Sustainable Development Policy

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Vice President, Sustainable Development

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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
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
- Environment
- Supply chain
- Ensuring the protection of personal data
- Strengthening customer relations
UN Global Compact
Vivendi signs the UN Global Compact and integrates the 3 specific issues in the Human Rights principles

Definition of 3 specific issues linked to the Group’s content production and distribution activities:
- Protecting and empowering youth
- Promoting cultural diversity
- Sharing knowledge

Risks Committee / SD
Definition of indicators related to Vivendi’s specific issues.

Global Reporting Initiative (GRI)
Founding member of the media sector working group

Integration of sustainable development/societal performance objectives into the variable remuneration of senior executives

Funding member of the CEO Coalition to make the Internet a better place for kids / European Commission

Sustainable development risk analysis framework
Sustainable development governance (2/4)

Supervisory Board

- Human Resources Committee
  - Integration of sustainable development/societal performance objectives into the variable remuneration of senior executives
- Audit Committee
  - Risk map review

Management Board

- Sustainable development on the agenda of:
  - Management Board
  - Risk Committee

Headquarters & subsidiaries: Cross-functional actions

- The Chairman of the Management Board regularly meets civil society’s representatives (Paris, NY)
- Close cooperation between the Sustainable Development department and:
  - Investor Relations
  - Audit and special projects
  - Human Resources
  - General Secretary
- Sustainable Development Committees with the subsidiaries (with external experts)
Integration of sustainable development / societal 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

Vivendi, the inaugural winner of the Forum for Socially Responsible Investment—Vigeo Prize in CAC 40 category in 2011
- The jury judged the performance of the companies on how they incorporate their sustainable development issues (principles, targets and risks) into their corporate governance.
Dialogue with our stakeholders

- Founding member of the media sector working group implemented by the Global Reporting Initiative (GRI)
- Founding member of the CEO coalition to make the Internet a better place for kids

Civil Society network

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

Sectoral network

- European Commission: Safer Internet/ Pan-EU Youth/ CEO coalition to make the Internet a better place for kids
- Founding partner of Avignon’s Forum
- UNESCO
- UNAOC (United Nations Alliance of Civilizations)

Partnerships

- Dedicated roadshows
- Exchanges with extrafinancial rating agencies

* CIEME: French federation of NGOs working to protect children in the media
* CSA: French independent authority that guarantees the exercise of freedom in audiovisual communications
* CNIL: is responsible for ensuring that information technology remains at the service of citizens, and does not jeopardize human identity or breach human rights, privacy or individual or public liberties
## Specific issues (1/3)

### Protecting and Empowering Youth

<table>
<thead>
<tr>
<th>Promoting rules of professional ethics</th>
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<tbody>
<tr>
<td>• CEO Coalition to make the Internet a better place for kids</td>
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<tr>
<td>• Vivendi’s Data and Content Protection Charter and Business Units’ own professional ethics rules</td>
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<th>Raising awareness of young people and their parents</th>
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<td>• Retailers denied access to M-rated games for <strong>80%</strong> of underage shoppers (Federal Trade Commission study) (2010).</td>
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<td>• <strong>82%</strong> of players’ parents and <strong>75%</strong> of American children are familiar with the ESRB* guidelines (Activision Blizzard’s survey)/ <strong>93%</strong> of Europeans know PEGI guidelines (2010)</td>
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<td>• In December 2011, GVT launched the 4.0 version of the Guide to Responsible Internet Use which is expected to reach <strong>500,000</strong> persons in addition to estimated <strong>1 million</strong> children, parents and teachers already on board.</td>
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<td>• SFR workshops</td>
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<td>• SFR continues in 2011 to improve its policy of parental control: leaflets printed and available on website, update of the website dedicated to parental control and security</td>
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<td>• GVT launched a parental control tool « Protect Total » (2010)</td>
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<td>• Blizzard made available mechanisms to limit gaming and configure break times</td>
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<td>• Thousands of World of Warcraft®’s accounts closed by Blizzard</td>
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<td>• Canal+ Cyfrowy and Mediastarter education program</td>
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*ESRB: Entertainment Software Rating Board*
Specific issues (2/3)
Promoting Cultural Diversity

**Encouraging creation in all its diversity**
- 50 musical labels and more than 4000 sub-labels, 44 languages sung (2011)
- 60% of sales accounted for by local artists in 59 countries (UMG) (2010)
- 89% of subscribers are satisfied with Canal+’s film offering (2011)
- 92% of subscribers say that the films offered are of varied genres (2011)
- Financing of 65% of the French-initiative films approved by the CNC* (2010)
- 28 million euros invested in small budget films (2010)

**Contributing to strengthening production capacities in Africa**
- Some of the greatest African artists signed and distributed by UMG (Salif Keita, Youssou N’Dour, Souad Massi, Tinariwen)
- Canal + Overseas
- Professional training program for sound engineers in Mali
- Financing and training students in producing their film projects/ Ouarzazate, Maroc (for the third year in 2012)

**Promoting heritage**
- Canal+ gives access to more than 8,800 content items via multiple media on CanalPlay
- In 2011, 5% of StudioCanal’s investments devoted to the preservation and maintenance of their film catalogue, the most important one in Europe (2011)

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Key figure: 2.3 billion euros invested in content in 2011

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*CNC: French national center of cinematography
UMG relies on multiple partnerships contributing to intercultural dialogue

The CanalSat Horizons’ Bouquet Africain includes 22 African channels and radios

Arabic et Tamazight languages proposed by Maroc Telecom

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

Key figure: 3.4 billion euros invested in networks

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UMG relies on multiple **partnerships** contributing to intercultural dialogue

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Specific issues (3/3)
Sharing Knowledge (1/2)
Strategic issues (1/3)

**Economic issues**

- **Key figure:** 75% of the revenues come from subscriptions

**Ensuring the protection of personal data**
- 75% of the revenues come from subscriptions (2011)
- Partnerships with the European Commission, European Schoolnet, Insafe
- Founding member of the CEO Coalition to make the Internet a better place for kids

**Ongoing attention to customers' needs**
- GVT rated n°1 in customer relations in fixed lines in Brazil amongst the Telecom sector for the second year (Gallup institute study 2010 and IBRC study 2011)
- Maroc Telecom Group and its subsidiaries **ISO 9001** certified (2011)
- Canal+ created a customer quality department (social responsibility label received by Canal + Distribution in 2010 for two years)

**Vigilance towards suppliers**
- Evaluation by EcoVadis of 155 SFR suppliers according to CSR principles. 60% of them obtained a score of 5/10 or more. (2011)
- Canal+ e-sourcing platform « ACHATS +»
- Creation of a Suppliers Development division at GVT
- Inspection of 3 facilities located in China by Activision Blizzard in 2010.
Attracting and retaining the best talent
- Business units all leading positions in their respective markets
- 2.4% of training expenditures / payroll (2011)
- 43.2 hours of training per employee (Vivendi Group, 2011)

Promoting equal opportunities
- 1/3 of women in the Supervisory Board
- 606 contracts of apprenticeship and professionalization in France (An important number hired with Mozaik RH at SFR) (2011)

Encouraging a constructive social dialogue
- Well informed and trained social partners
- European Social Dialogue Committee (ESDC) to be enlarged

Continuing an ambitious policy of employee shareholding
- Capital held by employees increased from 1% to 2.7% in 4 years (2.1% in 2010)
- OPUS 11 launched in 7 countries: 7.5 million new shares created

Contributing to territorial development
- 229,000 indirect jobs created by Maroc Telecom Group (including small retailers and other retailers) (2011)
- 14,200 direct and 50,000 indirect jobs created in Brazil (GVT) (2011)
- Maroc Telecom Group: 1,707 rural localities covered in 2011 under the PACTE Program (including 1,384 in Maroc, 55 in Burkina Faso, 186 in Mali, 26 in Mauritania and 56 in Gabon) (2011)

Key figure: 2.7% of the capital is held by employees
In 2012, the Environmental Management System of SFR was certified ISO 14001 for the 6th year. The mobile network of SFR is the only French network to be entirely ISO 14001 certified.

Vivendi’s headquarters EMAS certified (we are preparing the renewal of the certification in 2012)

Sustainable development issues formally taken in account in the purchasing policy

90% of CO₂ emissions come from electricity consumption (2011)

Solar energy accounts for 15% of the energy supply to the base stations of Maroc Telecom Group and 50% of their installed bases in sub-Saharan rural areas; Canal+ Calédonie invests in photovoltaic to outfit its sites in New Caledonia (2010)

The new Neufbox Evolution consumes an average of 30% less energy during operations than the previous generation (eco-conception)

351,545 mobile and 2,229,513 set-top boxes collected by SFR (2011)

2,002,400 analog set-top boxes collected by Canal+ (2011)

SFR took part in 372 information meetings

6.3 million hands-free kits distributed by SFR

507 measurement of fields done by SFR and 424 by Maroc Telecom
Vivendi’s extrafinancial performance

- 1st in the European media sector (January 2011)
- 1st worldwide ex aequo (March 2011)
- n° 1 of the CAC 40 companies (2011)
- n° 1 among the best 100 European companies (2011)
- Inaugural winner of the Forum for Socially Responsible Investment Prize – Vigeo CAC 40 category (October 2011)
- n° 7 in the 2012 Global 100 Most Sustainable Companies, 1st French company in this Global 100 (January 2012)
APPENDIX
Vivendi’s subsidiaries and sustainable development

Their commitment to sustainable development

• In January 2012, Maroc Telecom received the Top-CSR Performer trophy in « prevention of corruption », « contribution to general interest causes » by Vigeo with 7 other Moroccan companies among the 40 largest publicly traded companies in the Casablanca stock exchange. It got the best score in business ethics and societal commitment (notably for reducing the digital divide)

• In July 2011, GVT was elected for the second consecutive year Brazil’s most sustainable Telecommunication company, according the Imprensa Magazine

• In February 2012, SFR received the Top-Employer 2012 label by the CRF Institute and is then part of the 39 companies labeled for their commitment to create a good work environment and for excellence in policy, programs and practices in human resources

• In its 2010 Report, the Club Averroes writes that once again, Canal +, always on the cutting edge of innovation, is the leading TV-channel in diversity
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
- 10 meetings in 2011

Management Board chaired by Jean-Bernard Lévy (7 members)
- 5 nationalities (3 French, 1 German, 1 British, 1 Moroccan and 1 Israeli)
- The President, CEOs of business units, CFO
- 18 meetings in 2011
- 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 Ressources Committee. The Supervisory Board set the variable component of compensation.

- For corporate officers and executives at the corporate offices in 2011
  - 60% for financial objectives
  - 40% for completion of the General Management’s priority measures of which **5% for actions to encourage sustainable development and societal responsibility**

- For subsidiary corporate officers, chairpersons in 2011
  - 15 to 20% for the Group financial objectives
  - 55 to 60% for the entity financial objectives
  - 25 to 30% for priority measures for their entity of which **5% for priority sustainable development and societal responsibility measures**
Indicators linked to our impact and audience (2011)

Activision Blizzard
- 10.2 million subscribers to World of Warcraft®, Call of Duty®: Modern Warfare® 3 is the best-selling game in USA and Europe in 2011 and Skylanders Spyro’s Adventure™ is the best-selling game for kids in North America and Europe in 2011.

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 (2010)

SFR
- More than 21 million mobile customers; 5 million broadband Internet customers; 840 sales outlets close to customers

Maroc Telecom Group
- 29 million clients, growth of 12.2%, primarily driven by activities outside of Morocco where the customer base grew 339.2% year-on-year.

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

GVT
- 6.3 million of lines in service; coverage in 119 cities (including 22 new cities in 2011); present in Brazil’s key markets; the leader in next generation services (high-speed broadband and VoIP) and the most modern network in Brazil