

vivendi

Sustainable Development Policy

Pascale Thumerelle
Vice President, Sustainable Development

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The following information are based on 2010 data

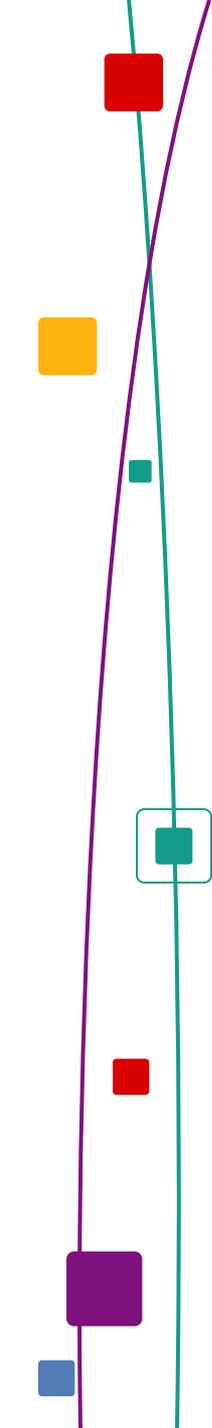
vivendi

The Best Emotions, Digitally

Vivendi is at the heart of the worlds of content, platforms and interactive networks

- World leader in video games
- World leader in music
- French leader in alternative telecoms
- Moroccan leader in telecoms
- Leading alternative telecoms provider in Brazil
- French leader in pay-TV



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Content

Introduction

- 1) Sustainable development governance
- 2) Specific issues
- 3) Other strategic issues
- 4) Vivendi's extrafinancial performance

Appendix

Vivendi's contribution to sustainable development

Enabling present and future generations to:

- Satisfy their need to communicate
- Feed their curiosity
- Develop their talents
- Encourage intercultural dialogue

Vivendi's characteristics and sustainable development challenges

Vivendi, a Group that:

- 1) Produces and distributes **content**
- 2) Is at the core of **new technologies** (broadband and mobility)
- 3) Is centered on the **subscription** model

Sustainable development governance

- Senior executive involvement
- Dialogue with our stakeholders
- Group-wide mobilization

Main sustainable development challenges

Three specific issues

- Protecting and Empowering Youth
- Promoting Cultural Diversity
- Sharing Knowledge

Other strategic issues

- Human Resources: Accompanying innovation
- Environment: Energy / Health and radiofrequencies
- Supply chain
- Ensuring the protection of personal data
- Strengthening customer relations

Sustainable development governance (1/4)

Supervisory Board

Human Resources Committee

Integration of societal performance objectives into the remuneration of senior executives

Audit Committee

Risk map review

Management Board

Sustainable development on the agenda of:

- **Management Board**
- **Risk Committee**

The **Chairman of the Management Board** meets regularly civil society's representatives (Paris, NY)

Headquarters & subsidiaries: Cross-functional actions

Close cooperation between the Sustainable Development department and:

- Investor Relations
- Audit and special projects
- Human Resources
- General Secretary

6 Sustainable Development **Committees** with the subsidiaries per year (with external experts)

Sustainable development governance (2/4)

➤ Integration of sustainable development objectives into senior executives' variable remuneration

Vivendi is the first CAC 40 company to integrate **societal performance objectives** dedicated to:

- Protecting and empowering youth
 - Promoting cultural diversity
 - Sharing knowledge
-
- Decision taken at the Supervisory Board (September 2009)
 - Vigeo's assistance in determining and reviewing objectives
-
- The criteria defined for each business unit:
 - Commensurate with the expertise and the positioning of each of them
 - Pertinent and verifiable by a specialized firm
 - Able to measure the individual contribution of the Group's senior executives in terms of strategic sustainable development issues

Sustainable development governance (3/4)

➤ Dialogue with our stakeholders

■ Civil society

- NGOs: *CIEME**, *Poverty Action Lab Europe*
- International organizations: *UN, OECD, UNESCO*
- Public authorities: *CSA**, *European Commission*
- Academics: *ESSEC Business School, New York University, Paris Sorbonne*

■ Partnerships

- European Commission: *Safer Internet/ Pan-EU Youth*
- Founding partner of Avignon's Forum
- UNESCO

■ Financial and extrafinancial communities

- **Sectoral network:** Founding member of the media sector working group implemented by the Global Reporting Initiative

* CIEME : French federation of NGOs working to protect children in the media
* CSA : French institution protecting audiovisual communication freedom

Sustainable development governance (4/4)

➤ Vivendi's sustainable development risk map: constructive cooperation between Headquarters and Business Units' Audit Departments

Preventing
risks

- Reputation risk
- Non-conformity risk
- Financial risk

Leveraging
opportunities

- Competitive advantage
- Image & values
- Innovation & cost-reduction

Specific issues (1/3)

Protecting and empowering youth

Promoting rules of professional ethics

- Vivendi's **Data and Content Protection Charter** and Business Units' own professional ethics rules
- Thousands of *World of Warcraft*®'s accounts closed by Blizzard

Raising awareness of young people and their parents

- **82%** of players' parents and **75%** of American children are familiar with the ESRB* guidelines (Activision Blizzard's survey)
- Retailers denied access to M-rated games for **80%** of underage shoppers (Federal Trade Commission)
- Educando GVT program and campaign reached about **300,000** persons
- **SFR workshops**

Adapting parental control to the multimedia environment

- SFR distributed **6,900,000** leaflets on parental control
- GVT launched a parental control tool « **Protect Total** »
- Blizzard: Available mechanisms to limit gaming and configure break times

*ESRB: Entertainment Software Rating Board

Specific issues (2/3)

Promoting cultural diversity

2.4 billion euros invested by Vivendi in content in 2010

Encouraging diversity in talent and music repertoires

- 50 musical labels
- 60% of sales accounted for by local artists in 59 countries (UMG)
- # 1 in classical music

Encouraging diversity in audiovisual and cinematic expressions

- 88% of subscribers are satisfied with Canal+'s film offering
- 90% of subscribers say that the films offered are of varied genres
- Financing of 65% of the French-initiative films approved by the CNC*
- 28 million euros invested in small budget films

Promoting diversity of languages

- 8 languages available for *World of Warcraft*®, 51 films subtitled in 10 languages and 36 films dubbed in 6 languages by StudioCanal
- Menara, 1st bilingual portal in the Arab world

Promoting heritage

- Canal+ gives access to more than 8,800 content items via multiple media
- 6% of StudioCanal investments devoted to the preservation and maintenance of their film catalogue

*CNC: French national center of cinematography

Specific issues (3/3)

Sharing knowledge

Promoting pluralism of information and quality of content

- Independent editorial policy at Canal+ and I>télé / Canal+ Ethics Charter
- **2,000** titles referenced on StudioCanal's webportal

Encouraging intercultural dialogue

- UMG relies on multiple **partnerships** helping intercultural dialogue



- The CanalSat Horizons' *Bouquet Africain* includes **19** African channels
- Arabic et Tamazight languages options are offered by Maroc Telecom

Facilitating access to ICTs and to content

- **3.4 billion** euros invested by Vivendi in networks
- Maroc Telecom Group's subsidiaries invested **41%** of their revenues to reducing the digital gap and improving the quality of the networks
- GVT invested **482 million** euros in networks
- Sourdline Canal+, **100%** of Canal+ programs are accessible to hearing-impaired persons
- SFR : DEAFI* customer service; **14** offerings and services to disabled persons; **768** software applications adapted for visual disability

*DEAFI: French company specialized in enhancing employability of deaf and hearing-impaired persons

Strategic issues (1/3)

Economic issues

Ensuring the protection of personal data

- 75% of our revenues come from subscriptions, 82 million subscriptions
- Data and Content Protection Charter (2008) / « Guide to good practices regarding sensitive data » (2009)
- Partnerships with the European Commission, European Schoolnet, Insafe

Ongoing attention to customers' needs

- GVT rated n°1 in customer relations in Brazil
- Maroc Telecom Group and its subsidiaries ISO 9001 certified
- Canal+ created a customer quality department

Vigilance towards suppliers

- Evaluation in 2010 of 147 SFR suppliers according to CSR principles, representing 80% of the purchasing department turnover
- Canal+ e-sourcing platform « ACHATS +»
- Creation of a Suppliers Development division at GVT
- Inspection of 3 facilities located in China by Activision Blizzard

Strategic issues (2/3)

Social issues

Promoting equal opportunities

- 1/3 of women in the Supervisory Board
- +27% of apprenticeship and professionalization contracts in French subsidiaries

Attracting and retaining the best talent

- Business units all in first rank positions in their respective markets
- A very low resignation rate
- 2.4% of training expenditures / payroll, 35.8 hours of training per employee

Encouraging a constructive social dialogue

- Well informed and trained social partners
- European Social Dialogue Committee (ESDC)

Continuing an ambitious policy of employee shareholding

- Capital held by employees increased from 1% to 2.1% in 3 years
- OPUS 10 launched in 7 countries: 7.1 million new shares created

Contributing to territorial development

- 120,000 indirect jobs created in Morocco, 27,000 in Burkina Faso 15,000 in Mali (Maroc Telecom Group)
- 5,000 direct and 5,000 indirect jobs created in Brazil (GVT)
- Maroc Telecom Group: Coverage of 4,414 rural localities under the PACTE Program (objective of 7,338 by the end of 2011)

Strategic issues (3/3)

Environmental issues

A rigorous policy

- 56% of SFR sites ISO 14001 certified
- Vivendi's headquarters EMAS certified
- 10 sites audited per year on average



Energy

- 92% of CO₂ emissions come from electricity consumption
- Solar energy accounts for 15% of the energy supply of Maroc Telecom Group in Morocco and 50% of their installed base in sub-Saharan rural areas; Canal+ Calédonie invests in photovoltaic to outfit its sites
- Eco-design: the new Neufbox Evolution consumes an average of 30% less energy during operations than the previous generation
- 351,359 mobile and 1,590,348 set-top boxes collected by SFR
- 974,000 analog set-top boxes collected by Canal+

Health & Radiofrequencies

- SFR took part in 316 information meetings
- 6.6 million hands-free kits distributed by SFR
- 586 measurement of fields done by SFR and 250 by Maroc Telecom

Vivendi's extrafinancial performance

Rankings



- 1st in the European media sector (january 2011)



ESG
Ratings

- 1st worldwide ex aequo (march 2011)



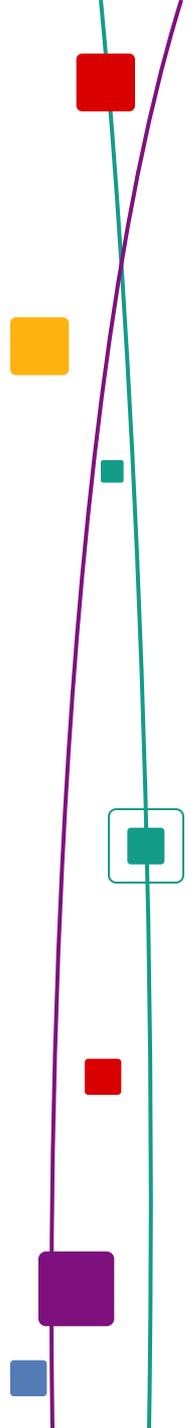
- #1 of the CAC 40 companies
- #1 among the best 100 European companies

SRI Indices



*DJSI World
Enlarged*





Appendix

Corporate Governance

➤ A dual and collegial corporate governance structure

- **The Supervisory Board chaired by Jean-René Fourtou (12 members)**
 - 4 nationalities (1 Belgian, 9 French, 1 Dutch and 1 American)
 - 1/3 women
 - 10 independent members
 - 4 committees: Strategy Committee; Audit Committee; Human Resources Committee; Corporate Governance Committee
 - 8 meetings in 2010

- **Management Board chaired by Jean-Bernard Lévy (7 members)**
 - 5 nationalities (3 French, 1 German, 1 British, 1 Moroccan and 1 Brazilian)
 - The President, CEOs of business units, CFO
 - 14 meetings in 2010
 - Quarterly activity report submitted to the Supervisory Board
 - Management committees in each entity

- **An optimal organization of internal control**
 - Compliance Program
 - General principles established under COSO (The Committee of Sponsoring Organizations of the Treadway Commission)
 - Risk Committee
 - Financial Information and Communication Procedures Committee

Integration of sustainable development objectives into senior executives' variable remuneration

- Compensation of corporate officers and the company's senior executives is determined by the Supervisory Board upon recommendation of the Human Resources Committee. The Supervisory Board set the variable component of compensation.
- For corporate officers and executives at the corporate offices in 2010
 - 68% for financial objectives
 - 32% for completion of the General Management's priority measures of which:
 - ↳ **5% for actions to encourage sustainable development and societal responsibility**
 - ↳ 5% for the proper integration of GVT in Brazil
 - ↳ 5% for the valuation of the Telecoms litigation in Poland
 - ↳ 5% for the development and completion of joint initiatives between subsidiaries
- For subsidiary corporate officers, chairpersons or executives in 2010
 - 15% for the Group financial objectives
 - 60% for the entity financial objectives
 - **25% for priority measures for their entity of which 5% for priority sustainable development and social responsibility measures**

Indicators linked to our impact and audience

■ Activision Blizzard

↪ More than 12 million subscribers to *World of Warcraft*®; more than 55 million units of *Call of Duty* franchise sold around the world

■ Universal Music Group

↪ A quarter of albums sold or downloaded worldwide; a music catalog with more than two million titles; major artists reflecting the diversity of world music

■ SFR

↪ More than 20 million mobile customers; 4.9 million broadband Internet customers; 820 sales outlets close to customers

■ Maroc Telecom Group

↪ 26 million clients including 23.8 million mobile customers and 1.5 million fixed lines in Morocco ; the first operator to launch ADSL TV in Africa

■ Canal+ Group

↪ 12.7 million subscriptions to Canal+ channels; some 300 channels, 55 of them exclusive with CanalSat; the first French international TV operator with Canal+ Overseas

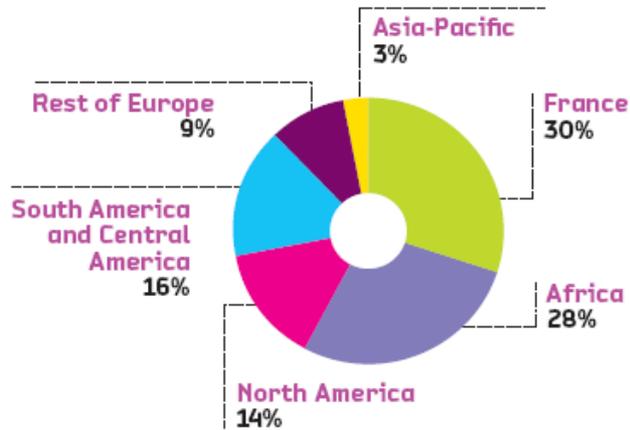
■ GVT

↪ 4.2 million of lines in service; coverage in 89 cities; present in Brazil's key markets; the leader in next generation services (high-speed broadband and VoIP) and the most modern network in Brazil

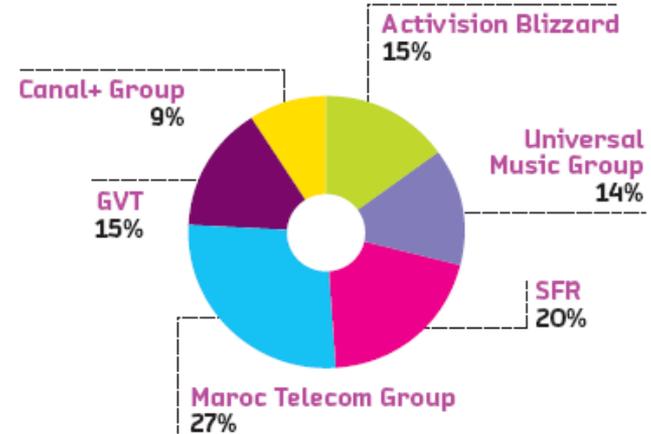
Principal social indicators

- Headcount: 51,272 employees
36% of women

Headcount breakdown by geographical area



Headcount breakdown by business unit



31 December 2010

Principal environmental indicators

- Water Consumption: 864 thousands of m³
- Electricity Consumption: 944 million KWh
- CO2 emissions: 297 Kt
- Waste production: 8,745 t

Contacts

Jean-Michel Bonamy

Executive Vice President Investor Relations
+33.1.71.71.12.04
jean-michel.bonamy@vivendi.com

Pascale Thumerelle

Sustainable Development Vice President
+33 1 71 71 12 27
pascale.thumerelle@vivendi.com

Aurélia Cheval

IR Director
+33.1.71.71.32.80
aurelia.cheval@vivendi.com

France Bentin

IR Director
+33.1.71.71.32.80
france.bentin@vivendi.com

Eileen McLaughlin

V.P. Investor Relations North America
+1.212.572.1334
eileen.mclaughlin@vivendi.com