



**PRENTISS  
SMITH & CO**

ESG Investment Report for:

# Paramount Global

New York, NY

Ticker: PARA US Equity

Website: [www.paramount.com](http://www.paramount.com)

Last Updated: 03-09-2022

# I. Exclusionary Screening

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Does Paramount Global appear on any of the following lists? In our exclusionary screening, a single appearance disqualifies an investment.

## Fossil Fuels & Precious Metals Mining

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- BICS - Oil, Gas & Coal
- BICS - Precious Metals Mining
- Carbon Underground 200

## Pornography, Gambling & Tobacco

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- BICS - Casinos
- BICS - Tobacco
- Pornography

## Agrochemicals & Animal Cruelty

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- BICS - Crop Chemicals & Fertilizers
- Cruelty Free Investing 10 Worst

## Defense & Retail Gun Sales

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- BICS - Defense Primes
- SIPRI Top 100
- Gun Retailer
- NRA Top Industry Allies

## Private Prisons

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- BICS - Security Services

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BICS = Bloomberg Industry Classification Systems

SIPRI = Stockholm International Peace Research Institute  
NRA = National Rifle Association

## I. Environmental, Social & Governance Data

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What quantifiable environmental, social and governance data, policies or recognition does Paramount Global exhibit? Positive factors may help support a decision to invest.

### General

Just Capital Overall (1-954)

**80**

2022 MSCI ESG Rating

**A**

### Climate Change & Fossil Fuels

TCFD Supporter Since

**2022**

°C Reduction Commitment (SBTi)

**Committed**

2021 CDP Climate Change Score

**B-**

Initiatives and Policies in Place:

- **Climate Change Policy**

### Environmental Stewardship

Just Capital - Environment (1-954)

**329**

Publicly Disclosed Sustainable Supply Guidelines  
Encompassing ESG Area

**Yes**

Initiatives and Policies in Place:

- **Sustainable Development Goals Targets**
- **Social Supply Chain Management**
- **Waste Reduction**
- **Environmental Supply Management**
- **Emission Reduction**
- **Energy Efficiency Policy**

## Human Rights & Well-Being

As You Sow Racial Justice Score (-23 to 62)

**30**

Just Capital - Workers (1-954)

**136**

Just Capital - Communities (1-954)

**221**

Just Capital - Customers (1-954)

**23**

Forbes World's Best Large Employers (1-500)

**419**

Initiatives and Policies in Place:

- **Equal Opportunity Policy**

## Diversity, Equity, Inclusion and Justice

Forbes Best Employers for Diversity (1-500)

**61**

HRC Equality Index (100 points)

**100**

Women Employees

**49%**

Women Executives

**63%**

Women on the Board

**54%**

CEO Action for Diversity Pledge

**Signatory**

SSGA Gender Diversity Index ETF

**Listed**

Women in Management

**48%**

Number of Women Executives

**5**

Number of Women on the Board

**7**

## Corporate Responsibility

Just Capital - Shareholders (1-954)

**162**

CPA-Zicklin Political Disclosure and Accountability  
Score (1-100)

**23**

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Data sources may include:

- Sustainability and other report(s) published by the company.
- Banktrack Human Rights Benchmark
- Barron's 100 Most Sustainable US Companies
- Bloomberg LP ESG Data (via Data License).
- CDP
- CEO Action for Diversity & Inclusion Pledge
- Climate Accountability Institute (CAI)
- Corporate Human Rights Benchmark
- Digital Rights Corporate Accountability Index
- Dow Jones Sustainability Indices (DJSI)
- EPA's Green Power Partnership
- Equileap's Top 100 Companies for Gender Equality
- Forbes World's Best Employers
- Fortune's 50 Best Workplaces for Charity and Volunteering
- Fossil Free Funds
- Global Reporting Initiative (GRI)
- Great Places to Work
- HRC's 2020 Corporate Equality Index
- Institute for Clinical and Economic Review (ICER)
- Just Capital Rankings
- KnowTheChain Benchmark
- MSCI ESG Ratings
- National Rifle Association (NRA)
- Newsweek Green Rankings
- PEOPLE's 50 Companies That Care
- Points of Light Civic 50 Honorees
- RobecoSAM Corporate Sustainability Assessment
- Roundtable on Sustainable Palm Oil (RSPO)
- Science-Based Targets initiative (SBTi)
- State Street Global Advisors' Gender Diversity Index
- Stockholm International Peace Research Institute (SIPRI)
- Task Force on Climate-related Financial Disclosures (TCFD)
- The 2019 Top 50 DiversityInc
- The Climate Group's RE100, EV100 and EP100

## II. Research Narrative

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What else has our research process told us about how Paramount Global conducts business, in terms of its products and services, its environmental impact, and its approach to governance?

### Summary

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Paramount Global is a large, multinational media company with dozens of subsidiary TV and film productions under its control, such as CBS, Paramount, Comedy Central, Nickelodeon, and several other TV networks in Argentina, India, and the UK. Over the past decade, and especially the past four years, Paramount Global has exhibited a commitment to transparency and improving the diversity of voices on-screen and behind the camera. Paramount Global has set a goal to increase the representation of Black, Indigenous, and People of Color in the writers' rooms of CBS networks and Showtime to 40% for 2022 programming. Since 2018, Paramount Global has also increased its transparency on climate impacts by broadening the greenhouse gas emissions considered in its Scope 3 emissions, to include suppliers and upstream as well as downstream transportation.

Paramount Global has also faced considerable controversy. In 2018, former CEO of CBS Corporation Leslie Moonves was accused of intimidation and harassment by over 12 women. By the end of 2018, Mr. Moonves was terminated. Since the merger of Viacom and CBS, the culture of gender equity at the company seems to have improved; in 2020, Paramount Global was ranked in the Top 70 Companies for Executive Women by the National Association for Female Executives.

While Paramount Global has improved on its transparency on climate impacts, it has not fully integrated sustainable practices into its operations. Only 20% of productions utilize the Green Production Guide, and the guide itself is designed to improve environmental performance on the production level, not the corporate level. That said, the proportion of productions utilizing the Green Production Guide is growing at Paramount Global, and this continued integration does signal an effort toward continual improvement.

Having made positive headway in the areas of climate impacts and gender equity, Paramount Global has also acknowledged its faults and areas for improvement. With its recent goals for increasing ESG performance, especially for racial and ethnic diversity and inclusion, it will be important to monitor if these aspirations are achieved.

## Products & Services

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Paramount Global is a media and entertainment company headquartered in New York City, employing 23,800 full-time employees and staff in 35 countries.<sup>1</sup> Its first incarnation began as Viacom Inc. in 1952. Over its first 50 years of operation, the company syndicated and distributed CBS television programs and acquired several valuable media assets, such as Paramount Pictures in 1994. In 2006, Viacom Inc. was split into two companies, CBS Corporation and Viacom, which re-merged in December 2019 as ViacomCBS, now Paramount Global.

Today Paramount Global operates through four segments: TV entertainment (43% of 2019 revenue), largely made up of CBS; Cable Networks (45% of 2019 revenue), which includes dozens of brands such as Comedy Central, Nickelodeon, and the Smithsonian Channel; Filmed Entertainment (10% of 2019 revenue), made up of brands associated with Paramount Pictures Corporation; and Publishing (3% of 2019 revenue), consisting primarily of Simon & Schuster.<sup>2</sup> Paramount Global produces media content for over 4 billion homes globally, and believes it has an important role to play in changing culture.<sup>3</sup> Paramount Global focuses its ESG impacts on three categories: aligning programming and advertising decisions with ESG priorities on-screen (for example, banning e-cigarette ads in September 2019); elevating diverse voices; and reducing the environmental footprint of productions, products, and facilities.<sup>4</sup>

Since its merger, Paramount Global has set goals and taken steps toward increasing diversity and inclusion on-screen and in production. Paramount Global has set a goal for 40% Black, Indigenous, and People of Color (BIPOC) representation in all writers' rooms across the CBS Television Networks and SHOWTIME for 2021-2022 programming, and 50% by 2023. The company has an additional goal to allocate 25% of its script development budget to projects created or co-created by Black, Indigenous, and People of Color (BIPOC). Within Paramount Global, the

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<sup>1</sup> [https://www.paramount.com/files/documents/ViacomCBS\\_ESG\\_Report\\_2019\\_2020-1.pdf](https://www.paramount.com/files/documents/ViacomCBS_ESG_Report_2019_2020-1.pdf)

<sup>2</sup> <https://www.sec.gov/Archives/edgar/data/813828/000081382820000013/a2019k.htm#s4DCECD601AA556ECAB47F502881740CF>

<sup>3</sup> [https://www.paramount.com/files/documents/ViacomCBS\\_ESG\\_Report\\_2019\\_2020-1.pdf](https://www.paramount.com/files/documents/ViacomCBS_ESG_Report_2019_2020-1.pdf)

<sup>4</sup> [https://www.paramount.com/files/documents/ViacomCBS\\_ESG\\_Report\\_2019\\_2020-1.pdf](https://www.paramount.com/files/documents/ViacomCBS_ESG_Report_2019_2020-1.pdf)

Global Inclusion Advisory Council exists to ensure these commitments to include diverse voices in content decisions.<sup>5</sup>

## Environment

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Paramount Global manages its environmental performance within five categories: climate change, sustainable production, impacts of operations and facilities, supply chain responsibility, and consumer products. Paramount Global reports Scope 1, 2, and 3 emissions using guidance by the TCFD, which provides a comprehensive look at the company's climate impacts and areas for improvement.

Paramount Global negatively impacts the climate primarily through greenhouse gas emissions associated with air travel. In 2019, 50,255 metric tons CO<sub>2</sub>e were emitted as a result of employee travel. An additional 4,184 metric tons CO<sub>2</sub>e were emitted from car rentals and travel by rail. In 2019, 84% of greenhouse gas emissions were associated with travel and purchased goods, 12% were associated with electricity and steam use, and 4% were associated directly with emissions from the corporate fleet, news vans, and fuel oil. Since 2016, Paramount Global's Scope 2 (electricity use) emissions have fallen by 42%, in part due to the company's New York headquarters achieving a LEED Gold Certification in 2017.<sup>6</sup>

Paramount Global is a founding member of the Sustainable Production Alliance and reduces the environmental impact of its media productions through the implementation of the Green Production Guide. However, implementation of the Green Production Guide is still in progress (13% of productions in 2018 and 20% in 2019) and the requirements of the Guide fail to address systemic environmental impacts.<sup>7</sup> For example, the Green Production Guide recommends using bicycles, rechargeable batteries, reusable water bottles, turning off lights and equipment when not in use, and composting food waste.<sup>8</sup> This guidance increases a single production's environmental performance but does not address and integrate sustainability from the outset.

Across the U.S., Paramount Global recycles 100% of produced e-waste and says it is working to ensure its suppliers are aligned with its ESG values. However, before the 2019 merger, Viacom had only surveyed 10% of its suppliers on environmental and climate criteria. CBS fared better

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<sup>5</sup> [https://www.paramount.com/files/documents/ViacomCBS\\_ESG\\_Report\\_2019\\_2020-1.pdf](https://www.paramount.com/files/documents/ViacomCBS_ESG_Report_2019_2020-1.pdf)

<sup>6</sup> [https://www.paramount.com/files/documents/ViacomCBS\\_ESG\\_Report\\_2019\\_2020-1.pdf](https://www.paramount.com/files/documents/ViacomCBS_ESG_Report_2019_2020-1.pdf)

<sup>7</sup> [https://www.paramount.com/files/documents/ViacomCBS\\_ESG\\_Report\\_2019\\_2020-1.pdf](https://www.paramount.com/files/documents/ViacomCBS_ESG_Report_2019_2020-1.pdf)

<sup>8</sup> <https://www.greenproductionguide.com/tools/>



pre-merger, surveying suppliers representing \$260 million in spending.<sup>9</sup> Paramount Global does continue to work with suppliers to improve the transparency and accuracy of its Scope 3 emissions reporting. The company's Scope 3 emissions increased considerably (over 2,000%) between 2018 to 2019 as a result of broadening emissions *considered* from purchased goods, capital goods, and upstream and downstream transportation.

## Management Integrity and Ethics

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Paramount Global has been led by CEO and Director Robert Bakish since 2016. Mr. Bakish has been with Viacom since 1997, initially as Vice President of Planning and Development, and moving on to become President of Viacom International Media Networks (VIMN) in 2007. During his tenure, VIMN more than doubled its revenues and expanded TV networks into the UK, Argentina, and India.<sup>10</sup>

Since 2018, Paramount Global has donated \$12 million to organizations supporting communities of color, and following the Black Lives Matter protests in 2020, Paramount Global committed an additional \$5 million to the NAACP Legal Defense Fund and other organizations that ensure equality and justice.<sup>11</sup> In addition, Paramount Global works with organizations such as the National Minority Supplier Development Council (NMSDC), the Women's Business Enterprise National Council (WBENC), Disability:IN, and the National LGBT Chamber of Commerce (NGLCC) to ensure that the company's supply chain reflects the diversity of its employees, customers, and consumers.

Paramount Global has 12 members on its board of directors and it has 10 independent directors.<sup>12</sup> The board has seven women and one person of color. The company acknowledges that it needs to increase the racial and ethnic diversity of its board of directors.<sup>13</sup> In 2020, Paramount Global was ranked in the Top 70 Companies for Executive Women by the National Association for Female Executives,<sup>14</sup> and its global workforce is 47.8% women, with the same percent represented in management roles. Interestingly, Viacom pre-merger had higher rates of female employment at all levels of the company compared to CBS, and the same trend existed for BIPOC employment at all levels.<sup>15</sup>

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<sup>9</sup> [https://www.paramount.com/files/documents/ViacomCBS\\_ESG\\_Report\\_2019\\_2020-1.pdf](https://www.paramount.com/files/documents/ViacomCBS_ESG_Report_2019_2020-1.pdf)

<sup>10</sup> <https://www.paramount.com/about/leadership>

<sup>11</sup> [https://www.paramount.com/files/documents/ViacomCBS\\_ESG\\_Report\\_2019\\_2020-1.pdf](https://www.paramount.com/files/documents/ViacomCBS_ESG_Report_2019_2020-1.pdf)

<sup>12</sup> <https://www.wsj.com/market-data/quotes/PARA/company-people>

<sup>13</sup> [https://www.paramount.com/files/documents/ViacomCBS\\_ESG\\_Report\\_2019\\_2020-1.pdf](https://www.paramount.com/files/documents/ViacomCBS_ESG_Report_2019_2020-1.pdf)

<sup>14</sup> <https://www.workingmother.com/nafe-top-companies-for-executive-women-winners-2020>

<sup>15</sup> [https://www.paramount.com/files/documents/ViacomCBS\\_ESG\\_Report\\_2019\\_2020-1.pdf](https://www.paramount.com/files/documents/ViacomCBS_ESG_Report_2019_2020-1.pdf)

In July 2018, prior to the 2019 merger with Viacom, Leslie Moonves, the former CEO of CBS Corporation, was accused by more than 12 women of harassment and intimidation, while dozens more described harassment at CBS.<sup>16,17</sup> Several more women accused Mr. Moonves of canceling their productions or writing off their characters after reporting sexual harassment or refusing Mr. Moonves' advances.<sup>18,19</sup> In 2018 Mr. Moonves was placed under investigation by the CBS board, terminated, and denied \$120 million in severance pay by the end of that year.<sup>20</sup> During and following the merger, Paramount Global has continued to cooperate with the New York District Attorney's Office, the New York City Commission on Human Rights, and all other governmental authorities in their inquiries into the allegations against Mr. Moonves.<sup>21</sup>

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<sup>16</sup> <https://www.newyorker.com/magazine/2018/08/06/les-moonves-and-cbs-face-allegations-of-sexual-misconduct>  
<sup>17</sup>

<https://www.newyorker.com/news/news-desk/as-leslie-moonves-negotiates-his-exit-from-cbs-women-raise-new-as-sault-and-harassment-claims>

<sup>18</sup> <https://www.nytimes.com/2018/11/28/business/les-moonves-bobbie-phillips-marv-dauer-cbs-severance.html>  
<sup>19</sup>

<https://www.nbcnews.com/pop-culture/tv/cybill-shepherd-says-les-moonves-had-her-cbs-show-canceled-n947696>  
<sup>20</sup> <https://screenrant.com/les-moonves-cbs-fired-investigation/>  
<sup>21</sup>

<https://www.sec.gov/Archives/edgar/data/813828/000081382820000013/a2019k.htm#s4DCECD601AA556ECAB47F502881740CF>

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