

# Discovery Networks Sweden AB

2017 Sustainability Report

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# This is Discovery

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Discovery Networks Sweden AB (org. nr. 556431-2469) is owned by Discovery Inc. (Nasdaq: DISCA, DISCB, DISCK), which is world-leading in reality-based TV entertainment, reaching over 3 billion viewers in over 220 countries and territories, in 50 different languages.

Discovery Networks Sweden includes TV Channels: Kanal 5, Kanal 5 HD, Kanal 9, Kanal 9 HD, Kanal 11, Kanal 11 HD, Discovery Channel, Discovery Channel HD, TLC, TLC HD, Animal Planet, Animal Planet HD, Investigation Discovery (ID), Discovery World, Discovery Science, Eurosport 1, Eurosport 1 HD, Eurosport 2, Eurosport 2 HD, Travel Channel.

Discovery Group has two digital platforms, Dplay and Eurosport Player and Dplay is one of Sweden's fastest growing online platforms.

Eurosport is the overall sports brand of Discovery Networks Sweden.

In Sweden, Discovery Group owns the exclusive rights to the Olympics 2018-2024 and the Allsvenskan 2020-2025.

## This is how we create value

We create and package media content that is distributed to consumers directly via our own digital services Dplay and Eurosport Player, or indirectly by partners such as cable, DTH, IPTV, and DTT operators. We generate revenue by advertising, operator fees and direct consumer subscriptions.

# Discover our business values

As a public company, Discovery Inc is subject to extensive and complex accounting requirements. Beyond meeting our legal and regulatory requirements, our business and financial records provide the data to help us make good decisions. All of Discovery Inc's books, records, accounts and financial statements should be maintained in reasonable detail, should accurately reflect Discovery Inc's transactions and should conform both to applicable legal requirements and our systems of internal controls.

For more information about Discovery Inc's financial performance, please see the [Annual Report](#) for 2017.

Discovery Networks Sweden is a subsidiary of Discovery Europe Limited, based in London United Kingdom. Our ultimate parent company is Discovery Inc, based in Maryland United States.

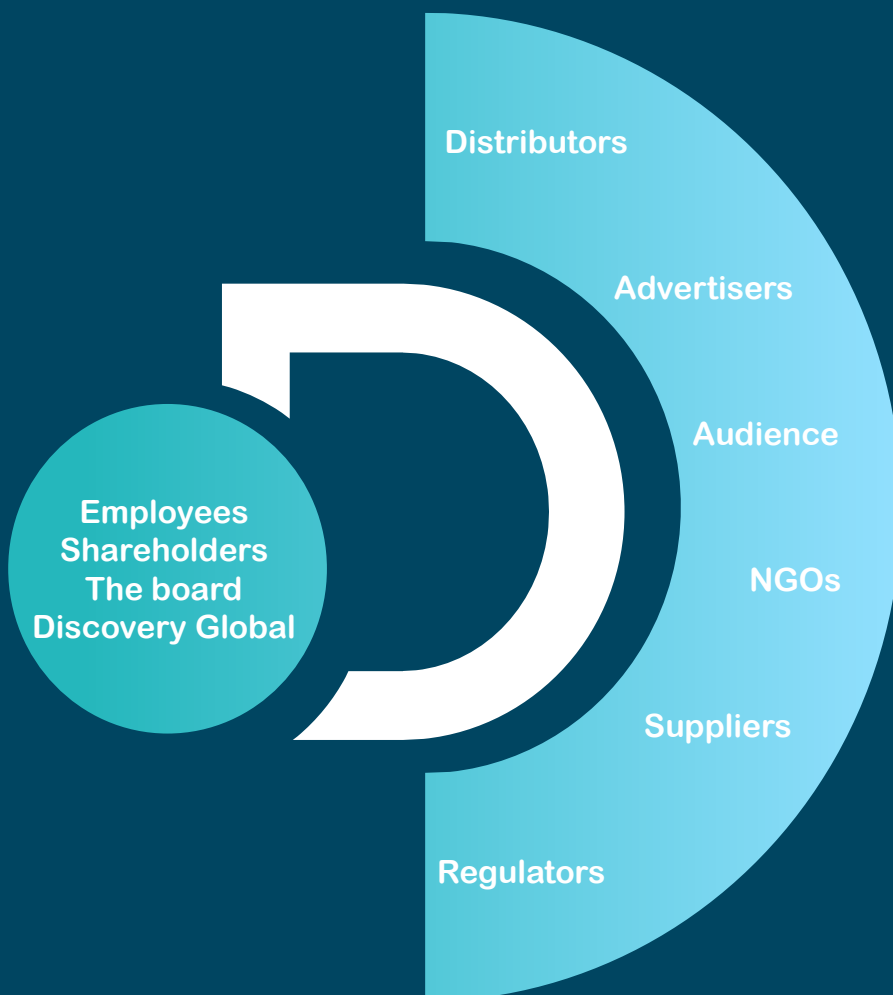
## Report Scope

This report only accounts for Discovery Networks Sweden's operations.

# Stakeholder analysis

Discovery Networks Sweden has many stakeholders, both in Sweden and abroad. The analysis was conducted internally. Here a stakeholder is defined as a person/or entity that is affected by or affects Discovery Networks Sweden's operations.

Our stakeholder are very important to us. They are key to our success and we wish to engage even further with them during 2018.



# Materiality

Our materiality analysis is based on topics that we believe are of most importance both to us and our stakeholders. We have used external expertise to help us understand these topics. The analysis will be further improved during 2018 and topics will be ranked.

We have prioritised three focus areas that is the foundations of this report. First, within the area of *social influence*, we aim to continuously improve the potential of people. Second, our *business ethics*, is our area for responsible economic growth. And third, within the area of

*environmental focus*, we aim to take responsible actions to reduce our impact on the environment both today and in the future.

## These are our current sustainability topics

- Emissions to air
- Energy consumption
- Economic performance
- Health and safety
- Non-discrimination
- Training and education
- Employment
- Diversity
- Anti-corruption



# Our view on sustainability

This is our first time publishing a sustainability report. At Discovery we continuously strive to improve the way we report. We collect the best underlying data, verify our calculations carefully and use expert opinions when required.

Sustainable development is commonly defined as “Development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. This definition applies to this report.

As we grow, responsibility follows. To discover new things through entertainment makes the world a better place. Our view on sustainability is therefore tied to the way we create value, influence people and take action for environmental responsibility. This applies both today and in the future.

As a subsidiary to Discovery Inc. we are entitled to the policies and regulatory requirements highlighted on our corporate website. This includes our Code of Ethics, Corporate Governance Guidelines and Sustainability letter from our global CEO.

Read more about our policies and frameworks at our corporate webpage:

[Discovery Inc Corporate](#)

# Discover our social influence

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Quality and creativity are at the heart of everything we do. Building on the mission-driven content that is at our core. We are committed to making a positive difference in people's lives by acting as a responsible corporate citizen. We promote, encourage and support a diverse range of corporate social responsibility activities through which we can make an impact.

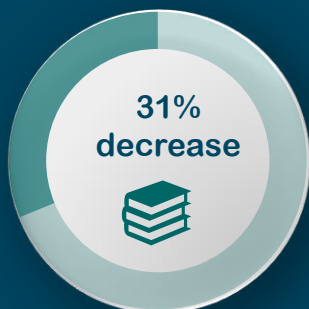
Our materiality analysis highlights staff indicators, education, training and employee health as material topics. The data has been collected from our internal systems and refer to 2017 with some annual comparison to 2016.

## Links to Sustainable Development Goals



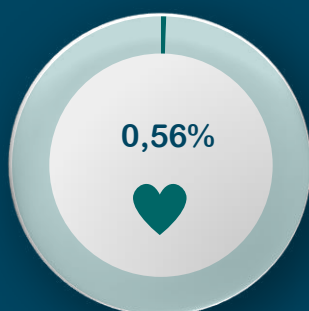


# Key indicators



## Education and training

In 2017 Discovery Networks Sweden invested over 470 Thousand Kronor (Tkr) compared to 684 Tkr in 2016 on education and training for staff members. The decrease (31%) is mainly due to organisational changes.



## Sick absenteeism

During the fiscal year of 2017, the average absenteeism due to health (30 days or longer) was 0,56% per employee.



## Work place related accidents

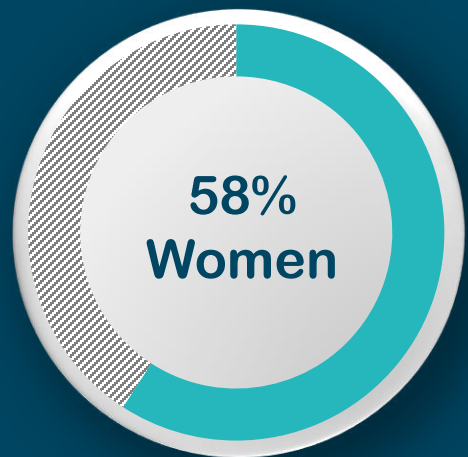
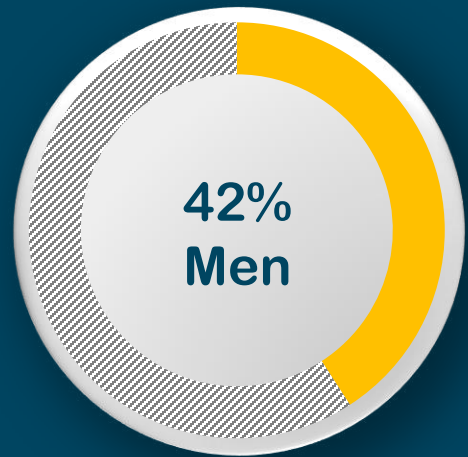
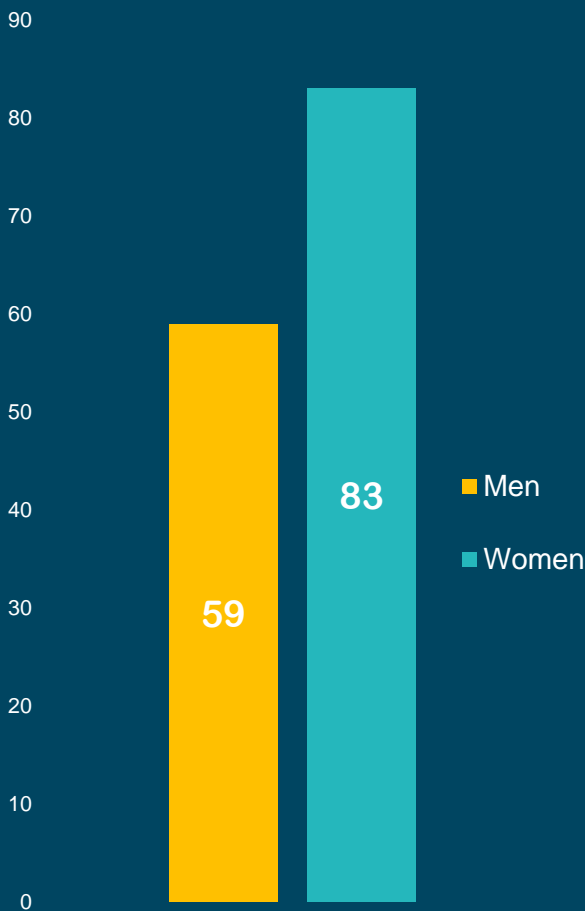
In 2017 there was no registered or confirmed cases of work related accidents.

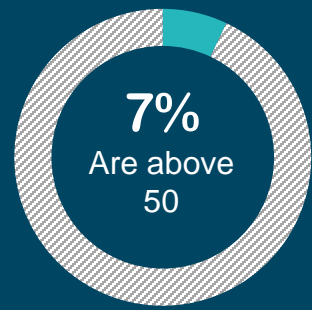
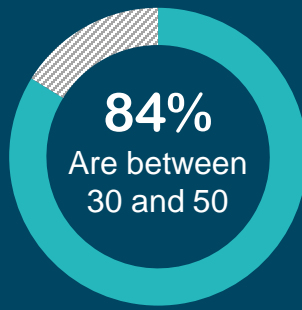
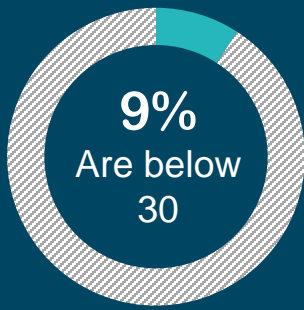


2017	Men	Women
Managers	6	3
The board	2	1
Co-workers	51	79

## 142 employees in 2017

(166 in 2016)





Divided  
into:

2017	< 30	30-50	>50
Managers	-	8	1
The board	-	3	-
Co-workers	13	108	9



# Corporate Social Responsibility (CSR)

Discovery Networks Sweden is very proud of the CSR cooperation with Barncancerfonden. This collaboration is part of our commitment to human rights.

Barncancerfonden works to ensure that affected children, teens and their families receive the care and support they need.

In the 1970's, a minority of children diagnosed with cancer could survive. Today, Barncancerfonden, is the largest financier of childhood cancer research in Sweden and more than 80% of the affected children survive.

But that is not enough. The vision for Barncancerfonden is that every affected children can defeat cancer and survive. We share that vision and work actively to support it.

In 2017, 75 M SEK were collected

during the Gala which represents an increase of 67 % compared to previous year.

For us and our employees, the cooperation and collaboration with Barncancerfonden is more than just a fundraising gala.

It's about being able to support families and children that needs the help the most. Not only by being an ambassador for Discovery, but a true advocate at heart; meeting and supporting the families within projects and Impact Day.

During Discovery's Impact Day we open the doors to our office, transform it into a family resort. A day during which the struggling families can all come together, and if so just for a day get an enchanted break.



# Human rights

Human rights are reflected in everything we do. We are currently developing new strategies and policies to strengthen our role as a responsible entity for our local community and society as a whole. Our current material topic in this area is diversity at the workplace (page 10 and 11) and partnerships for sustainable development (page 12).

Discovery has put together a Modern Slavery Pack comprising: (i) a letter in which we set out our commitment to ensuring transparency in our own business and tackling modern slavery through our supply chains; (ii) a Modern Slavery Act supplier self-assessment due diligence questionnaire regarding the use of forced labour and steps taken to ensure it is not used in our suppliers' supply chains; and (iii) a supplier Code of Conduct. This sets out our zero-tolerance approach to forced labour and our expectations of suppliers to

ensure there is no forced labour in their own supply chains. We also request suppliers to provide us with information about the due diligence mechanisms they have in place with their own suppliers further down the supply chain.

At our work place it is against both our Code of Ethics and by law to discriminate any coworker, supplier, visitor or contractor should it be related to age, gender, sexual orientation, ethnicity or any other characteristics as specified by law.

As far as we are aware, we do not use forced or involuntary labour in our supply chains. Furthermore, we have no confirmed cases of discrimination during 2017.



# Associated risks

Risks related to our social influence and human rights are mostly linked to legal compliance. However, we always seek to unlock the full potential of people. A main risk is therefore a missed out opportunity in doing so as it could harm our growth potential. Here we have listed some identified risks. We aim to categorise and assess them further during 2018.

## Internal

Discovery deeply values its employees and works hard to provide a strong support system and inclusive environment to help them succeed at work and home

We operate in a rapidly changing business environment. This changing environment allows us to develop and identify new opportunities. However, this environment puts high pressure on our employees which may result in psychological ill health and increased stress at work.

Discovery Networks Sweden has limited risks associated with workplace related accidents.

Identified risks:

- Psychological ill health
- Increased stress at work
- Discrimination and unequal pay

## External

Taking care of people inside and outside our organisation is important to us. During 2017, data protection and privacy was high on the political and industry agenda. We have ensured compliance with new legislation (GDPR) and realize customer and employee data protection and privacy as a main focus area for risk assessment.

Read our privacy policy here:

[Privacy Policy](#)

Identified risks:

- Customer and employee data privacy and protection
- Modern slavery
- Supplier misconduct

# Managing social influence and human rights

Our mission is to reduce risk associated with psychological ill health and increased stress at work through effective strategic planning, follow-up on sick absenteeism and work place environment related policies. To further strengthen our employees we have an employee wellness grant scheme in place.

We engage in a wide range of CSR activities such as Impact Day and fundraising galas in association with Barncancerfonden.

Our global Code of Ethics constitutes the very foundation for compliance to human rights, anti-bribery, forced labour and corruption. Other actions include audits and embedding clauses within our supplier contracts to include an explicit reference prohibiting forced and child labour.

To further manage risks in the supply chain, Procurement and Legal carry

out due diligence on suppliers at the pre-qualification stage. This includes questions on a range of issues, including bribery and corruption, data protection, environmental sustainability as well as slavery and human trafficking.

An updated Modern slavery statement was recently reviewed and published during 2017.

Link to our Modern Slaver Statement: [Modern Slavery Statement](#)

# Discover our business ethics

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Discovery's reputation, the quality of our work environment and our ability to create value for our stakeholders are inherently tied to the way we do business.

Our Code of Ethics reflects the fundamental expectation that we operate with integrity in all of our business activities. In addition to any specific laws or policies that apply to our workplace, each of Discovery's employees are responsible for:

- Being open and honest in all business communications
- Being accountable for our commitments
- Never taking unfair advantage of someone else
- Never misrepresenting ourselves or Discovery
- Showing respect for others in all business interactions

## Links to Sustainable Development Goals





# Bribes and Anti-corruption

A bribe is giving or offering something of value to someone to improperly influence a decision. We do not pay or accept bribes or kickbacks or participate in corruption in any form. This is true everywhere we do business, regardless of local laws or customs.

Our view on anti-corruption is reflected in our Code of Ethics. Discovery Networks Sweden has no confirmed cases of bribery or corruption during 2017.

We must not offer, promise or give anything of value to a government official or to anyone else, to gain a business advantage.

## Scope and compliance

The Code applies to all Discovery Inc employees, officers and directors, to all of our divisions and subsidiaries around the globe and to those joint ventures that are subject to the Code.

We prefer to do business with people who share our values and thus expect our contractors and business partners to comply with similar ethical and legal standards as the ones outlined in the code.

Discovery Networks Sweden has no confirmed cases during 2017 of non compliance against the code.

The code ethics is available at:

[Code of Ethics](#)



# Associated risks and management

Discovery Networks Sweden's associated risks with business ethics, corruption and bribery are mostly linked to legal compliance.

Risk that may occur in our value chain are suppliers and/or contractor that may not comply with our Code of Ethics, both up-streams and down-streams. Our foundation is that any form of bribery is forbidden. And we expect our suppliers to have the same foundation.

Additional to our Code of Ethics, we have many e-courses for Anti-bribery, Avoiding Conflicts of Interest, and Promoting the Reporting of Misconduct. It is mandatory for all employees at Discovery Networks Sweden to complete these e-learning courses.

## The ethics hotline

Raising concerns can feel uncomfortable. But we know it is the right thing to do. Therefore we have an ethics hotline to ensure that everyone may raise any concerns should they arise at any time.

If anyone suspects an illegal or unethical practice, we will review the situation and take steps to address it. If something unethical is occurring, putting a stop to it will benefit everyone.

# Discover our environmental focus

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We have used guidance from the Green House Gas (GHG) Protocol to estimate our direct emission (Scope 1), indirect emissions from energy consumption (Scope 2) and indirect emission from purchased office supplies, business travel and facility waste management (Scope 3).

We have used data from invoices and when necessary Swedish Official Statistics from various government institutions. All emissions are expressed as CO<sub>2</sub>.

Equivalents (CO<sub>2</sub> Eq) taking into account Carbon Dioxide (CO<sub>2</sub>), Methane (CH<sub>4</sub>) and Nitrous Oxides (N<sub>2</sub>O).

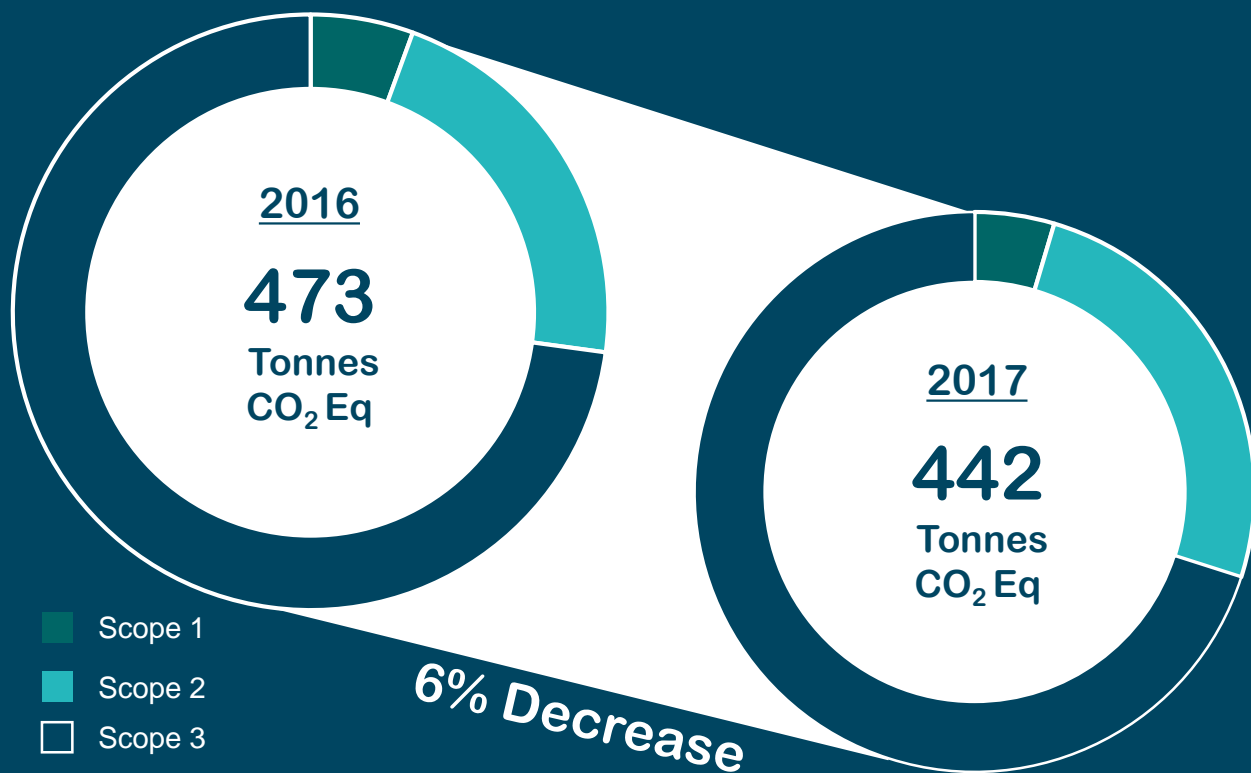
During 2017 our emissions to air (CO<sub>2</sub> Eq) decreased with 56 tonnes compared to 2016 which was mainly due to reduced business travel.

Business travel by air is our most material source of Carbon Dioxide emissions to the atmosphere.

## Links to Sustainable Development Goals



# Key indicators



Breakdown of CO <sub>2</sub>	2016	2017	
Per Employee	3,3	3,1	CO <sub>2</sub> Eq Employee <sup>-1</sup>
Per tkr in total net Sales	0,34	0,39	kg CO <sub>2</sub> Eq TKR <sup>-1</sup>



# Associated risks and management

Discovery Networks Sweden's associated risks with the environment are limited. As the media business develops towards more digital solutions, it will become harder to follow-up on the environmental footprint that follows. However, we realise this development and aim to ensure future accountability.

As a company we have many suppliers. Environmental risks such as chemical spillage, water drainage and land use change can occur both upstream and downstream in our value chain.

The environment has always been at the core of our DNA. From the earth emblazoned on our logo to our documentary programming and the

mission-driven causes we have supported for decades, Discovery's values are intertwined with the environment.

Our mission is to reduce our carbon footprint by reducing emissions to air. We are currently developing new strategies and policy frameworks to further incorporate this in our organisation.

# About the report

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The report follows requirements for sustainability reporting as highlighted in 6 kap. 12 § ÅRL. Any values presented, only accounts for Discovery Networks Sweden's Swedish operations. Our global partners and parent companies have been excluded. Our joint venture companies, Media Mätning i Skandinavien MMS AB (556353-3032) and Airtime Sales AB (559040-3399) have also been excluded from the report.

# Foot Notes

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1. Expenses for education and training are derived from accounting.
2. Absenteeism due to health has been derived from HR. Calculations are based on total number of expected hours and registered sick days (only 30 days or longer).
3. Staff members were divided into three categories. Managers (leadership responsibilities), the board (external members) and Co-workers. The values have been derived from the HR department. There are generally more women than men.
4. Employees were divided into three age categories. Data was provided by the HR department.
5. Emissions classified as Scope 1, as defined by the Green House Gas Protocol, refers to emissions (mobile, stationary, process or fugitive emissions) generated directly by the organisation from fuel combustion. For Discovery Networks Sweden, company vehicles are the only source of Scope 1 emissions. All three main green house gases have been accounted for (carbon dioxide, methane and nitrous oxide). The emissions have been calculated using fuel consumption data from each vehicles' technical specifications using the average of low and hi consumption (as it is dependent on driving highroad or city driving). Heating values, Global warming potential for each substance and emission factors from The Swedish Environmental Protection Agency have been used to calculate carbon dioxide equivalents. The main fuel sources in 2017 were Diesel (94%) and Petrol (6%). Annual mileage was estimated using Swedish official statistic since internal data was not available.
6. Indirect emissions from electricity consumption was accounted for in Scope 2. Calculations was conducted based on supplier invoices for the reporting period. The applied emission factor for Swedish energy mix was provided by The Swedish Environmental Protection Agency.
7. Scope 3 includes other indirect emission caused by the reporting organisation. In this report Scope 3 refers to business travel (air, train, car leasing and hotel nights), general office supplies (fruit, coffee, paper/printing) and facility waste management. Business travel data was provided by Discovery's travel agents. Emissions from general office supplies was calculated using supplier invoice data (weight) and emission factors provided by the Swedish University of Agricultural Sciences. Emissions from Facility waste management was calculated using supplier invoice details, life cycle assessments of bio waste treatment and Landfill technologies derived from the Eco-invent database. Emission factors for energy recovery (waste incineration) was provided by The Swedish Environmental Protection Agency. To determine how much of each waste category Discovery Networks Sweden contributes to, statistics from *Avfall Sverige* was used.

8. Travel details were been provided by Discovery Networks Sweden's suppliers including number of each travel method and emissions from air travel. Average emissions were also used.
9. Emissions from energy consumption are based on annual invoice details and Swedish energy mix emission factor.
10. Fuel consumption from company cars were estimated using car model specific data. The average consumption was used to differentiate between high road and city driving. Heating values, emission factors for carbon dioxide, methane and nitrous oxide, were provided by the Swedish Environmental Protection Agency. There were 22 company cars in 2016 and 17 cars in 2017 which is the main explainer why emissions decreased with 23%.



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