

# Sustainable Development Policy

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**vivendi**

# 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** 

# 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

# Sustainable development governance (1/4)

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2003 2004 2006 2007 2008 2009 2010 2011

Reporting Protocol

Starting "roadshows"  
dedicated to sustainable  
development policy

•Risks Committee / SD

•Definition of indicators  
related to Vivendi's specific  
issues.



Global Reporting  
Initiative (GRI)

Founding member of  
the media sector  
working group

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

•Sustainable development **risk  
analysis framework**



UN Global Compact

Vivendi signs the UN Global  
Compact and integrates the 3  
specific issues in the Human  
Rights principles

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

•Definition of 3 specific issues  
linked to the Group's content  
production and distribution  
activities :

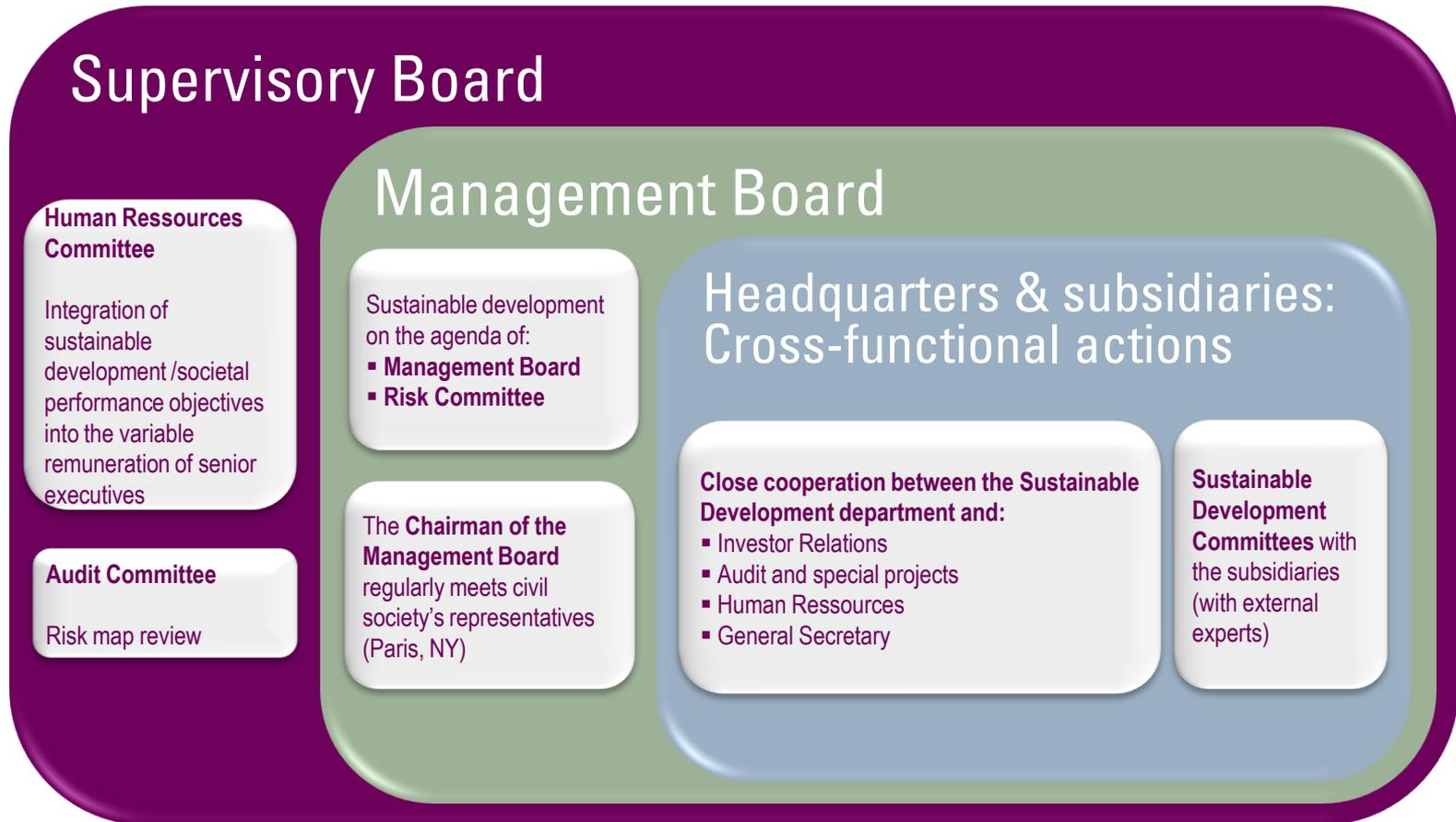
- Protecting and  
empowering youth
- Promoting cultural  
diversity
- Sharing knowledge

•Sustainable Development  
Committees

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# Sustainable development governance (2/4)



# Sustainable development **governance** (3/4)

- ▶ 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

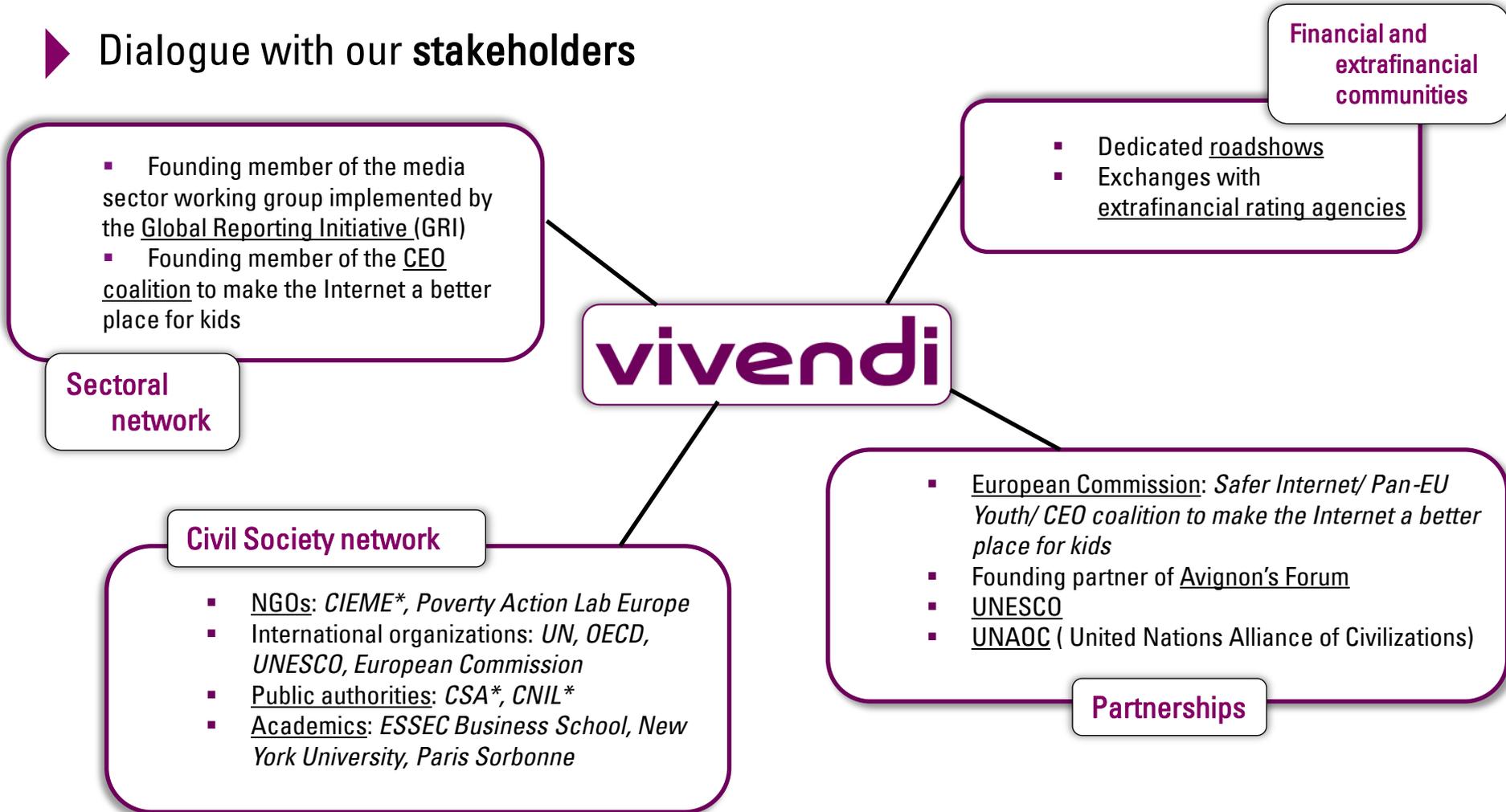


Vivendi, the inaugural winner of the **Forum for Socially Responsible Investment–Vigeo Prize** in CAC 40 category in 2011

- The jury judged the performance of the companies on how they incorporate their sustainable development issues (principles, targets and risks) into their corporate governance.

# Sustainable development governance (4/4)

## ► Dialogue with our stakeholders



\* 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

### Promoting rules of professional ethics

- **CEO Coalition** to make the Internet a better place for kids
- Vivendi's **Data and Content Protection Charter** and Business Units' own professional ethics rules

### Raising awareness of young people and their parents

- Retailers denied access to M-rated games for **80%** of underage shoppers (Federal Trade Commission study) (2010).
- **82%** of players' parents and **75%** of American children are familiar with the ESRB\* guidelines (Activision Blizzard's survey)/ **93%** of Europeans know PEGI guidelines (2010)
- In December 2011, GVT launched the 4.0 version of the **Guide to Responsible Internet Use** which is expected to reach **500,000** persons in addition to estimated **1 million** children, parents and teachers already on board.
- **SFR workshops**



### Adapting parental control to the multimedia environment

- 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
- GVT launched a parental control tool « **Protect Total** » (2010)
- Blizzard made available mechanisms to limit gaming and configure break times
- Thousands of *World of Warcraft*®'s accounts closed by Blizzard



### Empowering young people in their media practices

- Pan EU-Youth/ Insafe/ European Schoolnet
- Canal+ Cyfrowy and Mediastarter education program

**Key figure :**

**2.3 billion euros**  
invested in content  
in 2011

# 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)

\*CNC: French national center of cinematography

**Key figure :**  
**3,4 billion euros**  
invested in networks

# Specific issues (3/3)

## Sharing Knowledge (1/2)

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** contributing to intercultural dialogue
- The CanalSat Horizons' *Bouquet Africain* includes 22 African channels and radios
- **Arabic et Tamazight languages** proposed by Maroc Telecom



Facilitating  
access to ICTs  
and to content

- **3.4 billion euros** invested by Vivendi in industrial activities in 2011 (including 3 billion in telecommunications)
- Maroc Telecom Group's subsidiaries invested **41%** of their revenues for reducing the digital gap and improving the quality of the networks (2010)
- GVT invested **705 million euros** in networks (+46% compared to 2010)
- **100%** of Canal+ programs are accessible to hearing-impaired persons Sourdline Canal+
- SFR DEAFI\* customer service/ **14** offerings and services to disabled persons/ **768** software applications adapted for visual disability (2010)

# 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)
- **Data and Content Protection Charter** (2008) / « Guide to good practices regarding sensitive data » (2009)
- 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.

**Key figure :**

**2.7%** of the capital is held by employees

# Strategic issues (2/3)

## Social issues

### 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)

# Strategic issues (3/3)

## Environmental issues

### A rigorous policy

- 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



### Reducing energy consumption

- **90%** of CO<sub>2</sub> 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)

### Health & Radiofrequencies (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

## Rankings



- 1<sup>st</sup> in the European media sector (January 2011)

- 1<sup>st</sup> worldwide ex aequo (March 2011)



ESG  
Ratings



- 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, 1<sup>st</sup> French company in this Global 100 (January 2012)

## SRI Indices



# 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 it's 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 Resources 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

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