employee hires	Number of employee turnover	Rate of employee turnover
<30	324	137	42.3%	40	12.3%
30-50	682	100	14.7%	95	13.9%
>50	8	2	25.0%	1	12.5%
No data available	6	5	83.3%	–	–
Total:		244		136	

[GRI 404-1] Average hours of training per year per employee at CD PROJEKT S.A.

Average number of training hours by gender in 2022	
Women	24.07
Men	19.47
Average number of training hours per category in 2022	
Junior	19.94
Specialist	18.48
Senior	20.85
Expert	19.15
Lead/Manager	29.98
Director	29.96
Average hours of training per year per employee	20.84

[GRI 405-1] Diversity of governance bodies and employees

CD PROJEKT S.A.	Percentage of Management Board members by age and gender			Percentage of Supervisory Board members by age and gender		
	Women	Men	Total	Women	Men	Total
<30	–	–	–	–	–	–
30-50	–	7	87,5%	1	2	60%
>50	–	1	12,5%	–	2	40%
Total % by gender	–	100%	100%	100%	400%	100%

Percentage of employees in each group in relation to the total number of employees in the organisation according to a given criterion									
CD PROJEKT S.A.	<30	30-50	>50	No data available	Total	Women	Men	No data available	Total
Junior	11.6%	2.0%	0.1%	–	12.8%	6.3%	7.2%	0.1%	12.8%
Specialist	17.8%	21.1%	–	0.2%	39.1%	13.7%	25.2%	0.2%	39.1%
Senior	3.9%	25.8%	0.3%	0.4%	30.3%	8.7%	21.3%	0.3%	30.3%
Expert	0.2%	4.2%	0.2%	–	4.6%	0.6%	4.1%	–	4.6%
Lead	0.1%	2.7%	–	–	2.8%	0.6%	2.2%	–	2.8%
Manager	0.3%	4.2%	–	–	4.5%	1.1%	3.5%	–	4.5%
Director	–	4.7%	0.2%	–	4.7%	1.0%	4.0%	–	4.7%
Total:	33.8%	64.8%	0.8%	0.6%	100.0%	32.0%	67.4%	0.6%	100.0%

Number of employees in each category									
CD PROJEKT S.A.	<30	30-50	>50	No data available	Total	Women	Men	No data available	Total
Junior	117	20	1	–	138	64	73	1	138
Specialist	180	214	–	2	396	139	255	2	396
Senior	39	261	3	4	307	88	216	3	307
Expert	2	43	2	–	47	6	41	–	47
Lead	1	27	–	–	28	6	22	–	28
Manager	3	43	–	–	46	11	35	–	46
Director	–	48	2	–	50	10	40	–	50
Total:	342	656	8	6	1012	324	682	6	1012

CD PROJEKT Group - employment by type of work performed

CD PROJEKT Group	Developers	Publishing	Back office	Total
2022	837	226	229	1292
2021	766	221	209	1196
2020	768	231	178	1177

The reported figures are valid for the end of each indicated year. The Publishing branch comprises, among others, teams responsible for PR and Marketing, Business Development, Customer Relations and Game Releases.

Employment figures for CD PROJEKT RED dev studios

	Warsaw	Kraków	Wrocław	Vancouver
2022	831	90	50	33
2021	765	80	41	23
2020	734	107	43	–
2019	713	108	38	–

The table lists team members assigned to each location. In 2022 41 persons were not affiliated with any specific dev studio – these included Community Managers, persons engaged in economic activities outside of Poland and persons performing remote work in other countries.

CD PROJEKT S.A. managerial staff by gender

CD PROJEKT S.A.	2022		2021	
	number	%	number	%
Women	27	22.1%	26	22.2%
Men	95	77.9%	91	77.8%
Total	122	100.0%	117	100.0%

The reported figures are valid for the end of each indicated year. The summary covers Directors, Managers and Leads.

Given the uniformization of tier names, our analysis of managerial structures is based on the following tiers: Director, Manager, Lead. We have recomputed all related indicators for 2021 accordingly and provide adjusted data in the table above.

Career path in CD PROJEKT S.A. by gender

CD PROJEKT S.A.	2022	2021
Career path (% of promoted women)	22.8%	24.6%
promotions to director positions	0.6%	0.7%
promotions to managerial positions	1.9%	0.4%
other promotions	20.4%	23.5%
Career path (% of promoted men)	21.7%	30.4%
promotions to director positions	0.7%	0.8%
promotions to managerial positions	2.5%	0.8%
other promotions	18.5%	28.9%

Environmental indicators

[GRI 302-1] Energy consumption within the organisation

Energy source	2022		2021	
	GJ	%	GJ	%
Electricity	6981	61.2%	6287	56.0%
Heat	4056	35.5%	4526	39.9%
Petrol	356	3.1%	390	3.4%
Diesel	27	0.2%	137	1.2%
Total energy consumption	11420	100.0%	11340	100.0%
renewable sources:	334	2.9%	343	3.0%
non-renewable sources:	11086	97.1%	10997	97.0%

The following assumptions were made when converting energy consumption into GJ:

- for electrical energy, a fixed conversion rate of 1kWh = 0.0036 GJ was applied,
- for petrol, a conversion rate of 44.3 GJ/t was applied (based on KOBIZE report on calorific values and CO₂ emission coefficients for 2019, applicable to reporting in the context of the Emissions Trading System for 2022),
- for diesel oil, a conversion rate of 43 GJ/t was applied (based on KOBIZE report on calorific values and CO₂ emission coefficients for 2019, applicable to reporting in the context of the Emissions Trading System for 2022),

[GRI 303-3] Water withdrawal

CD PROJEKT S.A.	2022	2021
Water withdrawal [m3]	6040	3715
Quantity used/discharged [m3]	5857	3654

The reported data is drawn from invoices received from the Municipal Water Supply and Sewerage Company in Warsaw, and settlement sheets submitted by managers of our Kraków and Wrocław branches. Invoices are issued on the basis of meter readings performed at Company offices. According to World Resources Institute Poland does not currently face elevated water stress.

In 2022 withdrawal of water from the supply network was 63% higher than in 2021. This is a consequence of more people working at the office compared to 2021, when pandemic-related restrictions were in place.

[GRI 305-1] Direct (Scope 1) GHG emissions

Direct (Scope 1) GHG emissions [tCO ₂ e]	2022	2021
Consumption of petrol on own fleet	25	27
Consumption of diesel in own fleet and generator station	2	10
Emissions from release of refrigeration agents	0	0
Total direct GHG emissions (fuel consumption)	27	37

We monitor refrigerant leaks and no such leaks were identified in 2022.

[305-2] Energy indirect (Scope 2) GHG emissions

Indirect emissions	Indirect GHG emissions [tCO ₂ e, location-based]		Indirect GHG emissions [tCO ₂ e, market-based]	
	2022	2021	2022	2021
Indirect emissions of GHGs from electricity	1230	1077	1272	1218
Indirect emissions of GHG from heating	414	446	414	446
Total energy indirect emissions	1644	1523	1686	1664

[GRI 306-3] Waste generated

Type of waste	Waste weight [t]		Method of treatment
	2021	2022	
Hazardous waste	0.25	0.69	processing
Non-hazardous waste	10.25	7.59	processing
Total	10.5	8.28	

All waste that could not be avoided is segregated in accordance with applicable laws, and directed to disposal by specialized entities who hold the required permits concerning management of specific types of waste.

Attachment 3. GRI index

Number	Disclosure	Page/comment
General disclosures 2021		
2-1*	Organizational details	12
2-2*	Entities included in the organization's sustainability reporting	7
2-3*	Reporting period, frequency and contact point	8
2-4*	Restatements of information	8
2-5*	External assurance	8
2-6*	Activities, value chain and other business relationships	13, 16, 18, 67
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* Indicators covered by an independent assurance service performed by Deloitte Audyt Sp. z o.o sp. k.

Number	Disclosure	Page/comment
2-19*	Remuneration policies	25
2-20*	Process to determine remuneration	25, 48
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2-24*	Embedding policy commitments	69
2-25*	Processes to remediate negative impacts	72
2-26*	Mechanisms for seeking advice and raising concerns	72
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3-2*	List of material topics	33
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Market presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	83

* Indicators covered by an independent assurance service performed by Deloitte Audyt Sp. z o.o sp. k.

Number	Disclosure	Page/comment
Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	73
205-2*	Communication and training about anti-corruption policies and procedures	73
205-3	Confirmed incidents of corruption and actions taken	73
Anti-competitive behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	74
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207-1	Approach to tax	76
207-2	Tax governance, control, and risk management	76
Environmental disclosures		
Energy 2016		
302-1*	Energy consumption within the organization	90
Water 2018		
303-3	Water withdrawal	91
Emissions 2016		
305-1*	Direct (Scope 1) GHG emissions	55, 91
305-2*	Energy indirect (Scope 2) GHG emissions	55, 91
305-3	Other indirect (Scope 3) GHG emissions	57
305-4	GHG emissions intensity	56
Waste 2020		
306-3	Waste generated	92

* Indicators covered by an independent assurance service performed by Deloitte Audyt Sp. z o.o sp. k.

Number	Disclosure	Page/comment
Social disclosures		
Employment 2016		
401-1*	New employee hires and employee turnover	85
401-2*	Benefits provided to full-time employees that are not provided to temporary or part-time employees	48
401-3	Parental leave	50
Occupational health and safety 2018		
403-1	Occupational health and safety management system	52
403-3	Occupational health services	52
403-4	Worker participation, consultation, and communication on occupational health and safety	52
403-5	Worker training on occupational health and safety	52
403-6	Promotion of worker health	52
403-8	Workers covered by an occupational health and safety management system	52
403-9	Work-related injuries	52
Training and education 2016		
404-1*	Average hours of training per year per employee	86
404-2*	Programs for upgrading employee skills and transition assistance programs	45
404-3*	Percentage of employees receiving regular performance and career development reviews	47
Diversity and equal opportunity 2016		
405-1*	Diversity of governance bodies and employees	86, 87

* Indicators covered by an independent assurance service performed by Deloitte Audyt Sp. z o.o sp. k.

Number	Disclosure	Page/comment
Non-discrimination 2016		
406-1*	Incidents of discrimination and corrective actions taken	72
Udział w życiu publicznym 2016		
415-1	Political contributions	0 PLN. According to the Rules of the Game - Business and Ethics Standards at the CD PROJEKT Group "CD PROJEKT maintains political neutrality and does not support political parties. Accordingly, we make no payments which might benefit any specific political party."
Marketing and labeling 2016		
417-1	Requirements for product and service information and labeling	67
417-2*	Incidents of non-compliance concerning product and service information and labeling	74
417-3*	Incidents of non-compliance concerning marketing communications	74
Customer privacy 2016		
418-1*	Substantiated complaints concerning breaches of customer privacy and losses of customer data	75

* Indicators covered by an independent assurance service performed by Deloitte Audyt Sp. z o.o sp. k.

Attachment 4. SASB disclosure

Sustainability Accounting Standards Board (SASB) – Software & IT Services

TOPIC	ACCOUNTING METRIC	CODE	DISCLOSURE
Environmental Footprint of Hardware Infrastructure	(1) Total energy consumed, (2) percentage grid electricity (3) percentage renewable	TC-SI-130a.1	(1) 11 420 GJ (2) 61.2 % (3) 2.9 %
	(1) Total water withdrawn (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	TC-SI-130a.2	(1) 6 040 m ³ (2) 5 857 m ³ ; 0%
	Discussion of the integration of environmental considerations into strategic planning for data center needs	TC-SI-130a.3	Much of the service is provided from our own servers, located at CD PROJEKT's headquarters in Warsaw. Our computing resources are virtualized and/or containerized, thus ensuring a high resource utilization rate. In addition, some services are also implemented using public cloud providers, including AWS and Google Cloud Platform. Cloud solutions are taken into account when planning new projects. Public cloud providers completely or significantly use renewable energy or plan to cover energy needs with 100% renewable energy in the coming years. The company's own servers are powered by electricity from the energy supplier for the CD PROJEKT campus in Warsaw.
Data Privacy & Freedom of Expression	Description of policies and practices relating to behavioral advertising and user privacy	TC-SI-220a.1	Personal data is processed in accordance with the internal Personal Data Protection Policy and the publicly available CD PROJEKT RED Privacy Policy. There is no dedicated policy relating specifically to behavioral advertising.
	Number of users whose information is used for secondary purposes	TC-SI-220a.2	We did not consolidate data from this area in the reported period
	Total amount of monetary losses as a result of legal proceedings associated with user privacy	TC-SI-220a.3	0 PLN – we did not incur such losses in the reported period

TOPIC	ACCOUNTING METRIC	CODE	DISCLOSURE
Data Privacy & Freedom of Expression	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	TC-SI-220a.4	0 – no such requests regarding users of our services in the reported period
	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	TC-SI-220a.5	We did not consolidate data from this area in the reported period.
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	TC-SI-230a.1	We did not record any leaks of customer data during the reported period.
	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	TC-SI-230a.2	As part of the strategic risk management process, the following risk was identified: cybersecurity risk related to the threat of data leakage, loss or unauthorized modification. The risk was analyzed in accordance with the applicable methodology. Risk factors were identified and described. A treatment plan grouped into programs with a series of mitigation actions was developed. A description of strategic risks can be found in the CD PROJEKT Group Activity Report. Cybersecurity risks involve potential exposure to loss or damage resulting from the fact that data is processed in information or communication systems. Cybersecurity risks go beyond data corruption, leakage or destruction, and include theft of intellectual property, loss of productivity and loss of reputation. The consequences of a potential breach can range from brand damage and revenue loss to stock price reductions. Also directly related to the consequences are the costs of investigations, remedies, fraud, litigation and possibly related penalties.
Recruiting & Managing a Global, Diverse & Skilled Workforce	Percentage of employees that are: (1) foreign nationals (2) located offshore	TC-SI-330a.1	(1) 22% (2) 4%

TOPIC	ACCOUNTING METRIC	CODE	DISCLOSURE
	Employee engagement as a percentage	TC-SI-330a.2	70% – the score of the engagement survey conducted with the Culture Amp tool.
Recruiting & Managing a Global, Diverse & Skilled Workforce	Percentage of gender and racial/ethnic group representation for (1) management (2) technical staff (3) all other employees	TC-SI-330a.3	(1) women: 22%, men: 78%; Poles: 87%, foreigners: 13% (2) women: 25%, men: 75%; Poles: 72%, foreigners: 28% (3) women: 49%, men: 51%; Poles: 86%, foreigners: 14%
Intellectual Property Protection & Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	TC-SI-520a.1	0 PLN – we did not incur such losses in the reported period
	Number of (1) performance issues (2) service disruptions (3) total customer downtime	TC-SI-550a.1	n/a – CD PROJEKT does not provide services to clients based on cloud solutions
Managing Systemic Risks from Technology Disruptions	Description of business continuity risks related to disruptions of operations	TC-SI-550a.2	As part of the strategic risk management process, the following risk was identified: Risk of unavailability of IT infrastructure or services. The risk was analyzed in accordance with the applicable methodology. Risk factors were identified and described. A treatment plan grouped into programs with a series of mitigation actions was developed. A description of strategic risks can be found in the CD PROJEKT Group Activity Report. The identified risk relates to loss of access to IT infrastructure or business applications supporting critical business processes at CD PROJEKT as a result of an unforeseen event. This risk represents potential exposure to loss or damage resulting from an interruption in the availability of CD PROJEKT's ICT systems. The risk goes beyond physical or logical damage of infrastructure components or data processing systems, and also includes loss of physical access to server rooms and other data processing locations.

ACTIVITY METRIC	CODE	DISCLOSURE
(1) Number of licenses or subscriptions (2) percentage cloud-based	TC-SI-000.A	We did not consolidate data from this area in the reported period
(1) Data processing capacity (2) percentage outsourced	TC-SI-000.B	(1) 11 426 GHz (2) 1.61%
(1) Amount of data storage (2) percentage outsourced	TC-SI-000.C	(1) 2.73 PB (2) 3.21%

Attachment 5. Compliance with UE Taxonomy for sustainable activities

Context

The UE Taxonomy²⁷ provides a classification system for reporting what percentage share of the CD PROJEKT Group's activities – based on revenues²⁸, capital expenditures (CapEx) i and operating expenditures (OpEx)²⁹ – is environmentally sustainable.

According to this framework, an activity is environmentally sustainable if it meets all the following criteria:

- it contributes substantially to one or more of the environmental objectives,
- it does not significantly harm any of these environmental objectives,
- it is carried out in compliance with minimum safeguards,
- it complies with technical screening criteria.

The EU Taxonomy is structured around six environmental objectives:

1. climate change mitigation;
2. climate change adaptation;
3. sustainable use and protection of water and marine resources;
4. transition to a circular economy;
5. pollution prevention and control;
6. protection and restoration of biodiversity and ecosystems.

Technical screening criteria (TSC) are used to determine what constitutes substantial contribution to each objective and when a given activity does not cause significant harm. These are provided in Annexes I and II to Commission Delegated Regulation (EU) 2021/2139³⁰, later amended by Commission Delegated Regulation (UE) 2022/1214³¹.

Thus far the European Commission has only issued delegated acts concerning the criteria of substantial contribution to the first two objectives – climate change mitigation and climate change adaptation. These criteria will be extended in the future and will incorporate conditions which an activity must meet in order to contribute substantially to the remaining four environmental objectives.

²⁷ This taxonomy was introduced by 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 applies to all companies which provide non-financial disclosures, including the CD PROJEKT Group.

²⁸ Sum of the following line items: Sales revenues (Note 1 in the Consolidated Financial Statement of the CD PROJEKT Group for 2022) and Revenues from lease contracts (Note 3 in the Consolidated Financial Statement of the CD PROJEKT Group for 2022).

²⁹ Sum of the following line items: Increases from purchases of PP&E and lease agreements concluded (Note 10 in the Consolidated Financial Statement of the CD PROJEKT Group for 2022); Increases from purchases and own creation of intangible assets and expenditures on development projects (Note 11 in the Consolidated Financial Statement of the CD PROJEKT Group for 2022) and Activation of costs for investment properties (Note 13 in the Consolidated Financial Statement of the CD PROJEKT Group for 2022).

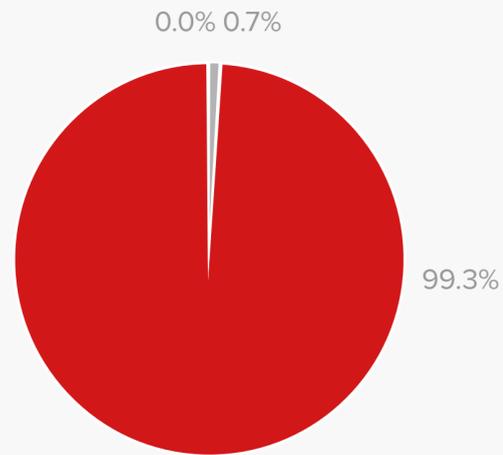
³⁰ Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives

³¹ Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities

Alignment of the CD PROJEKT Group’s activities with the Taxonomy for sustainable activities

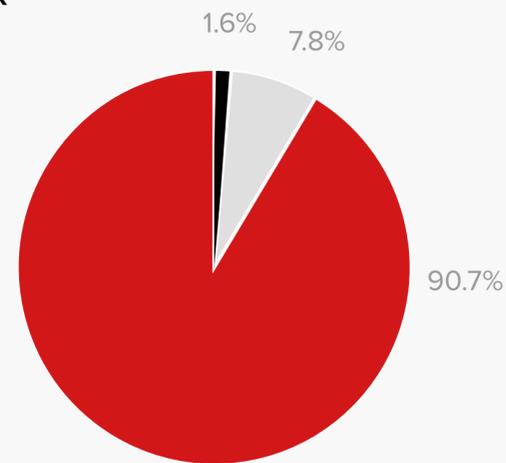
Following analysis, we have determined that the following percentage of revenues and capital expenditures (CapEx) is aligned with the Taxonomy:

Revenues



- Sustainable activities (Taxonomy-aligned)
- Non-sustainable activities (Taxonomy-eligible but not aligned)
- Neutral activities (Not eligible under the Taxonomy)

CapEx



- Sustainable activities (Taxonomy-aligned)
- Non-sustainable activities (Taxonomy-eligible but not aligned)
- Neutral activities (Not eligible under the Taxonomy)

	Revenues	CapEx
Value in 2022 [PLN thousands]	959 220	324 869
Sustainable activities (Taxonomy-aligned)	0.0%	1.6%
Non-sustainable activities (Taxonomy-eligible but not aligned)	0.7%	7.8%
Neutral activities (Not eligible under the Taxonomy)	99.3%	90.7%

The percentage values in the CapEx column do not add up to 100% due to rounding.

The remainder of this section characterizes the process of assessing alignment with the Taxonomy, describes the applicable accounting regulations and provides a detailed overview of three performance indicators, along with tables consistent with the so-called Art. 8 delegated act; that is, Commission Delegated Regulation (UE) 2021/2178³².

Information concerning assessment of alignment with the Taxonomy

The process of analyzing alignment with the Taxonomy was carried out with participation of the ESG team, the financial department and administration, and with assistance from an external advisor.

The process involved the following four steps:

Step 1: Identification

Based on activity descriptions listed in annexes to Commission Delegated Regulation (EU) 2021/2139 the CD PROJEKT Group carried out a review of its 2022 activities – in the context of revenues and capital expenditures (CapEx) – and identified Taxonomy-eligible areas.

Regarding sales revenues a cautious approach was followed. In the process of assessing whether revenues from sales of videogames are Taxonomy-eligible it was determined that the definitions of activity contained in section

8 of Annexes I and II to the aforementioned delegated regulation are ambiguous. Following a review of disclosures published by gaming industry companies based in the European Union we concluded that no uniform market practices exist in this regard. While the European Union published a Frequently Asked Questions document on 19 December 2022³³, this document also did not provide clear guidance in the matter. Consequently, although it could be argued that revenues obtained by the Group from sales of videogames are eligible under Activity 8.2 Computer programming, consultancy and related activities, in this report we nevertheless regard them as non-eligible. In 2023 CD PROJEKT S.A. intends to submit a formal request for clarification to the European Commission to obtain a binding interpretation in this matter.

Step 2: Allocation

Subsequently, for each activity identified as Taxonomy-eligible, we determine the corresponding revenues and capital expenditures incurred by the CD PROJEKT Group in 2022. Details of the allocation methods are described in the section titled “Accounting principles” elsewhere in this chapter.

Step 3: Verification

Verification of eligibility is enabled by two types of assessment:

1. Assessment of compliance with Technical Screening Criteria

Compliance with Technical Screening Criteria (TSC) listed in annexes to Commission Delegated Regulation (EU) 2021/2139 was analyzed for selected types of activity regarded as financially material (with the threshold of financial materiality set at 50 thousand PLN). The alignment of activities which fell below the materiality threshold was not assessed; instead, any associated revenues or capital expenditures were deemed eligible but not aligned with the Taxonomy. Activities which exceed the materiality threshold were analyzed with respect to each criterion specifying what constitutes substantial contribution and lack of significant harm, in order to determine whether the given activity is aligned with TSC.

2. Assessment of compliance with Minimum Safeguards

Compliance with Minimum Safeguards was assessed on the basis of recommendations provided in the Final Report on Minimum Safeguards published by Platform on Sustainable Finance. Minimum Safeguards are defined in Art. 18 of Regulation 2020/852 and based to a large extent

³² Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation

³³ Draft Commission Notice on the interpretation and implementation of certain legal provisions of the EU Taxonomy Climate Delegated Act establishing technical screening criteria for economic activities that contribute substantially to climate change mitigation or climate change adaptation and do no significant harm to other environmental objective, <https://ec.europa.eu/finance/docs/law/221219-draft-commission-notice-eu-taxonomy-climate.pdf>

on the requirement to exercise due diligence as defined in UN Guiding Principles on Business and Human Rights, and OECD Guidelines for Multinational Enterprises. Although the Platform on Sustainable Finance report is not legally binding, it nevertheless represents the sole available source of interpretations regarding Minimum Safeguards issued by an entity affiliated with the European Commission and appointed on the basis of Regulation 2020/852.

Platform on Sustainable Finance defined four criteria and specified that meeting at least one of them implies noncompliance with Minimum Safeguards.

The relevant criteria and the associated verification methods are listed in the following table.

The aforementioned analysis indicates that CD PROJEKT Group activities in 2022 were consistent with Minimum Safeguards.

Step 4: Calculation

By applying the information obtained in the three preceding stages, we prepared tables concerning our revenues and capital expenditures, consistent with the Commission Delegated Regulation (EU) 2021/2139.

Criterion	Verification method
Inadequate or nonexistent due diligence mechanisms with regard to human rights, anti-corruption measures, counteracting unfair competition or tax strategy.	Verification of due diligence procedures was performed by filling out an extensive form – based on the methodology proposed by Platform for Sustainable Finance (World Benchmark Alliance Core UNGP Indicators) – by the CD PROJEKT Group (self-assessment) and by additional analysis of corporate documentation and processes performed by an external company which specializes in consultancy services. This process revealed that due diligence processes are appropriately followed at the CD PROJEKT Group.
The Company is ultimately held liable or declared guilty of violating labor law or human rights in certain court cases related to labor law or human rights.	Verification was based on checking – in collaboration with persons responsible for Compliance and Internal Audit – whether no binding court indictments had been issued with regard to the Company in matters related to human rights, corruption, unfair competition and taxation. This process revealed that no such indictments had been issued.
The Company has refused to engage in dialogue with the OECD National Contact Point (NCP).	Querying the OECD NCP database revealed that no attempts to contact the Group had been made between 1 January and 31 December 2022; accordingly, there was no cause to engage in dialogue with OECD NCP during the reporting period.
The Business and Human Rights Resource Centre (BHRRC) issued allegations regarding the Company, to which the Company did not respond within 3 months.	Querying the BHRRC database revealed that no activity concerning the Company had occurred between 1 January and 31 December 2022.

Accounting principles

When calculating the eligible fraction of revenues, capital expenditures (CapEx) and operating expenditures (OpEx) the following criteria were applied:

Revenues

Regarding revenues, the basis for calculations were the consolidated revenues of the CD PROJEKT Group for 2022, as disclosed in its consolidated financial statement for 2022, Notes 1 and 3³⁴. The numerator represents revenues from activities regarded as eligible.

Capital expenditures (CapEx)

Regarding capital expenditures (CapEx), the basis for calculations were capital expenditures incurred in each consolidated member company of the CD PROJEKT Group. Investment expenditures are presented in Notes 10, 11 and 13³⁵ in the Group's Consolidated Financial Statement for 2022. The numerator represents investment expenditures related to activities regarded as eligible.

Operating expenditures (OpEx)

Regarding operating expenditures (OpEx), it was determined that these do not play a significant role in the Group's business model; consequently, in line with section 1.1.3.2 of Annex I to Commission Delegated Regulation (EU) 2021/2139, this KPI was excluded from calculations and disclosure.

Supplementary information

Data used in calculations was drawn from the financial and accounting system operated by CD PROJEKT S.A. and from financial and accounting systems operated by other member companies of the Group which are subject to consolidation.

In the process of assigning revenues and investment expenditures to categories, the Group avoided double counting by applying the appropriate consolidation eliminations, in line with the applicable accounting regulations.

The presented analysis did not reveal any types of activity which would contribute to more than one environmental objective. Consequently, there was no need to apply special procedures to avoid double counting.

This report marks the first time the Group has revealed the share of Taxonomy-aligned activities in its overall activity profile, as well as the second time it has revealed the share of its corresponding Taxonomy-eligible activities. The disclosure provided in this report covers the previous financial year, i.e. the period between 1 January and 31 December 2022.

Analysis revealed that no detailed disaggregation of KPIs by the Group's operating units is required, pursuant to item 1.2.2.3 of Annex I to Commission Delegated Regulation (EU) 2021/2178. Further information in this regard can be found in commentary sections attached to each KPI.

The CD PROJEKT Group does not conduct, finance or become exposed to the types of activity listed in sections 4.26-4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 (activities related to production of energy in nuclear processes or production of energy from gaseous fossil fuels).

³⁴ Sum of the following line items: Sales revenues (Note 1 in the Consolidated Financial Statement of the CD PROJEKT Group for 2022) and Revenues from lease contracts (Note 3 in the Consolidated Financial Statement of the CD PROJEKT Group for 2022)

³⁵ Sum of the following line items: Increases from purchases of PP&E and lease agreements concluded (Note 10 in the Consolidated Financial Statement of the CD PROJEKT Group for 2022); Increases from purchases and own creation of intangible assets and expenditures on development projects (Note 11 in the Consolidated Financial Statement of the CD PROJEKT Group for 2022) and Activation of costs for investment properties (Note 13 in the Consolidated Financial Statement of the CD PROJEKT Group for 2022).

Note regarding the “Percentage of aligned revenues” table

The CD PROJEKT Group obtains revenues mainly from sales of computer games, which are not directly recognized in the Taxonomy within the meaning of Annexes I and II to the delegated climate act (Commission Delegated Regulation (EU) 2021/2139) – a detailed description of our approach to eligibility of revenues is provided in the section titled “Information concerning assessment of alignment with the Taxonomy”. In 2022 the Group’s consolidated revenues³⁵ were reported as 959 220 thousand PLN, and the only Taxonomy-eligible category of revenues comprised revenues from leasing space at the buildings owned by CD PROJEKT S.A. – at 6 644 thousand PLN. This category is eligible as activity 7.7 Acquisition and ownership of buildings.

In 2022 the Group obtained 952 576 thousand PLN in revenues from activities not eligible under the Taxonomy. These revenues came mainly from sales of videogames.

The share of Taxonomy-eligible revenues in the Group’s total revenues for 2022 was 0.7% – with 0% of revenues identified as Taxonomy-aligned. The remaining 99.3% of revenues are regarded as non-eligible.

Note regarding the “Percentage of aligned CapEx” table

Taxonomy-eligible capital expenditures (CapEx) are related to implementation of investment plans adopted by management boards of companies subject to consolidation in the course of planning budgets for 2022. In 2022 the Group incurred 324 869 thousand PLN in consolidated capital expenditures³⁶ Taxonomy-eligible CapEx concerned mainly:

- Construction of a parking lot adjacent to the Company’s HQ (23 142 thousand PLN). These expenditures are eligible as activity 7.1. Construction of new buildings (Annex II),
- Purchases of intangible and legal assets, including in the course of developing applications and software, and purchases of IT infrastructure (4 452 thousand PLN). These expenditures are eligible as activity 8.1. Data processing, hosting and related activities (Annex II),
- Upgrading existing buildings which belong to the CD PROJEKT Group (2 069 thousand PLN). These expenditures are eligible as activity 7.2 Renovation of existing buildings (Annex II).

An additional capital expenditure of 256 thousand PLN was incurred in the deployment of electric car charging station, while 211 thousand million PLN was allocated toward purchases of systems and devices which aim to improve the energy efficiency of buildings, enabling the Group to reduce its energy consumption in future years, which will also indirectly contribute to a reduction in greenhouse gas emissions. The CD PROJEKT Group also incurred small-scale expenditures related to purchases of devices and systems which optimize water consumption and wastewater discharge at the Company (separator deployed in the parking lot).

In 2022 the Group incurred 294 567 thousand PLN in non-eligible capital expenditures. These concern mainly development activities which comprise the Group’s core business – development and sales of videogames.

The percentage share of Taxonomy-eligible CapEx in the Group’s total CapEx for 2022 was 9.3% – including 1.6% in Taxonomy-aligned expenditures. The remaining portion of capital expenditures (90.7%) is regarded as non-eligible.

³⁵ Sum of the following line items: Sales revenues (Note 1 in the Consolidated Financial Statement of the CD PROJEKT Group for 2022) and Revenues from lease contracts (Note 3 in the Consolidated Financial Statement of the CD PROJEKT Group for 2022)

³⁶ Sum of the following line items: Increases from purchases of PP&E and lease agreements concluded (Note 10 in the Consolidated Financial Statement of the CD PROJEKT Group for 2022); Increases from purchases and own creation of intangible assets and expenditures on development projects (Note 11 in the Consolidated Financial Statement of the CD PROJEKT Group for 2022) and Activation of costs for investment properties (Note 13 in the Consolidated Financial Statement of the CD PROJEKT Group for 2022).

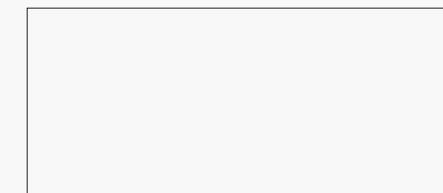
Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities

Economic activities	Code(s)	Absolute CapEx PLN thousands	Proportion of CapEx %	Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)						Minimum safeguards	Taxonomy-aligned proportion of CapEx, 2022 %	Taxonomy-aligned proportion of CapEx, 2021 %	Category (enabling activity or) E	Category (transitional activity) T
				Climate change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N					
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Construction, extension and operation of water collection, treatment and supply systems	5.1.	73	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y		Y	Y	Y	Y	Y	100.0%	n/a	
Construction, extension and operation of waste water collection and treatment	5.3.	98	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y		Y	Y	Y	Y	Y	100.0%	n/a	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4.	256	0.1%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y		Y	Y	Y	Y	Y	100.0%	n/a	E
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5.	211	0.1%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y		Y	Y	Y	Y	Y	100.0%	n/a	E
Data processing, hosting and related activities	8.1.	4 452	1.4%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y		Y	Y	Y	Y	Y	100.0%	n/a	T
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		5 090	1.6%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%								1.6%	n/a	

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities

Economic activities	Code(s)	Absolute CapEx PLN thousands	Proportion of CapEx %	Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)						Minimum safeguards Y/N	Taxonomy-aligned proportion of CapEx, 2022 %	Taxonomy-aligned proportion of CapEx, 2021 %	Category (enabling activity or) E	Category (transitional activity) T
				Climate change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N					
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Construction of new buildings	7.1.	23 142	7.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N		Y	Y	Y	Y	Y				
Renovation of existing buildings	7.2.	2 069	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	Y	N	N	N	N	Y				
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		25 211	7.8%														7.8%	n/a		
Total (A.1.+A.2.)		30 302	9.3%														9.3%	n/a		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)		294 567	90.7%																	
Total (A+B)		324 869	100%																	

This CD PROJEKT Group Sustainability Report for 2022 was approved for publication by the Management Board of CD PROJEKT S.A. on 30 March 2023 and signed on 30 March 2023, pursuant to Art. 49b section 9 and Art. 52 section 3 item 2 of the Accounting Act of 29 September 1994 (JL 2023, item 120, as amended).



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