

Discovery Networks Sweden

2017 Sustainability Report

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This is Discovery

Discovery Networks Sweden 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 9, Kanal 11, Discovery Channel, Eurosport 1, Eurosport 2, TLC, Animal Planet, Discovery Science, Investigation Discovery, Discovery World, Discovery HD, Showcase, Travel Channel and Animal Planet HD.

Discovery Networks Sweden has a weekly coverage of over 4.2 million viewers linearly, and Dplay is one of

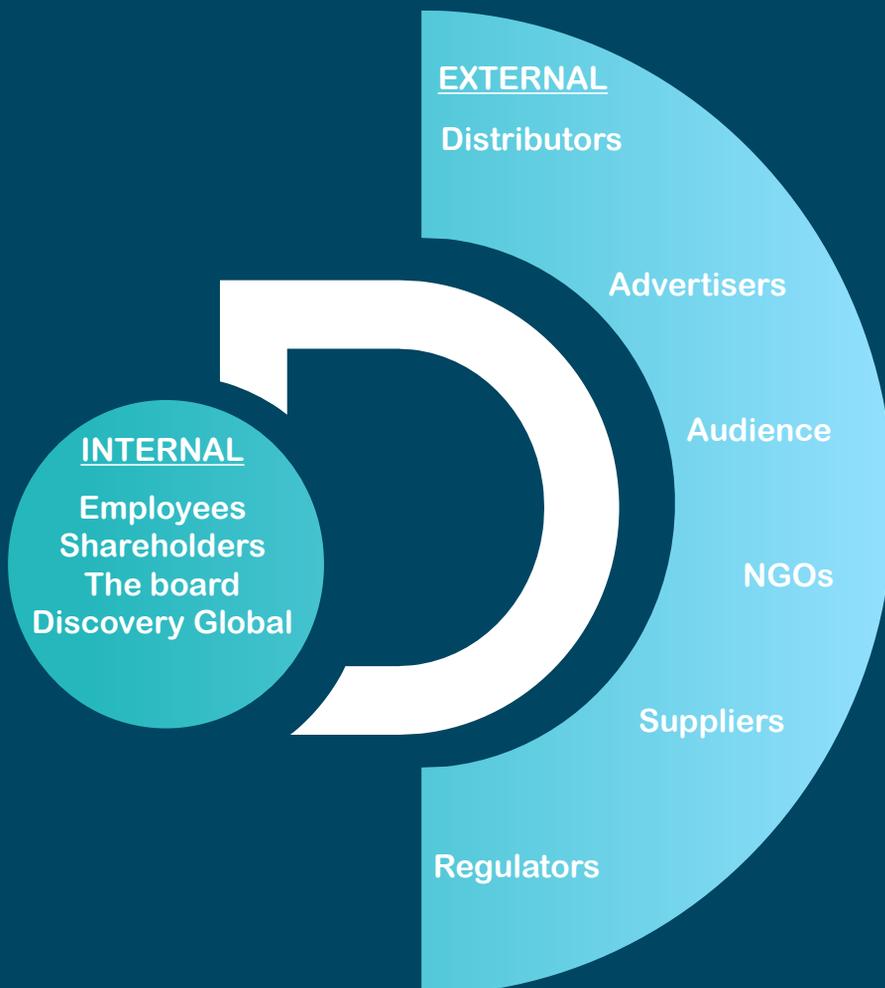
Sweden's fastest growing online platforms with 1.7 million started streams per week.

Eurosport and digital online platform Eurosport Player are Discovery Networks Sweden's overall sport brand. In Sweden, Eurosport owns the exclusive rights for the Olympics 2018-2024 and the Allsvenskan 2020-2025.

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's operations.

All these people and organisations are very important to us. They are key to our success and we wish to engage even further with them during 2018.



Materiality

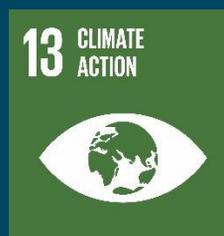
Our materiality analysis is based on topics that we believe are of most importance both to us and our stakeholders. We have used external expertise to help us understand these topics. The analysis will be further improved during 2018 and topics will be ranked.

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

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



Discover our social influence

OVERVIEW

Quality and creativity are at the heart of everything we do. Building on the mission-driven content that is at our core. Discovery is 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.



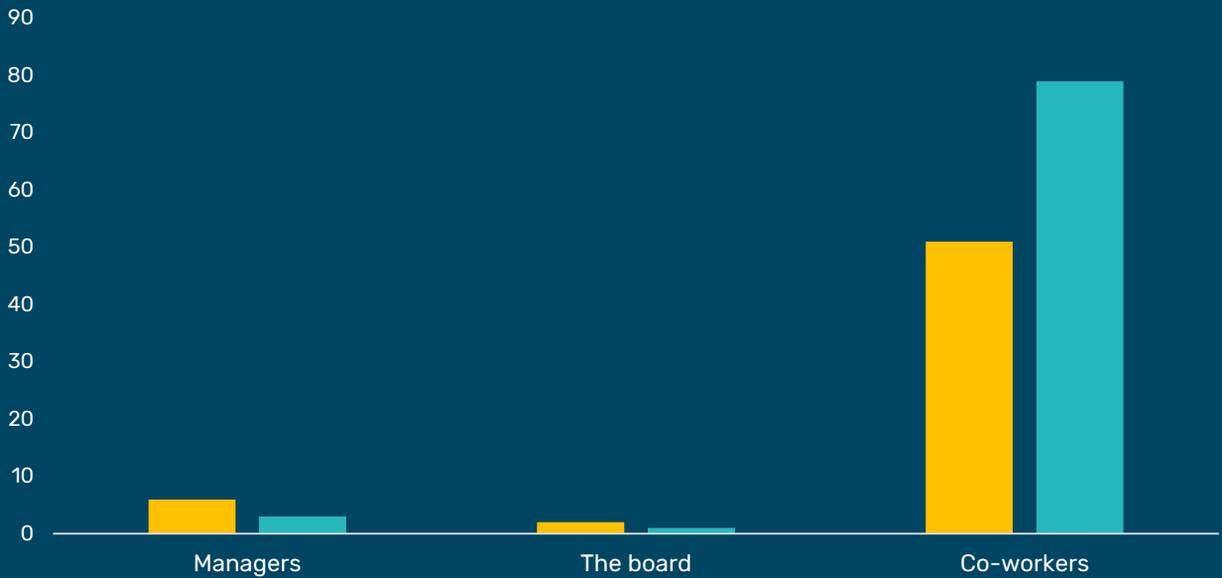
KEY INDICATORS

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

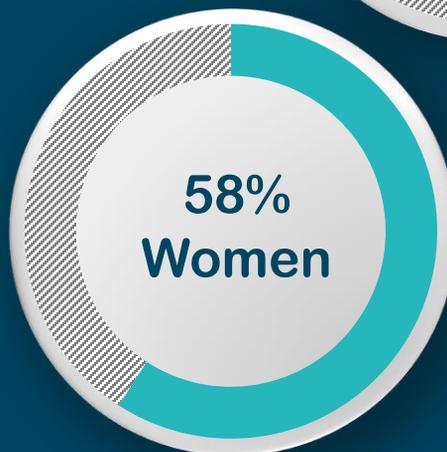
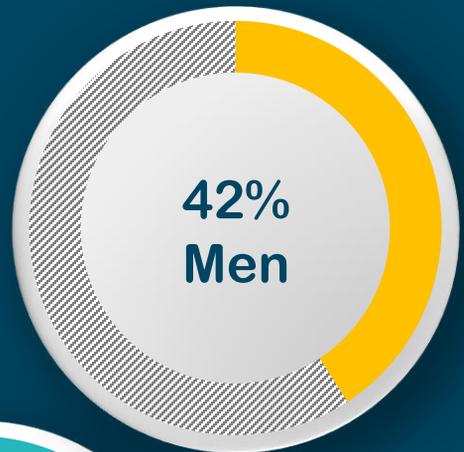
fiscal year of 2017, the average absenteeism due to health (30 days or longer) was 0,56% per employee. In 2017 there was no registered or confirmed cases of work related accidents.

2017 Employee indicators

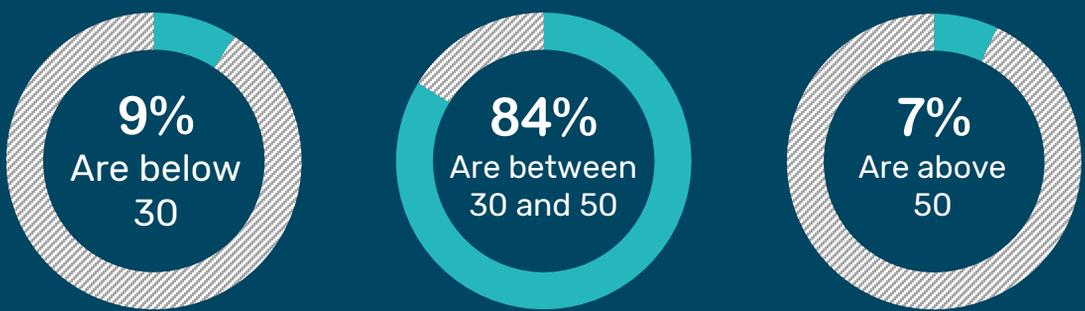
■ Men ■ Women



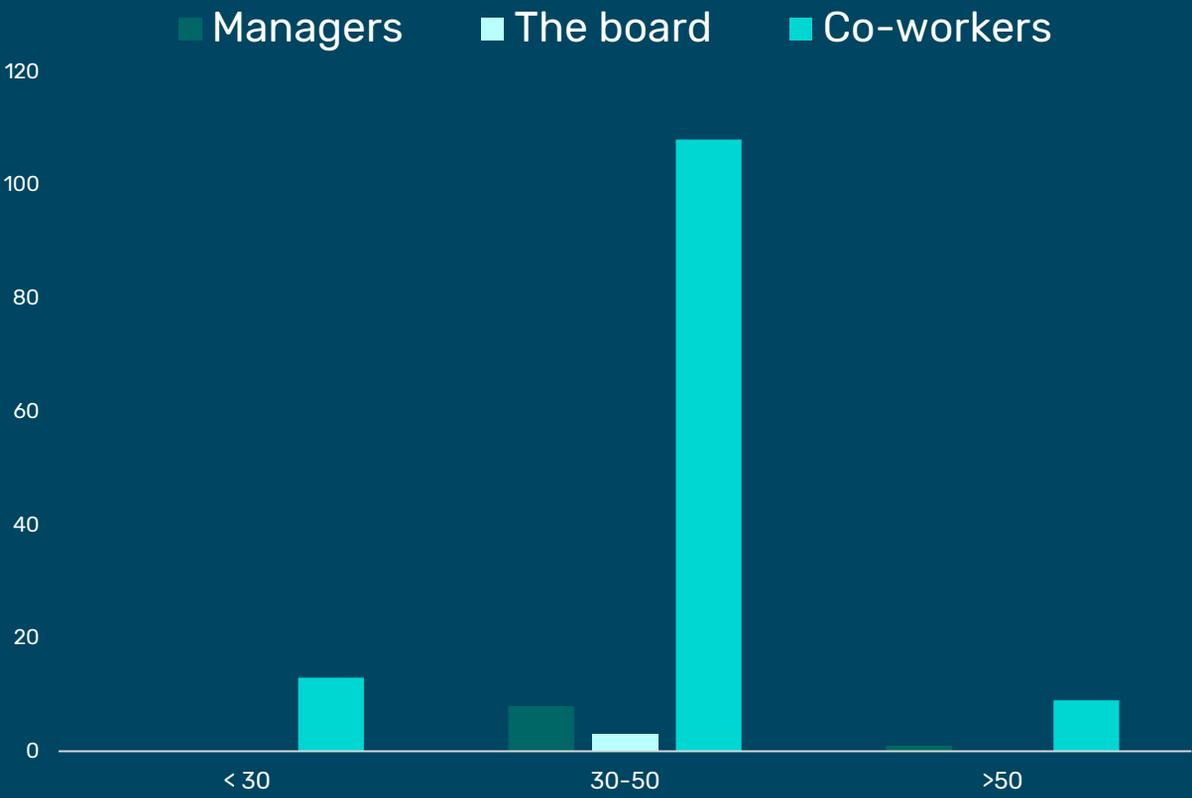
142 employees in 2017 (166 in 2016)



Total Age Distribution



Divided into:



Corresponding foot note: 4

Corporate Social Responsibility (CSR)

Discovery Networks Sweden is very proud of the CSR cooperation with Barncancerfonden.

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.

At Discovery Networks Sweden, we are very proud of our CSR cooperation with Barncancerfonden. 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.

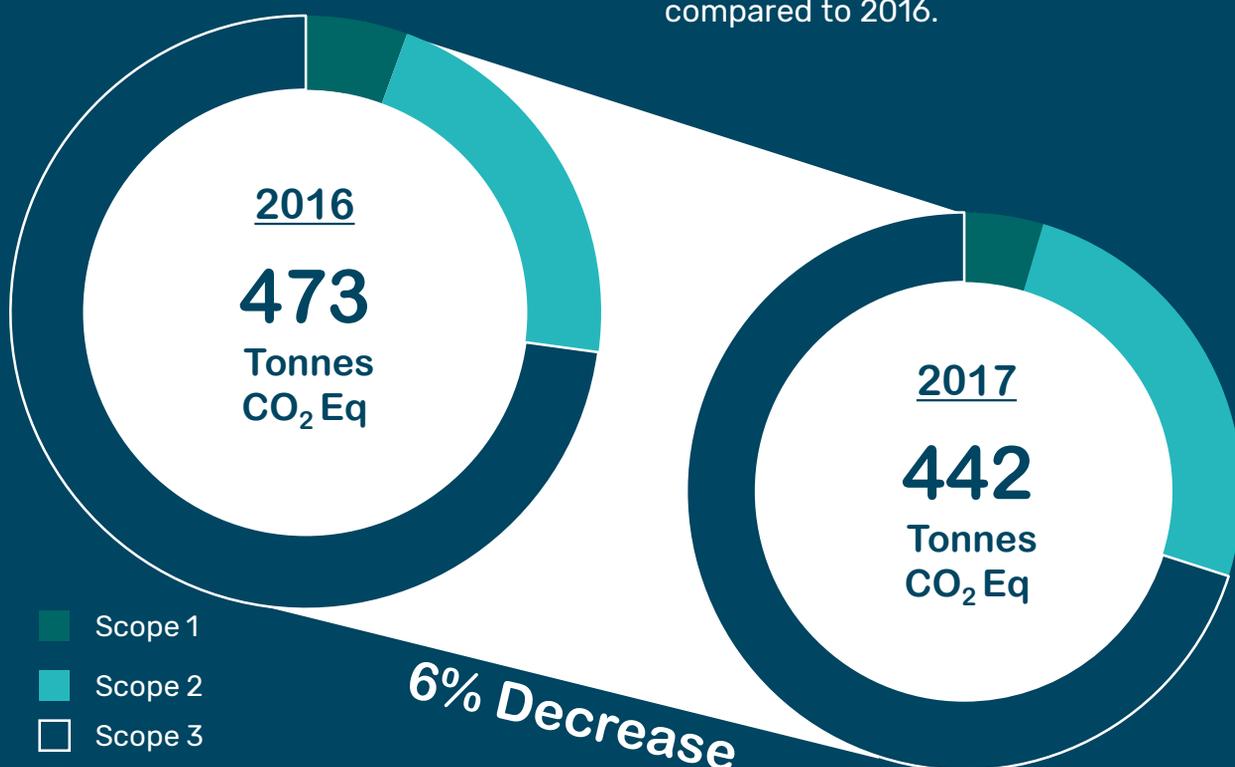
During Discovery's Impact Day we open the doors to our office, transform it into a family resort. A day during which the struggling families can all come together, and if so just for a day get an enchanted break.

Discover our environmental focus

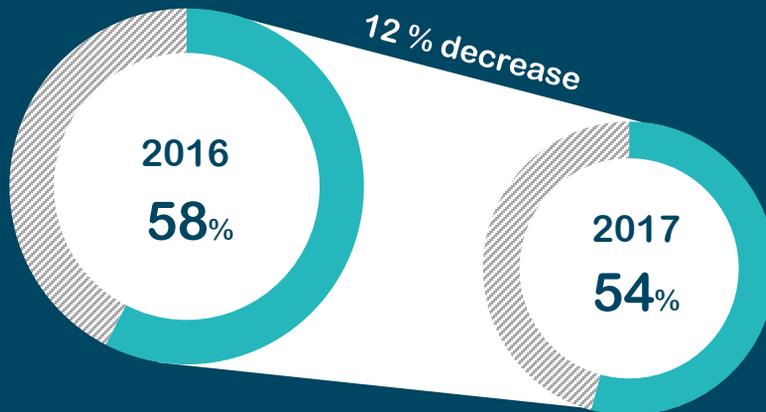
OVERVIEW

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).

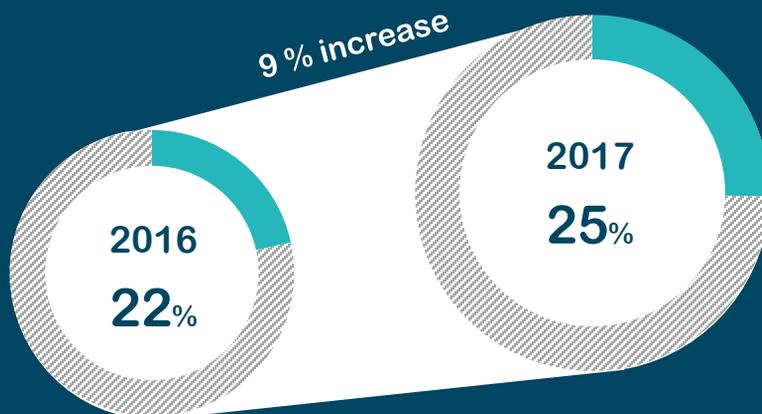
We have used data from invoices and when necessary Swedish Official Statistics from various government institutions. All emissions are presented as CO₂ equivalents which takes into account Carbon Dioxide (CO₂), Methane (CH₄) and Nitrous Oxides (N₂O). In 2017 our emissions decreased with 56 tonnes compared to 2016.



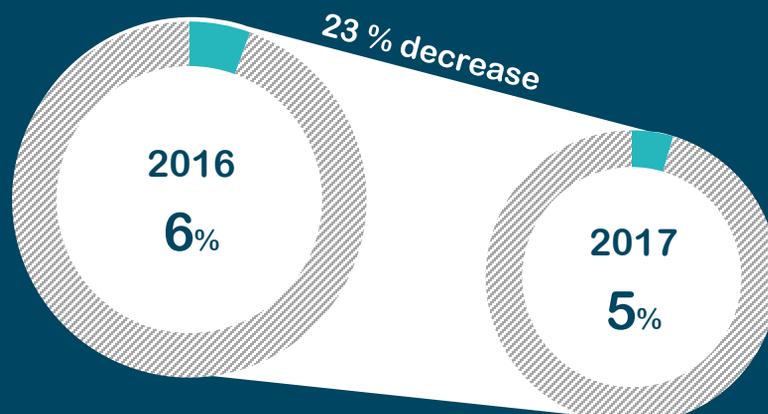
Environmental Key Indicators



Of all emissions in 2017, 54% originated from business travel (air, train, lease vehicles and hotel stays).



Of all emissions in 2017, 25% was due to electricity consumption from the grid in our facilities.



Of all emissions in 2017, 5% came from the use of company cars.

Discover our business values

OVERVIEW

As a public company, Discovery 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's books, records, accounts and financial statements should be maintained in reasonable detail, should accurately reflect

Discovery's transactions and should conform both to applicable legal requirements and our systems of internal controls.

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

Ethics, integrity and responsibility

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 Conduct reflects the fundamental expectation that we operate with integrity in all of our business activities. We are all expected to demonstrate high standards of honest and ethical conduct.

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

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

The Ethics hotline

Raising concerns can feel uncomfortable. But we know it is the right thing to do. Therefore we have a 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.

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.



About the report

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

Together with GIDÅS Sustainability Agency a pre-study was conducted. Additionally, a data base was set up for raw data and to calculate material key performance indicators. The data has been verified by both GIDÅS consultants and Discovery.

GIDÅS main responsibility has been to support Discovery in their ambition to publish a Sustainability report for 2017. This has included conducting calculations, verification and collecting raw data from Discovery and from external sources.

GIDÅS aims to reduce any sources of error. However, whilst every care has been taken by GIDÅS Sustainability

Agency to ensure the accuracy and completeness of the report, data and figures, the client (Discovery) must recognise that as with any such work errors are possible through no fault of GIDÅS Sustainability Agency.

GIDÅS Sustainability Agency, its employees and partners shall accept no liability for any damage caused directly or indirectly by the use of any information contained herein by any inaccuracies, defects or omissions in the report.



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Foot Notes

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 hours (only 30 days or longer).
3. Staff members have been 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, 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 derived 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 contributes to, statistics from *Avfall Sverige* was used.

8. Travel details were been provided by Discovery'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%.
11. Financial information is derived from Accounting and Discovery Networks Sweden Finance team. For more information, please see our 2017 annual report.

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