



GENDER PAY GAP REPORT 2020

FOR REFERENCE DATE 5 APRIL 2020



Message from Amy Girdwood

At Discovery, we celebrate diversity and inclusion, and support wellbeing across our employee population, encouraging employees to develop their careers and reach their potential. We continually review our compensation structure to ensure it is robust and fair. We champion equal opportunities for all and a career and pay framework that is free from bias.

For 2020, we are pleased that our pay gap results for our reported entity remain lower than the UK average of 15.5%. While our assessment shows fairness in pay and bonus levels, we will be reviewing and implementing measures as we drive forwards our DE&I efforts, to address a slight shift towards men at higher levels of the organisation.

In the following pages we share our results and analysis.

DECLARATION

I confirm that the information and data reported is accurate as of the snapshot day 5 April 2020.

A handwritten signature in black ink that reads "Amy Girdwood".

Amy Girdwood
Executive Vice President People & Culture

Understanding the Data

The Gender Pay Gap reporting guidelines set out by the U.K. Government detail how we need to present our pay data. There are 5 key things to understand.

1 PAY DOESN'T JUST MEAN PAY AND BONUS DOESN'T JUST MEAN ICP

According to the regulations, we have to calculate both our **pay gap** and our **bonus gap**. To calculate the **pay gap** we have to use **ordinary pay** which is made up of payments made in April 2020, including: salary, allowances and paid leave. And, it also includes any **bonus pay** (like Stellers) paid in April 2020, adjusted where possible to reflect one month's worth of bonus only.

To calculate the **bonus gap** we have to use all bonus pay in the 12 months up to April 2020, which includes Incentive Compensation Plan awards, sales incentives, Stellar recognition awards, stock options exercised and more.

When comparing such payments, we would normally use an adjusted Full Time Equivalent figure that would allow us to compare everyone on a like-for-like basis. Under the regulations we cannot make such adjustments. This means that bonus pay calculated under the regulations is affected by part time working, maternity leave, new hires and mid-year promotions.

2 GENDER PAY IS NOT THE SAME AS EQUAL PAY

The **gender pay gap** is the difference between the average pay of men and women within an organisation, regardless of level or type of work they are doing.



Equal pay compares the pay of men and women doing the same, similar or equivalent work.



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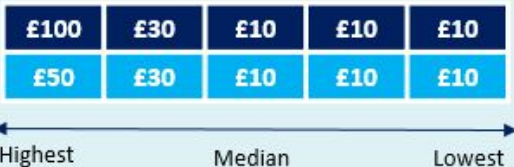
3 THE DIFFERENCE BETWEEN MEAN AND MEDIAN

The **mean pay gap** is the difference in the average hourly pay of men compared to women. The mean is affected by one or two people having a very different hourly rate from most other people. Remember that gender pay looks at everyone in an organisation, regardless of their level.



EXAMPLE – Illustration only
 Mean hourly pay for men = **£32**
 Mean hourly pay for women = **£22**
Mean gender pay gap = 31%
 (in favour of men)

To calculate the **median pay gap**, if you took all Discovery’s employees and formed them into two lines, one for men and one for women, arranging each line from the highest paid to the lowest, the median pay gap would be the difference between the hourly pay of the man and woman in the middle of their lines.



EXAMPLE – Illustration Only
 Median hourly pay for men = **£10**
 Median hourly pay for women = **£10**
Median gender pay gap = 0%

4 WHAT ARE PAY QUARTILES?

The regulations also require us to report the percentage of men and women in each pay quartile. These are not the same as level within the organisation.

To calculate **pay quartiles**, we list all the hourly pay data for all employees from lowest to highest and then divide them into four equal quarters (“quartiles”) before calculating the percentage of men and women in each one.

5 WHO IS INCLUDED?

Only our biggest UK entity, Discovery Corporate Services Limited (DCSL), employs more than 250 employees and therefore is required to publish gender pay gap results.

However, we have multiple business entities in the UK and believe it is important to consider our whole business when reviewing gender pay, so we are focusing our analysis and narrative on the results for Discovery UK as a whole. The published results for DCSL are included at the end.





OUR 2020 RESULTS

GENDER PAY GAP FOR DISCOVERY UK

2020 UK RESULTS

We believe strongly in transparency and the importance of gender pay reporting, so we are providing results for Discovery UK as a whole in addition to the regulatory requirements.

Our total employee population for 2020 has increased slightly compared with previous years, especially with the growth of our digital business.

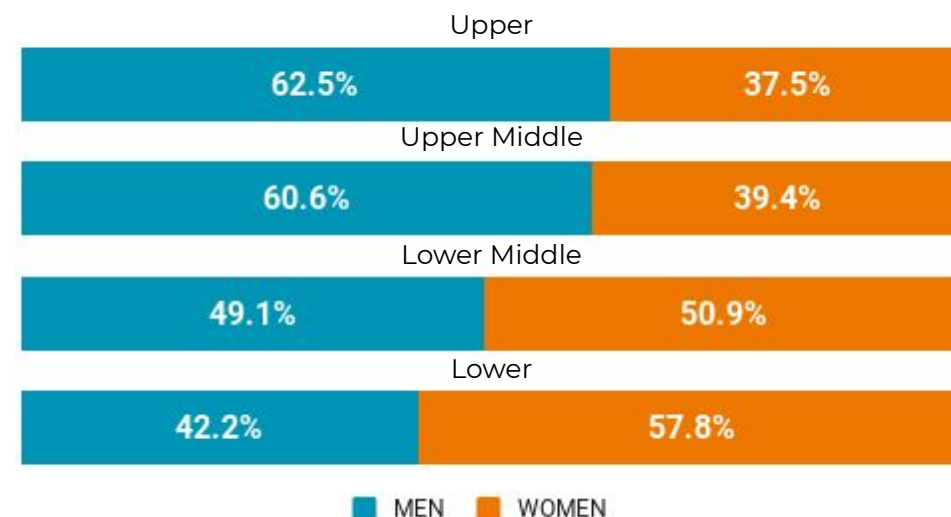
Our 2020 gender pay gap results show an increase in our pay and bonus gaps in favour of men. While we are confident that we do not have any equal pay issues, this increase in pay and bonus gap is due to having more men in senior positions in 2020. We are looking at measures to address this and to attract more women into tech.

Removing our President & CEO of Discovery International from the analysis, who is based in the UK, to focus on 99% of the organisation, reduces the mean pay gap to 17.9% in favour of men and bonus gap to 5.1% in favour of men.

Gender Gaps	Median (Middle)	Mean (Average)
PAY	17.0% in favour of men	20.8% in favour of men
BONUS	18.6% in favour of men	44.5% in favour of men

Proportion of men and women receiving a bonus	
MEN	81.5%
WOMEN	86.9%

PAY QUANTILES



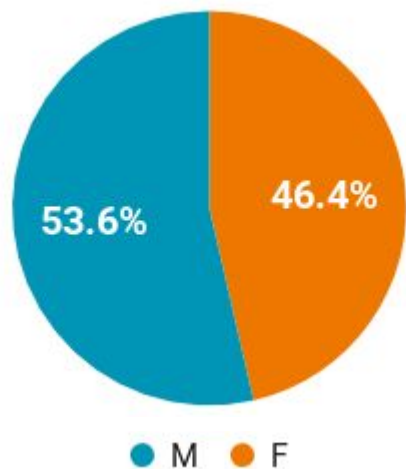
UK 'HEALTH CHECK' ANALYSIS

Each year we complete a 'health check' analysis reviewing promotions, salary increases, equity grants, and new hires. Going forward, we will be conducting these checks on a quarterly basis with regular reporting to leadership to ensure we remain free from any gender bias in our hiring and pay decisions.

DISTRIBUTION OF MEN AND WOMEN

In the last reporting period we have seen a slight shift. We now have more men than women employed in the UK and at our Top Executive level we have moved from a 50/50 split men and women to a 60/40 split.

ALL UK EMPLOYEES



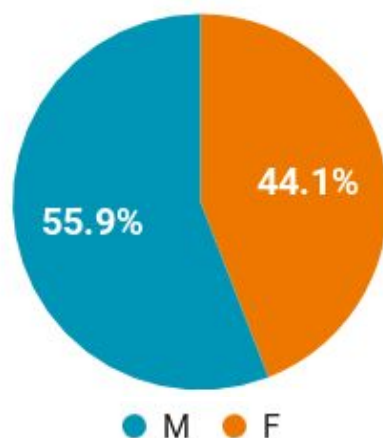
MEN AND WOMEN BY LEVEL



UK 'HEALTH CHECK' ANALYSIS CONT.

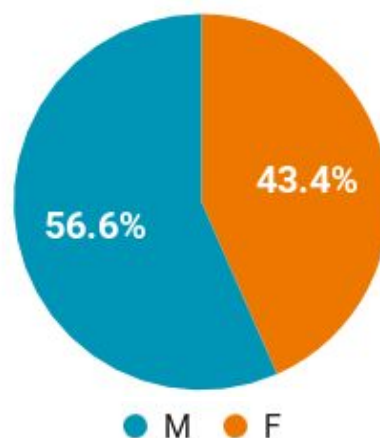
NEW HIRES

During the reporting period we hired more men than women (194 of our 347 new joiners were men). We are growing our digital and technical teams and will continue to focus on encouraging and providing opportunities for women into tech.



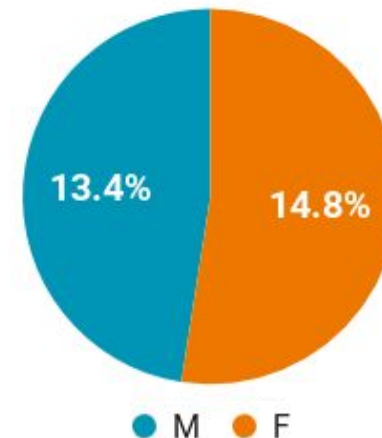
PROMOTIONS

We continue to promote women and men across all levels of the organisation. Of the 113 promotions during the reporting period, 49 were female and 64 men. 42% of promotions at Management+ levels were women.



SALARY INCREASES

Our annual pay increases continue to be free from bias, with a 0.03% difference in the average merit increases awarded, in favour of women. Other pay increases (for example promotions) on average were slightly higher for women compared to men.



2020 DISCOVERY CORPORATE SERVICES LIMITED RESULTS (MANDATORY REPORTING)

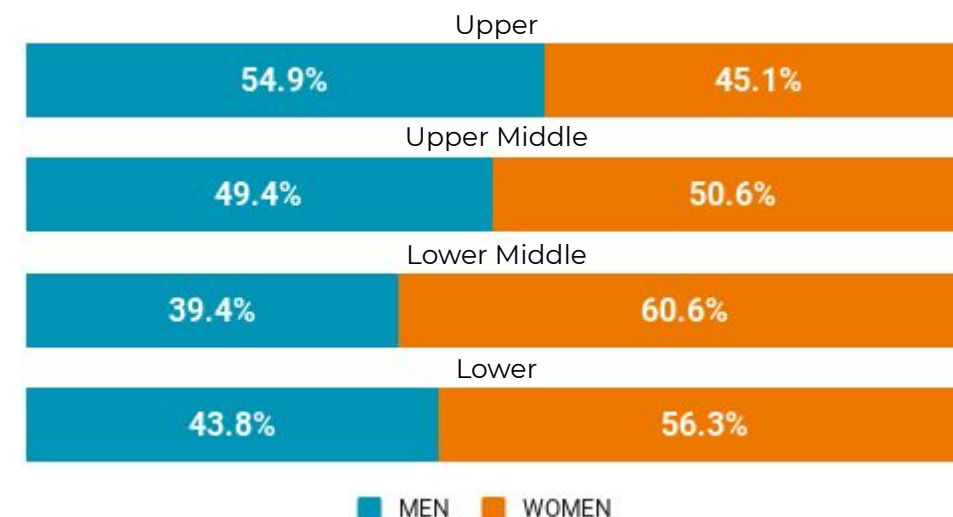
Our published results for our single largest UK entity, Discovery Corporate Services Limited, show an increase in our pay and bonus gaps in favour of men compared to last year.

Similar to our all entities Discovery UK results, removing our President & CEO of Discovery International from the analysis reduces the mean pay to 11.2% in favour of men and mean bonus to -2.7% in favour of women.

Gender Gaps	Median (Middle)	Mean (Average)
PAY	13.6% in favour of men	16.9% in favour of men
BONUS	16.3% in favour of men	52.9% in favour of men

Proportion of men and women receiving a bonus	
MEN	90.2%
WOMEN	91.2%

PAY QUARTILES





OUR COMMITMENT

DIVERSITY, EQUITY & INCLUSION



Diversity, Equity & Inclusion

Discovery's mission is to understand and share the world around us through the stories we tell. Discovery is at its best when bringing the world a little closer together. We are proud to play an important role as the most-trusted portfolio of family-friendly brands around the globe, creating awareness, understanding and embracing differences. Discovery fosters a culture of inclusion for all peoples, all cultures, and all creatures that inhabit our planet.

We stand for equity, inclusion, and mutual respect. The most innovative ideas and solutions come from the widest range of thoughts and perspectives. It is the diverse minds, experiences, cultures and unique points of view brought by our employees, partners, and creators that is reflected in our storytelling and continues to drive the ongoing journey that is diversity, equity, and inclusion.

We are committed to transparency in our diversity, equity & inclusion efforts. While we know there is progress to be made, we are proud of the work we have done.

MOSAIC

Through Mosaic: Discovery's Diversity, Equity, and Inclusion Activation, we have a range of initiatives, including: Unconscious Bias, Respect & Integrity, Allyship; Recruitment and Career Development; Content Diversity; Supplier Diversity; and Social Impact. Mosaic is spearheaded by leaders across the organisation supported by employee volunteers who set and action the strategy, goals, and outcomes that embody who we are and strive to be as an organization.

EMPLOYEE RESOURCE GROUPS

ERGs function as a cornerstone of Discovery's diversity, equity, and inclusion initiatives. Representing ethnic minorities, women, members of the LGBTQ+ community and more, ERGs draw upon their collection of unique experiences to help drive our mission of fostering a diverse and inclusive environment. In the UK we have: genD, Discovery Women's Network, Discovery Family Forum, ableD, Multicultural Alliance and greenD.





 Discovery™