

INTEGRATED REPORTING PILOT PROJECT

Intangible cultural capital: the impact of the Group's investment in diversity of content on value creation

As Vivendi plans to focus on its media and content activities, and considering the growing demand from the Group's different stakeholders to better understand its overall performance, the General Management has launched an integrated reporting pilot project to illustrate how promoting cultural diversity, one of the strategic issues of Vivendi's CSR policy, creates societal and financial value while preventing risks and opening up opportunities to win markets.

The Challenge

Vivendi exerts a human, cultural and intellectual influence on the lives of millions of customers and citizens worldwide due to the activities of the Universal Music Group, the world leader in music; the Canal+ Group, the leading French media company also active in French-speaking Africa as well as Poland and Vietnam, and its subsidiary Studiocanal, which is a leading European player in the production, acquisition, and international distribution and sales of films and TV series. Vivendi has a societal responsibility to satisfy the curiosity and varied tastes of its audiences on all continents, to help these audiences achieve their full potential, and to provide the necessary conditions for them to become open to the world and exercise their critical judgment.

In addition, cultural diversity is at the heart of Vivendi's businesses: music, television and film. Providing rich, original content; signing new artists in all categories; avoiding creative talent drain; meeting the expectations of our subscribers; making our platform attractive in a digital environment that disrupts the well-established practices – these are the goals being pursued by our businesses as they strive to preserve their leading position in their respective markets (please refer to diagram below).

The Approach

Vivendi decided to take a pragmatic approach to this pilot project and to implement it initially on a limited basis at Universal Music France, Canal+ in France, and Studiocanal. Led by Vivendi's Corporate Social Responsibility (CSR) Department, this initiative brought together the managers in charge of Finance and Strategy of these three entities of the Group and analysts representing investors (Amundi, Groupama AM, and Oddo Securities). Indicators establishing the link between investments in diversity of content and returns were chosen (please refer below). The materiality of these indicators was then submitted to analysts for review.

The chief financial officers of Vivendi's businesses have welcomed and given their full support to this approach and the analysts whose views were sought believe it to be innovative, scalable and fully integrated into the strategy of a key player in the media sector.

The aim is to enhance the value of the pilot project by 2015 through monitoring indicators and widening the scope of the project to include other CSR issues, after consultation with the Group's main stakeholders.

Contribution to value creation of investment in diversity of content (2013 figures)

