

MATERIALITY ASSESSMENT

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Understanding
our ESG Impacts

In December of 2019, Viacom and CBS merged to become ViacomCBS. Now, as a combined entity, we are charting a new path to advance and strengthen our approach to environmental, social, and governance (ESG) topics to serve our partners, audiences, employees, and shareholders – and to enhance our success as a business.

As part of this effort, ViacomCBS undertook a materiality analysis in early 2020 to identify the ESG risks, opportunities, and topics that are most important for our company and our stakeholders in order to inform our ESG strategy and disclosure. In this report, we are sharing our process for determining our most important ESG topics and the results of the analysis.

This materiality assessment is a first step in our journey to provide more transparency into our ESG work at ViacomCBS. In our first full ESG report, scheduled for release later in 2020, we will discuss our strategy and performance on the important ESG topics we have identified.

How we determined our most material topics

In line with best practices for an ESG materiality analysis, we followed a four-step process:

01

Identify potentially material topics

02

Prioritize and streamline topics

03

Review and validate

04

Incorporate results into ESG strategy and reporting

Identify potentially material topics

We define a topic as material if it has a significant environmental, economic, or social impact; is a value driver that affects our competitive position; has financial significance; or influences stakeholder decisions about our company.

We cast a broad net in our initial identification of potentially material ESG topics. We considered the perspectives of a wide range of internal and external stakeholders, including employees, investors, audiences, customers, business partners, and local community partners. We assessed the potential impacts, risks, and opportunities across all of our brands and our entire value chain using a range of sources, including:

- Internal documentation from ViacomCBS, including policies, standards, reports, and other communications
- External research from investors, NGOs, and community members
- Internal and external stakeholder interviews
- A survey of internal and external stakeholders
- An analysis of how peers define their material topics

Prioritize and streamline topics

From an initial list of over 150 potentially material topics, we streamlined and prioritized topics based on: (1) the importance of each topic to our stakeholders and our business success and (2) the frequency with which each topic was discussed across all of the inputs we reviewed.

Through this process, we developed a shorter list of material topics across four key categories: **on-screen content and social impact; workforce and culture; sustainable production and operations; and governance.** We will report on a variety of material topics within these categories in our ESG Report.

Review and validate

We validated the preliminary list of material topics through a survey of internal and external stakeholders and a review by our ESG Council – a group of leaders from across our company focused on enhancing and coordinating our ESG efforts. From the results of the survey and analysis, we identified 23 medium- and high-priority ESG topics, which we organized into the four priority areas. Members of our senior leadership team and our Board of Directors reviewed the analysis and results set forth in this Materiality Assessment.

Incorporate results into ESG strategy and reporting

We are building the results of this materiality analysis into our ESG strategy, goals, and governance processes, and considering them in the wider landscape of ongoing initiatives within ViacomCBS. We are also using the aggregate assessment to shape the content of our first companywide ESG report, which we plan to publish later in 2020.

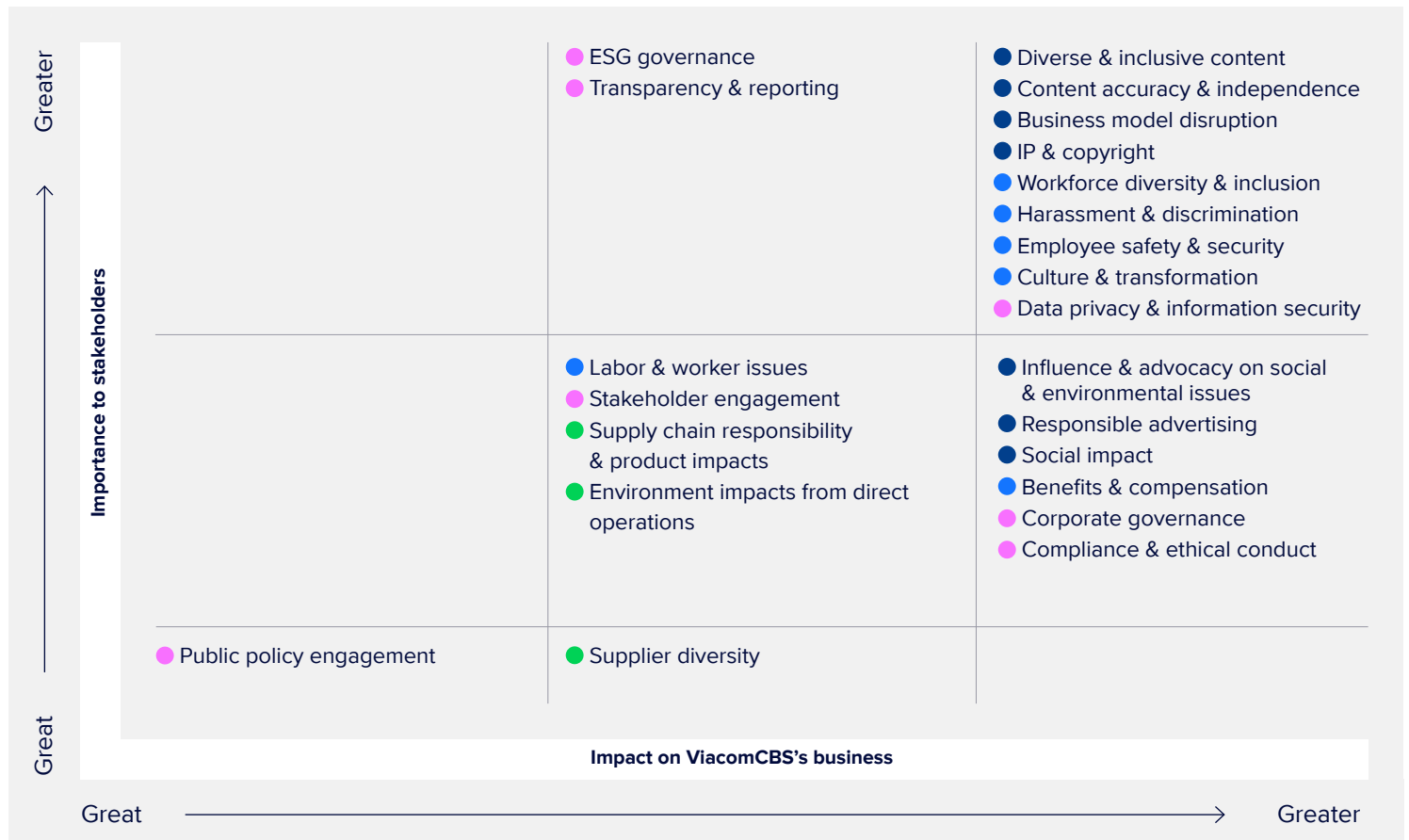
Our most material ESG topics

The matrix below illustrates the environmental, social, and governance issues that our materiality analysis suggests are important to our stakeholders and our company. Together with our overarching business priorities, all of these topics are important inputs to our ESG strategy, which we will discuss in depth in our full ESG Report later this year.

For the purposes of this assessment, we'll focus on a handful of the issues of highest rank, in the top right box, as well as those we have deemed key priorities outside of that box. These issues, which we've grouped into our four key focus areas, are related to our on-screen content and social impact; workforce and culture;

sustainable production and operations; and governance. We discuss the highest rated topics in these categories in more detail below. Definitions of all our material topics are provided in the "How we define our material topics" section that follows.

- On-Screen Content & Social Impact
- Workforce & Culture
- Governance
- Sustainable Production & Operations



On-screen content and social impact

As one of the world's largest media companies, the content we create and how it influences culture and conversations is arguably our most important ESG topic. We understand that media content both reflects and shapes culture, which in turn shapes how people think about the important issues we all face. Through our content, our viewers let us into their homes and their lives in very personal ways. This intimate relationship demands that we protect our viewers' faith in us through a variety of responsible practices.

Recognizing the responsibility that comes with the great reach of our content and its potential impact, we seek to maintain integrity and accuracy in our editorial practices and strategically use our platforms for positive social impact.

We take pride in producing **diverse and inclusive content** that authentically represents the many voices and stories of our audiences. We have a long track record of advancing diversity in our content and are committed to strengthening these efforts as part of our Diversity and Inclusion and ESG strategies.

Maintaining the **accuracy and creative integrity** of our content is important to ViacomCBS, as we produce a wide range of content types including news as well as entertainment. As ViacomCBS, we ensure the content we produce and the way we produce it not only follows regulations and industry guidelines, but also aligns with our values and internal standards for advancing issues that matter, protecting children, fostering creative expression, and delivering accurate information.

Our industry is undergoing significant **business model disruption** as technology has led to a rapid evolution of the media landscape and changes to what viewers want to see and how they see it. Both the amount of content and the platforms available for viewing it are proliferating. We must, and are, evolving our business model to meet viewers' shifting preferences.

The expanding range of content platforms has also elevated the importance of **protecting intellectual property**. Like others in our industry, we believe in strong protections for rights holders and for intellectual property, which underpins our ability to invest in the content that viewers want.

Workforce and culture

Building a positive and inclusive culture for ViacomCBS is another priority among our most material ESG topics. **Diversity and inclusion** are just as important to our workforce as they are for our content. To develop content that authentically reflects our audiences, we must work to make sure our workforce and talent – both in front of and behind the camera – reflect the diversity of our viewers and our world. To be effective, this culture has to start at the top and be a central priority at all levels of the organization.

Our management-led approach includes a clear and unwavering commitment to **prohibit harassment or discrimination** in any form at ViacomCBS. We are committed to making sure everyone feels safe and secure at work.

Feeling safe and secure at work is a prerequisite to being creative, innovative, and successful. We are focused on our employees' **safety and security** at work. The media production process includes a range of risks, at varying levels of material importance to our business, including hazards from construction and use of heavy equipment, to travel, to potentially dangerous places, and safety issues associated with large live events. Maintaining comprehensive safety and security processes and a workplace where everyone can feel comfortable and secure are central to our company's success.

Governance

We recognize that governance systems, from corporate and ESG governance to transparency and reporting, underpin the effectiveness of all our work and are working to align and enhance governance practices, processes, and policies across our combined company.

Data privacy and security, which ranked at the highest level in our assessment, is of growing importance as new forms of technology are allowing us to provide more customized offerings to our viewers. We continue to proactively address the increased risks associated with these issues to ensure that our customers' and viewers' data and privacy is protected – especially for our child audiences.

Sustainable productions and operations

While the ESG topics we discussed above were rated highest in our analysis, many other topics are important to our company and stakeholders. Unlike other industries, as a media company, our environmental focus is connected to the environmental footprint of our operations and how we produce content. Though the issues in this category were not rated at the highest level of importance in our assessment, we recognize that we have a responsibility to measure and manage the environmental and social impacts of their business operations, including television and movie productions.

This analysis is an early step in our ESG journey. As we build our ESG strategy, we are working to address all the risks and opportunities identified through our materiality analysis. As mentioned, we will release our first full ESG report later this year, that will highlight our ESG strategy and priorities and ways we are working to address our most important ESG issues and better meet the needs of all our stakeholders.

How we define our material topics

On-screen content and social impact

Diverse and inclusive content – Creating content that reflects the diversity of society, is inclusive, and is distributed across a range of platforms that allow customer choice and accessibility

Influence and advocacy on social and environmental issues – Using media influence to advocate for positive environmental and social outcomes in content created and distributed by the company, including through Public Service Announcements, and fostering dialogue and solutions beyond the company's footprint

Content accuracy and independence – Implementing editorial policies that ensure content created or distributed by the company is accurate, shows integrity, and allows for creative independence from advertisers or owners

Responsible advertising – Ensuring that advertising on the company's platforms meets its advertising standards, including those for children, and does not violate applicable laws

Intellectual property and copyright – Protecting and defending our intellectual property rights in content and ancillary products we produce, license, or distribute

Business model disruption – Adapting to the technological disruption in how entertainment and new content is delivered and consumed

Social impact – Supporting communities and non-profit organizations worldwide through employee engagement initiatives (e.g., volunteer time, professional skills, mentoring), employee matching programs, charitable grants, and in-kind donations (e.g., PSA airtime, access to media resources, equipment) in ways that align with and reinforce ViacomCBS's ESG goals and content-related efforts

Workforce and culture

Culture and transformation – Building the newly merged company's positive and inclusive working environment to attract, develop, engage, and retain employees; and evolving our business model to address shifting industry and audience trends

Workforce diversity and inclusion – Recruiting, hiring, promoting, and retaining a diverse workforce; including diversity of gender, ethnicity, sexual orientation, and socioeconomic background; and implementing systems to ensure diversity in recruiting; to benefit from a diversity of talents, skills, and experiences; to reflect audiences and to stimulate innovation

Harassment and discrimination – Providing a work environment free of offensive or unlawful harassment or discrimination

Employee safety and security – Implementing policies, procedures, and compliance programs to ensure a safe and secure environment for employees and other workers

Benefits and compensation – Offering a fair and competitive combination of fixed and variable pay, equity pay, and other benefits to employees

Labor and worker issues – Complying with industry standards and regulations regarding freedom of association, including the protection of minors as well as freelance and contract employees

Sustainable production and operations

Environmental impacts from direct operations – Minimizing the company's environmental impact across its facilities, productions, and other operations, including energy use, water use, and waste

Supply chain responsibility and product impacts – Understanding and measuring suppliers' human rights and environmental performance and ensuring that suppliers are treated fairly and supported in meeting the ethical standards set out by the company; includes the suppliers of the products, services, and experiences that ViacomCBS or its brand licensors sell (e.g., toys, packaging, licensed event spaces, content distribution, and film and TV production)

Supplier diversity – Utilizing and building the pipeline of minority-owned, women-owned, veteran-owned, LGBTQ-owned, and small-business suppliers as part of the overall supplier base

Governance

Corporate governance – Fulfilling the responsibilities of the Board of Directors in overseeing the strategic direction of the company. Includes topics of Board of Directors composition and independence, shareholder rights, executive compensation, and risk management (including climate change-related risks to the company)

Compliance and ethical conduct – Complying with laws in the countries of operation, following company policies and standards, implementing best practices, and developing strong internal systems to assess and ensure compliance

ESG governance – Ensuring there is proper oversight of ESG within the company, including through policies, strategies, financial and investment decisions, management systems, and incentives or compensation

Data privacy and information security – Ensuring that employees’ and customers’ confidential and personal information is held and used securely, and that their privacy is protected

Public policy engagement – Ensuring that engagement in public policy, including lobbying, political contributions, think tank or research funding, and trade association memberships, is conducted transparently and in line with stated company values and policies

Transparency and reporting – Communicating transparently and regularly about ESG topics and performance

Stakeholder engagement – Understanding stakeholder interests and concerns and addressing them in company strategies and programs

We take seriously the views of all our stakeholders, and actively seek their input. We will revisit and revise our material topics and evolve our ESG strategy on an ongoing basis. For any feedback or questions, please contact Jessica Thurston, Director, Environmental, Social, & Governance Strategy at sustainability@viacbs.com.