

# Verification of extra-financial data

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This chapter includes the methodology note and the external auditor's report as published in the Annual Report 2015 (Chapter 2, Section 4). The Annual Report versions prevail. This chapter's page references have been modified accordingly the Handbook paging.

## 7.1. Note on Extra-Financial Reporting Methodology

### REFERENCE FRAMEWORKS

The reporting of extra-financial indicators is based on internal references developed by Vivendi, which are in turn based on national and international references. The cross-referencing between the societal, social and environmental indicators defined by Vivendi and the provisions of the Decree of April 24, 2012 and the Order of May 13, 2013 pursuant to the Law of July 12, 2010<sup>(1)</sup> on the national commitment to the environment (the Grenelle II Law), the guidelines of the Global Reporting Initiative (GRI)<sup>(2)</sup> and the Media Sector Supplement of the GRI issued on May 4, 2012<sup>(3)</sup>, the ten principles of the UN Global Compact, and the OECD Guidelines for Multinational Enterprises are indicated within each indicator.

The internal reference, the "Reporting Protocol for Environmental, Social and Societal Data of the Vivendi Group Companies" (the "Reporting Protocol") is updated annually, and allows consistent application of definitions and rules for data gathering, validation and consolidation across the group's companies.

In 2014, the Reporting Protocol was completely revised to take into account the group's shift in focus to content and media activities.

### INDICATORS

The societal, social and environmental indicators are presented in Chapter 2, Section 3 of Vivendi's Annual Report 2015. The CSR section, which is available online on the Vivendi website, also provides a more comprehensive presentation of the societal, social and environmental indicators as well as indicators of corporate governance and economic performance.

In 2015, Vivendi presents the extra-financial indicators of the SECP (Société d'Édition de Canal Plus) in its Registration Document as required by paragraph 6 of Article L.225-102-1 of the French Commercial Code. This company, which holds the operations of the Publishing Division, meets the threshold criteria imposed by the Grenelle II Law. The SECP social and environmental data is presented separately from the data for Canal+ Group. The societal data is included in the Canal+ Group data, given the publication of qualitative information which relates to all entities of this group and which reflects its various businesses.

<sup>(1)</sup> Law establishing a national commitment regarding the environment, No. 2010-788 of July 12, 2010, Art. 225 (Grenelle II Law), Decree No. 2012-557 of April 24, 2012 and Order of May 13, 2013.

<sup>(2)</sup> Launched in 1997 by the Coalition for Environmentally Responsible Economies (CERES) in partnership with the United Nations Development Program for the Environment (UNEP), the GRI is a long-term international multiparty initiative aimed at developing and distributing guidelines for the voluntary production of reports on sustainable development by multi-national corporations wishing to report on the economic, environmental and social implications of their activities, products and services. The GRI has not verified the content of this report or the validity of the information provided therein ([www.globalreporting.org](http://www.globalreporting.org)).

<sup>(3)</sup> The media sector supplement of the GRI structures the reporting process specific to the media industry at international level. Several themes are included such as freedom of expression, pluralism and quality of content, the representation of cultures, independence, protection of personal data, accessibility and media education.

## REPORTING SCOPE

The reporting scope was established in accordance with Articles L.233-1 and L.233-3 of the French Commercial Code and pertains to the subsidiaries and companies which are controlled, with the exception of certain companies (see details under each reporting scope).

It should be noted that changes in reporting scope are the result of acquisitions or disposals between January 1 and December 31 of year N by the consolidated companies:

- ◆ in the case of a sale during year N, the data for the company is not accounted for in the scope of year N; and
- ◆ in the case of the acquisition of a company during year N, the data from year N will be fully integrated into the reporting for year N+1, unless the company being added to the scope can gather its information for year N. A detailed account of the workforce headcount is however incorporated into the scope of year N.

### Scope of Societal Reporting

The scope of societal reporting is linked to the group's business units, subject to the following indications:

- ◆ concerning Canal+ Group, the scope of reporting extends to the companies located in France, Poland, Africa (focus group of six countries: Canal+ Burkina Faso, Canal+ Cameroon, Canal+ Congo, Canal+ Gabon, Canal+ Ivory Coast, Canal+ Senegal) and Vietnam. For some indicators that specifically apply to the French entity the scope "Canal+" is then mentioned;
- ◆ concerning UMG, unless otherwise indicated, the scope of reporting extends to nine companies which account for 81% of the group's revenues (Australia, Brazil, France, Germany, Japan, Netherlands, South Africa, the United Kingdom and the United States).
- ◆ concerning Vivendi Village, the scope of reporting extends to Vivendi Ticketing (Digitick and See Tickets), MyBestPro, Watchever and L'Olympia.

For the indicators related to responsible purchasing (see Section 4.4), the data relates to suppliers and subcontractors with which at least 75% of total expenditure is realized, to facilitate feedback by the business units.

### Scope of Social Reporting

For the "headcount" indicator, the scope of social reporting covers all group companies and 100% of the work force. In accordance with the Vivendi Reporting Protocol for Environmental, Social and Societal Data, companies newly consolidated within the reporting scope during the year appear only in the tables concerning employees. For 2015, this relates to (i) Canal+ Benin, Canal+ Haiti, Canal+ Mali, Flab (Flab Presse and Flab Prod), Studiocanal China, Studio+, Terra Terra Communications Inc., Thema, and Vivendi Content for Canal+ Group and (ii) Radionomy and the Théâtre de l'Œuvre for Vivendi Village and Dailymotion.

The heading "Corporate" refers to the Paris headquarters and the New York office, and the heading "Headquarters" refers to the Paris headquarters.

The heading "Vivendi Village" refers to L'Olympia, MyBestPro (Devispresto, Juritravail and MyBestPro Group), Radionomy (TargetSpot France, TargetSpot United States, Winamp SA Belgium), the Théâtre

de l'Œuvre, Vivendi Ticketing (Digitick and See Tickets) and Watchever (France and Germany).

The SECP data is identified separately from the Canal+ Group data.

### Scope of Environmental Reporting

The scope of the environmental reporting is as follows:

- ◆ for Canal+ Group, the reporting scope applies to entities located in France, Poland, Africa (a focus group of seven countries: Canal+ Burkina Faso, Canal+ Cameroon, Canal+ Congo, Canal+ Ivory Coast, Canal+ Gabon, Canal+ Senegal, Canal+ Madagascar) and Vietnam. The SECP data is identified separately from the data of Canal+ Group;
- ◆ for UMG, the reporting scope covers nine entities representing 81% of the group's revenues (Australia, Brazil, France, Germany, Japan, Netherlands, South Africa, the United Kingdom and the United States);
- ◆ Vivendi Village.

The selection of sites which must carry out their own reporting is decided based on the type of site: e.g., offices, warehouses, technical centers and data centers, in accordance with the Reporting Protocol for the group's companies.

Following the group's shift in focus towards media and content, the decision was made to stop monitoring water consumption and quantities of toxic waste, since these indicators were no longer relevant following the sale of telecommunications entities. On the other hand, the monitoring of purchases of plastics and acrylics used in the manufacturing of products intended for sale was reinforced.

The indicator "Purchases of plastics and acrylics used in the manufacturing of products put on the market" (see Section 6.3) concerns only the quantities used for products and equipment placed on the market for sale. This concerns the DVDs and CDs marketed by UMG and the set-top boxes for Canal+ Overseas.

## REPORTING PERIOD

Reporting of societal, social and environmental data is annual and concerns the period from January 1 to December 31, 2015.

## METHODOLOGICAL DETAILS AND LIMITS IN RELATION TO INDICATORS

Societal, social and environmental indicators may generally reflect methodological limits due to the lack of harmonization of international and national definitions and legislation, or due to the qualitative and therefore subjective nature of certain data.

### Societal Indicators

With regard to the indicators "Breakdown of purchases by main categories and geographic regions" and "Deployment of responsible purchasing approach amongst the suppliers and subcontractors" (see Section 4.4), the subsidiaries reported on tier 1 suppliers and subcontractors representing at least 75% of the total purchasing amount.

In relation to the indicator “Estimation of the number of indirect jobs” (see Section 4.2.1), only the data of Canal+ Group is published in this Annual Report. The methodology relating to indirect jobs generated by UMG will be defined during 2016. The estimate provided by Canal+ Group is a consolidation of the data for France, Africa (focus group of 6 countries), Poland and Vietnam:

- ◆ in France, the number of indirect jobs is an indication of the jobs generated by direct subcontractors and tier 1 content suppliers (direct suppliers). All the channels published and distributed in France as well as the cinematographic and sports segments are included;
- ◆ in Africa, the jobs counted as indirect are those generated by the sales network and by business service subcontractors (e.g., residential installations of satellite dishes, warehouse logistics and call centers);
- ◆ the Vietnamese subsidiary bases its estimate on the number of jobs generated by the sales network and by business service subcontractors (in particular call centers); and
- ◆ the Polish subsidiary has taken into account jobs generated by direct subcontractors and tier 1 content suppliers performing orders on behalf of the entity’s various departments.

For suppliers and subcontractors where Canal+ Group is not the main client, the number of indirect jobs was estimated pro rata to sales of the supplier made to the group.

### Social Indicators

The methods used to calculate absenteeism rates, accident frequency and accident severity rates are specified in the section on social information. It should be noted that days absent are counted in respect of permanent employment contracts.

Calculations of work-related accident rates (frequency and severity) take into account the number of hours actually worked. They are based on weighted average annual employee data.

### Environmental Indicators

For the environmental scope, the methodology used for data collection takes into account the nature of the site in terms of its contribution to electricity consumption. Data is collected on the basis of sites that contribute the most, in order to achieve a representation of over 90% of real data compared to total estimated electricity consumption.

Emissions are calculated based on emission factors, using the French Environmental and Energy Management Agency (ADEME) tool for calculating Carbon Footprint®.

Any missing data on indicators such as electricity, gas, fuel and steam are estimated using methodologies based on ADEME factors where these are applicable, or are based on available data (e.g., ratios of 10 months out of 12 or ratio per square meter, per person).

With regard to data on electricity consumption, the quantities reported reflect the quantities invoiced. In cases where data is not available (in particular, for certain sites not owned by the group), consumption is

estimated based on conversion factors (kW/m<sup>2</sup>, kWh/ft<sup>2</sup>). The conversion factors used for the energy consumption indicators are standard values. They differ depending on the geographic location of the entities and come from recognized reference guides. Total energy consumption is broken down to obtain a clearer explanation of the composition of the energy consumed.

In relation to fuel consumption (gasoline, diesel and propane), the scope of the indicator “CO<sub>2</sub> emissions attributable to consumption from mobile sources (tCO<sub>2</sub>eq)” covers directly-owned vehicles or vehicles used by the site under long-term leases.

CO<sub>2</sub> emissions are divided into two categories:

- ◆ scope 1 represents direct greenhouse gas emissions. Emissions associated with the consumption of natural gas, domestic heating oil and injections of refrigerant fluids during maintenance operations on air-conditioning installations at the sites are included. The emissions related to transport from consumption from mobile sources, for directly owned vehicles or vehicles on long-term leases over which the group has operational control, are also included; and
- ◆ scope 2 includes reports on indirect greenhouse gas emissions associated with the consumption of electricity and steam.

## REPORTING TOOLS, CONSOLIDATION AND CONTROLS

Using the data gathering tools developed by Vivendi’s Information Systems department makes it possible for all data, consolidated and audited at different levels, to be reported:

- ◆ social data is gathered in the SIRIS tool and automatic coherency checks are made by the tool during data input. An initial validation is performed by each subsidiary. Coherency checks and a second validation are performed by each business unit. These indicators are then grouped together and checked at the group’s headquarters, where a third validation is performed during consolidation. Finally, a general review ensures the overall consistency of headcount flows between year N-1 and year N;
- ◆ in 2015, for societal and environmental data, the data was gathered using Word and Excel spread sheets, and a consistency check was made by the representative in charge of consolidation at the headquarters. The answers to the questions asked by headquarters were tracked.

### Report by One of the Statutory Auditors

Since 2008, a selection of the group’s extra-financial data has been subject to verification at a limited level of assurance by one of Vivendi’s Statutory Auditors (see Section 4.2). In 2015, pursuant to Articles L.225-102-1 and R.225-105-2 of the French Commercial Code, the attestation and the report cover societal, social and environmental information presented in Chapter 2 of this Annual Report, as set forth in this report on p.68.