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COMMUNICATION ON PROGRESS 2014

United Nations Global Compact
July 28, 2015

vivendi



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CEO'S STATEMENT



Vivendi is a **global integrated media and content group** including Canal + Group, Universal Music Group and Vivendi Village. Vivendi differentiates itself through its approach and contribution to sustainable development, allowing present and future generations:

- to meet their needs to communicate,
- to nurture their curiosity,
- to foster the development of their talent,
- to encourage intercultural dialog and learn to live together.

Vivendi, a signatory of the United Nations Global Compact, reports in its “**2014 Communication on Progress**” the implementation of the ten principles of the Pact within the Group’s sphere of influence. As a creator, publisher and distributor of content, the group exerts a **human, intellectual and cultural influence** over millions of customers and citizens. In 2014, the group invested €2.3 billion in content.

Societal priorities are at the top of the group’s concerns and commitments. It is therefore important for Vivendi, in a highly competitive international environment, to maintain a high standard for innovation, not only in its ability to discover and empower talent, in its offers of services and musical, cinematographic or audiovisual content, but also in its vision and responsibility to society. **The media and cultural industries sector, while contributing to the revitalization of the economy, also contributes to the harmonious development of the world and to learning to live together.**



The corporate social responsibility is integrated in the strategy and governance of the Vivendi because it fully contributes to its value creation. Vivendi has driven its CSR on four “core” strategic issues that are directly linked to its business :

- **promoting cultural diversity** in the production and distribution of content while fostering the creative process of artists ;
- **empowering and protecting young people** in their use of digital media ;
- **fostering knowledge sharing** which includes pluralism of content, media accessibility and literacy ;
- **valuating and protecting personal data** to take advantage of the great potential of digital technology while respecting the privacy of the group’s customers.

These four CSR strategic issues relate to human rights and refer to international texts and standards such as the 1989 United Nations Convention on the Rights of the Child, UNESCO’s 2001 Universal Declaration on Cultural Diversity, and, of course, the 1948 Universal Declaration of Human Rights. The latter indeed reminds, in its article 27, that everyone has the right freely to participate in the cultural life of the community and to enjoy the arts.

Other declarations such as the European Union Charter of Fundamental Rights, the OECD guidelines for Multinational Enterprises or the United Nations Millennium Development Goals could also be mentioned.

The elaboration of an innovative non-financial reporting relevant to our sphere of influence, the inclusion of CSR criteria related to human rights in the variable compensation of senior executives, the integrated reporting approach, the willingness to report our responsibility to all our stakeholders, are all illustrations of the implementation of the Global Compact Principles.

Paris, July 28, 2015

Arnaud de Puyfontaine
Chairman of the Management Board - CEO
Vivendi

AN INTEGRATED MEDIA AND CONTENT GROUP

2014 was marked by structural changes in the governance, strategy and organization of Vivendi. Following the end of the General Shareholders' Meeting held on June 24, 2014, the Supervisory Board resolved to transform Vivendi from a holding company into a **global integrated industrial group in media and content**. Initiated more than two years ago, the repositioning of Vivendi was completed in 2014 with the disposal of our three telecommunications assets: Maroc Telecom, SFR and GVT.

Our businesses

Vivendi operates businesses throughout the media value chain, from talent discovery to the creation, production and distribution of content.



The main subsidiaries of Vivendi comprise **Canal+ Group** and Universal Music Group. Canal+ is the leading pay-TV operator in France, and also serves markets in Africa, Poland and Vietnam. Canal+ operations include Studiocanal, a leading European player in production, sales and distribution of film and TV series. **Universal Music Group** is the world leader in recorded music, music publishing and merchandising, with more than 50 labels covering all genres. **Dailymotion** is one of the biggest aggregation and distribution platforms for video content in the world. A separate division, **Vivendi Village**, brings together Vivendi Ticketing (ticketing in the UK and France), MyBestPro (experts counseling), Watchever (subscription video-on-demand) and the Paris-based concert venue L'Olympia.

FOCUS

Scope Information

This 2014 Communication on Progress takes into account Vivendi's refocus on media, and presents the actions carried out by the headquarters, Canal+ Group, and Universal Music Group. Vivendi Village will be included in the scope of CSR reporting starting from 2015. Dailymotion, whose acquisition will be finalized in 2015, will be included in 2016.

Concerning GVT, please note that the group's 2014 non-financial information have been consolidated in Chapter 2 of Vivendi's Annual Report but they do not appear in this Communication on Progress because the entity was sold in 2014. GVT is itself signatory of the Global Compact.

The group and the CSR policy at a glance

INNOVATIVE CSR POSITIONING

Vivendi differentiates itself through its approach and contribution to sustainable development, allowing present and future generations: to meet their needs to communicate, to nurture their curiosity, to foster the development of their talent, to encourage intercultural dialog and learn to live together. As a publisher and distributor of content, the Group has a human, intellectual and cultural influence on society.

As early as 2003, Vivendi has based its corporate social responsibility on some “core” strategic issues directly linked to its business, which are **related to human rights and refer to international declarations** :



Promoting cultural diversity
in the production and distribution of content while fostering the artistic creative process



Empowering and protecting young people
in their use of digital media



Fostering knowledge sharing
which includes pluralism of content, media accessibility and literacy



Reconciling the valuation and protection of personal data
to take advantage of the great potential of digital technology, while respecting the customers' privacy

Vivendi sheds the light on the first principles of the Global Compact relating to human rights, which comply with the **Guiding Principles on Business and Human Rights** set out in 2011 by John Ruggie.

FOCUS

2014: Vivendi's CSR positioning shared with stakeholders

In July 2014, Vivendi arranged a consultation with **40 stakeholders** out of five categories (shareholders/investors representatives, public authorities, the institutional environment, academic institutions and associations/NGO/experts) to better understand their perception of the group's CSR policy. A substantial consensus emerged favoring further strengthening of the positioning of the group's CSR policy within the three historical “core” issues (promoting cultural diversity, empowering and protecting youth, and sharing knowledge), to which the issue of protecting personal data was added in the interests of consistency, given the development of the group's digital activities.

INNOVATIVE CSR POSITIONING

Our strategic “core” CSR issues stem from human rights



Promoting cultural diversity refers to the 1948 Universal Declaration of Human Rights (Art. 27), the 2001 UNESCO Universal Declaration on Cultural Diversity (Art. 5), and the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions (Art. 2).



Empowering and protecting young people is enshrined in the 1989 United Nations Convention on the Rights of the Child (Art. 27) and in the “Children’s Rights and Business Principles” introduced by the United Nations Global Compact, together with the UNICEF and Save the Children (March 2012).



Knowledge sharing contributes fully to the exercise of human rights as stated in Article 11 of the Charter of Fundamental Rights of the European Union (2000) on freedom of expression and information, and by the United Nations Millennium Development Goals (2000-2015).



Protecting personal data is recognized as a fundamental right in various legal instruments, including the Charter of Fundamental Rights of the European Union (Article 8), the OECD Guidelines for Multi national Enterprises and the Council of Europe’s convention for the Protection of Individuals with regard to Automatic Processing of Personal Data.



FOCUS

2014: Vivendi included in the FIDH Investment fund

Vivendi’s positioning was applauded by the **International Federation of Human Rights Leagues (FIDH)**, which, in November 2014, added Vivendi to its Liberty and Solidarity Investment Fund, a fund that has been managed by Banque Postale Asset Management since 2001. In particular, the FIDH recognized “the innovative efforts undertaken by Vivendi in terms of understanding, measuring and improving its impact on human rights.” The FIDH noted that “establishing and reporting on indicators measuring the impact, in terms of human rights, of the content distributed by Vivendi is especially innovative.” Vivendi is **the only French company in the media sector** listed by this investment fund that has been awarded the label Novethic SRI.

THE UNITED NATIONS GLOBAL COMPACT INTEGRATED INTO THE GROUP'S CSR STRATEGY

Vivendi signed in March 2008 the United Nations Global Compact, five years after defining, in 2003, its strategic issues linked to its activity as a producer and distributor of content. The group has thus identified human rights relating to its core business and those that are inherent to its status of a listed company with a global reach. This innovative approach to sustainable development issues makes Vivendi one of the CSR pioneers in the media sector and cultural industries.

The Global Compact's ten principles meet these requirements, and that is why **they are the basis of the group's CSR reporting**.

CSR criteria related to human rights integrated into senior executives' variable compensation

Since 2010 and on the Supervisory Board request, CSR criteria are integrated into senior executives' variable compensation. This means measuring their contribution to performance objectives linked to the strategic CSR issues common to all subsidiaries and directly related to their business.

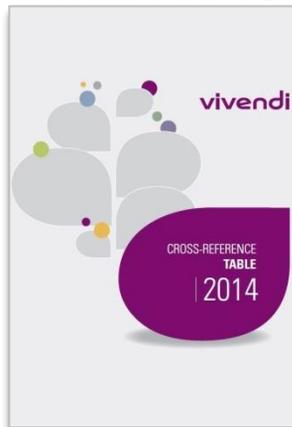
In 2014, most of the objectives were reached or even exceeded by the group's business units. The amount of compensation relating to these objectives can account for **up to 10% of the variable portion**. The objectives in question applied to **1,102 senior executives** in Vivendi's subsidiaries and headquarters.

Given Vivendi's shift in focus towards media and content, these objectives have been supplemented and also address the issue of personal data protection for fiscal year 2015.

For further information on the CSR objectives set for 2014 and 2015, see 2014 Annual Report, p. 44

Cross-reference table

GRI - French Grenelle II Law – United Nations Global Compact – OECD



Vivendi has built an innovative non-financial reporting process that clearly shows the group's CSR positioning, opportunities, and risks to stakeholders. Vivendi has established a cross-reference table between the information published for fiscal year 2014 and the main non-financial reporting references :

- GRI Guidelines (G4 « core » option + Media Sector Supplement of which Vivendi was an active contributor)
- Principles of the United Nations Global Compact
- Article 225 of the French Grenelle II law
- OECD Guidelines for Multinational Enterprises

Table available online on www.vivendi.com

The group and the CSR policy at a glance

AN INTEGRATED REPORTING APPROACH

Driven by a desire to better assess the CSR contribution to the results obtained by the group in carrying out its various activities, Vivendi has initiated an integrated reporting approach. This exercise gives the stakeholders a summary grid where they can read the group's financial and non-financial performance, its growth drivers, and the value it generated.

This approach provides an illustration of the materiality of the CSR issues linked to the group's activity, which exerts a human, cultural and intellectual influence over millions of customers and citizens.

Launched in 2013, the pilot project, devoted to cultural capital, has been widened to an international scope in 2014. Led by Vivendi's CSR department, this endeavor brought together the managers in charge of Finance and Strategy of Universal Music Group and Canal+Group and analysts representing the investment community (Amundi, Groupama AM, and Oddo Securities).

The results show that producing musical, cinematographic and audiovisual content reflecting rich cultural diversity is in the public interest (societal value) and gives the group an edge over its competitors (financial value).

The Management Board and the General Management supported the project by making it part of the integrated management of the business.

INTEGRATED REPORTING PILOT PROJECT

Intangible Cultural Capital: the Impact of the Group's Investment in Diversity of Content on Value Creation

Vivendi, a global integrated industrial group in content and media, has implemented an integrated reporting pilot project to illustrate how promoting diversity, one of Vivendi's strategic CSR issues, 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 audiovisual media group 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 of its audiences on all continents, to reveal their talent, to help them achieve their full potential, and to provide the necessary conditions for them to become open to the world and exercise their critical spirit.

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 subscribers; making the group's platforms attractive in a digital environment where existing methods are being revolutionized – 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

As a first step, in 2013, Vivendi decided to take a pragmatic approach to this initiative and to implement it initially on a limited basis at Universal Music France, Canada, in France, and StudioCanal. Led by Vivendi's Corporate Social Responsibility (CSR) department, this endeavor brought together the managers in charge of Finance and Strategy of these three entities of the group and analysts representing the investment community (Amundi, Groupama AM, and Oddo Securities), indicators establishing the link between investments in diversity of content and returns were chosen then submitted to analysts for review (please refer to diagram below).

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 Vivendi, a key player in the media sector.

In 2014, the scope of the exercise was expanded to include an international dimension in line with previous undertakings. The Management Board and General Management supported the project by making it part of the integrated management of the business (see previous double page).

Contribution to Value Creation of Investment in Diversity of Content (2014 figures)

CSR ISSUE	SOCIETAL VALUE
<ul style="list-style-type: none"> To promote cultural diversity in the content offering. To invest in new talent and sign new artists. To promote cultural heritage by exploiting an exceptional catalogue of content. 	<ul style="list-style-type: none"> To encourage the group's business participation in cultural life, a source of personal enrichment. To facilitate increased access to knowledge and entertainment. To foster mutual understanding, social ties and learning to live together.

FINANCIAL VALUE

- To increase revenues
- To improve profitability
- To enhance exposure of the brands
- To create value

UNIVERSAL MUSIC GROUP (excluding publishing)	CANAL+ GROUP	STUDIOCANAL
<ul style="list-style-type: none"> Amount of marketing investment dedicated to new talent* as a percentage of total investment: 10.6% (vs. 10.1% in 2013) Average percentage of revenue generated by new talent (scope: top 10 countries in terms of revenue: United States, Japan, United Kingdom, Germany and France): 14% Percentage of IRI* generated value generated by the catalogue** (scope: 39 countries): 27% Percentage of IRI** digital sales generated by the catalogue*** (scope: 39 countries): 47% Percentage of sales generated by local artists in their own country (scope: 39 countries): 60% (61% in 2013). 	<ul style="list-style-type: none"> Number of European works in audiovisual value and percentage (scope: 171 million or 79% (71% in 2013)). 	<ul style="list-style-type: none"> Number of European works in audiovisual value and percentage (scope: 171 million or 79% (71% in 2013)).

* IRI: New talent is defined as artists releasing their first album.
** IRI: International Revenue Index.
*** IRI: International Revenue Index.

VIVENDI ECONOMIC MODEL

VIVENDI, A GLOBAL, INTEGRATED INDUSTRIAL GROUP IN MEDIA AND CONTENT

STRATEGY

- To build and support new talent in their markets and to invest in the production and distribution of original content, music, films, TV series, and audiovisual content.
- To continue to bring to the market the greatest catalogue of content.

PERFORMANCE

- Financial performance: growth in sales and operating margins.
- Operational performance: growth in sales and operating margins.

VIVENDI'S RESOURCES

FINANCIAL CAPITAL

Vivendi has financial resources provided primarily from the results generated by its operating business, asset disposal that the group may decide to carry out, financing which it can obtain at low cost from its shareholders, the financial markets and the banking system.

INTELLECTUAL/CULTURAL CAPITAL (see pilot project in IR)

Vivendi owns intellectual property rights (patent rights for films, audiovisual programs, music catalogues, broadcasting rights for sport events) which are managed by its own distribution networks and devices, its digital platforms or those of its business partners. It also includes the use of brands, trademarks and patents. The group that has assets that help increase its creative potential and ability to attract new talent.

HUMAN CAPITAL

The group is developing its own digital platforms (CanalBleu, Watchbox) and manages a large inventory of set-up bases. It also holds properties located in the world major capitals as a result of its European and international operations.

TALENTS

Internationally, Vivendi relies on the expertise and talents of producers, artists, authors, designers, journalists and technicians. The group is enriched by this cultural diversity, enabling it to produce quality original content.

SOCIETAL ENVIRONMENT

Vivendi maintains regular dialogue with all its stakeholders or their representatives (customers, shareholders, public authorities, artists, professional organizations, social partners, financial institutions, academic world, NGOs, etc.).

NATURAL RESOURCES

The group, its suppliers and service providers use raw materials required in the manufacture and distribution of their offers of content, services (space content, transport services, consumer equipment and products (CD, DVD, etc.)).

VALUE CREATION FOR VIVENDI AND ITS STAKEHOLDERS

Enabling clients, shareholders, employees, artists, suppliers, public authorities, civil society, to benefit from the value created by the group while contributing to ensure the growth (international development, supporting new talents, innovation in the content and service offering).

Ensuring, through Vivendi's investments, a content offer that satisfies the curiosity, the desire to discover, and the critical spirit of the group's public audience around the world. Contributing to the generation of ideas of openness to others and to constructive international dialogue. Offering customers new technological services to access content, while developing a relationship of trust with them.

Guaranteeing quality in the group's equipment and platforms that meets the societal, environmental and technological expectations of customers, who wish to have the best legal offer of diversified content and guarantee respect for intellectual property.

Enhancing the skills of employees in a demanding and competitive digital environment. Developing talents and ensuring that they are visible at local and international levels. Facilitating continuity at its bases.

Facilitating meetings, bringing experts together, encouraging learning, in order to create the conditions for sustainable development and encourage learning to live together. Sharing the change challenge (invest in corporate social responsibility in the media and creative industries sector).

Developing with the group's partners a better assessment of the environmental footprint of digital technology.

For further information, see the full presentation of the approach on the 2014 Annual report, pp. 16-18

The group and the CSR policy at a glance

DIALOG WITH ALL THE GROUP'S STAKEHOLDERS

Within the framework of its CSR policy, Vivendi maintains regular and constructive dialog with all its partners: investors and analysts, representatives of the national, European and international institutional environment, professional entities, academic institutions and associations.

In 2014, aside from the stakeholder consultation on Vivendi's CSR policy (see p.7), Vivendi contributed to the discussions of the **UNESCO chair** "Forwardance in sustainable digital development", of the **French national consultation on digital transition**, of the Sustainable Finance Commission of **Paris Europlace**, of the International Integrated Reporting Council (IIRC), and of the **European Youth Parliament**. Vivendi also attended the **Ministerial Committee for equality between women and men** implemented by the French minister of Culture. The group is a founding member of **ORSE** (the Study Center for Corporate Social Responsibility) and contributes to the works of **IFA** (the French Institute of Directors). Besides, in early 2015, Vivendi and **SciencesPo** have signed a partnership to foster the public debate on the social responsibility of companies in the media sector and the cultural industries.

As a founding member to the **CSR Media Forum**, which brings together the French media companies committed to CSR, Vivendi actively contributed to the preparation of the handbook "CSR in the Media Sector", the aim of which is to present issues of responsibility that are media specific, to share the initiatives of the sector and to develop sector reporting tools.

DIALOGUE TOOLS

Because dialogue with stakeholders brings new ideas and suggestions to any group that keeps abreast of its partners' concerns, the CSR Department has implemented two innovative tools: the website

Culture(s) with Vivendi and the CSR webradio *Vivoice*.



vivoice.vivendi.com
 @WebradioVivoice
 cultureswithvivendi.com
 @CulturesWith
 Cultures with Vivendi

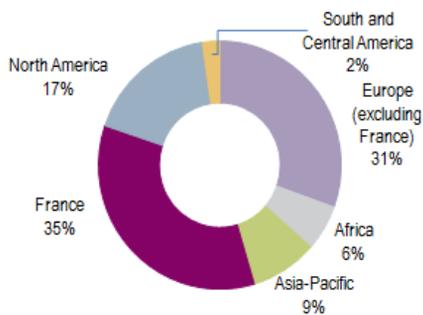


Linking its “core” strategic CSR issues to human rights enables Vivendi to meet the growing expectations of its stakeholders, including investors who are increasingly paying attention to the performance of companies in relation to human rights.

KEY FIGURES

Revenues : €10,089 million
Present in 67 countries in the world
15, 571 employees

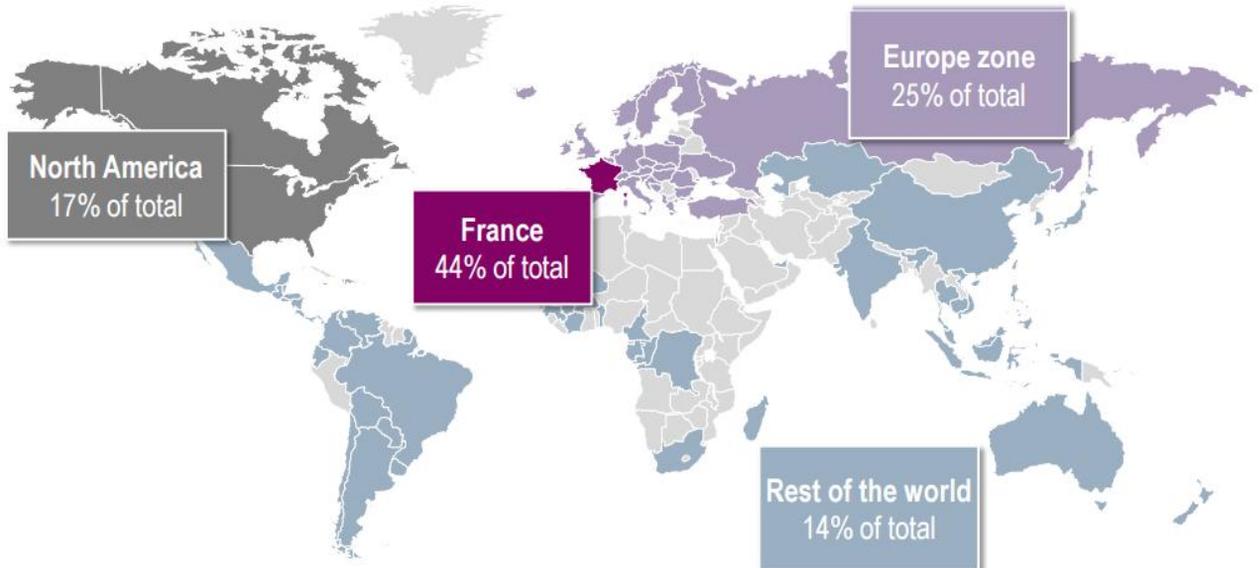
Headcount by geographic area



Revenues by business segment

	2014	2013
Canal+ Group	5,456	5,311
Universal Music Group	4,557	4,886
Vivendi Village	96	71
Elimination of intersegment transactions	(20)	(16)
TOTAL	10,089	10,252

Revenues by geographic area



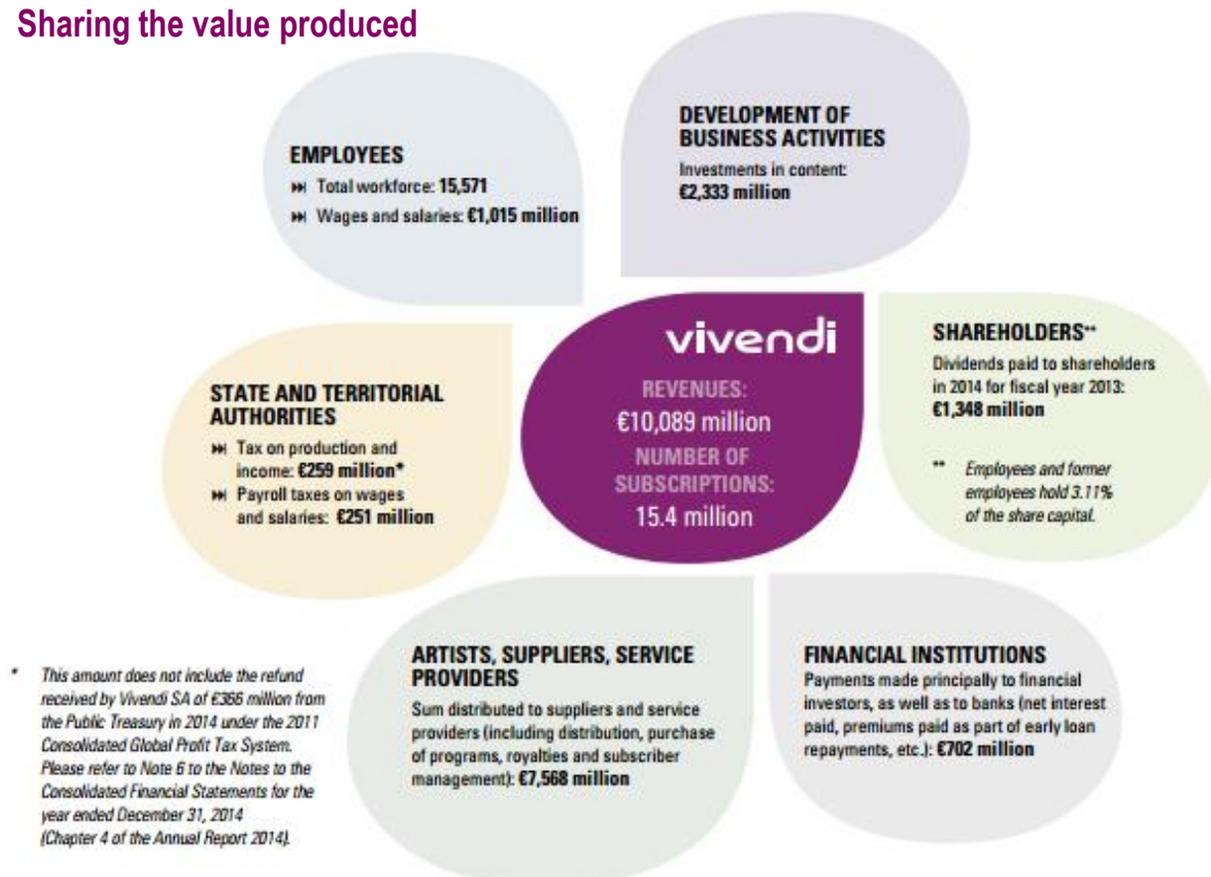
Data as of 12.31.2014

Scope covered: Universal Music Group, Canal+Group, Vivendi Village, Corporate

The group and the CSR policy at a glance

KEY FIGURES

Sharing the value produced



Investing in content

Gross investments in content (in millions of euros) 

GRI	UNGC	OECD
G4-DMA EC Economic performance aspect, G4-EC1	1, 2	IV
	2014	2013
Consolidated data	2,333	2,435
C+G	1,740	1,783
UMG	570	625
Watchever	23	27

Gross investments in content represent the films, television and sports rights paid by Canal+ Group, advances paid by UMG to artists, as well as the investments in content realized by Vivendi Village's entity Watchever which is developing in the online video segment.

Partnerships with civil society

Vivendi's business units devoted **€6.58 million** to solidarity programs and sponsorship action in 2014. In addition, Vivendi runs the **Create Joy** program (more information on Vivendi 2014 Annual Report, p.56)

vivendi
create joy  fund

HUMAN RIGHTS PRINCIPLES AND COMMITMENTS

1

Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence ;

2

... and make sure they are not complicit in human rights abuses.

- Vivendi contributes, within its sphere of influence, to promote human rights and ensure its employee's awareness on the topic.

- Vivendi shares the vision of UNESCO, whose 2005 Convention on the Protection and Promotion of the Diversity of Cultural Expressions states that cultural diversity is *"a mainspring for the sustainable development for communities, peoples, and nations."*

- Vivendi has the responsibility to empower and protect the younger generation in its use of digital media and cultural practices, so that young people can express their creativity and status as citizens in an environment that respects their rights, according to Art.27 of the UN Convention on the Rights of the Child.

- Vivendi commits itself to support and participate in the sharing of knowledge and access to media and new technologies (8th Millennium Development Goal defined by United Nations). Knowledge sharing contributes fully to the exercise of human rights as stated in Article 11 of the Charter of Fundamental Rights of the European Union on freedom of expression and information.

→ Vivendi pursues an **active dialog with its stakeholders** and regularly brings together employees and representatives of civil society to discuss the key topics of sustainable development and the promotion of human rights.

→ In 2003, Vivendi defined the **promotion of cultural diversity** as one of its CSR strategic issues. The group promotes the variety and diversity of its content, enhances new and local talent and showcases cultural heritage.

→ In 2003, Vivendi defined the **empowerment and protection of young people** as one of its CSR strategic issues. The group evaluates the impact of its product and service offerings on young audiences in terms of opportunities or risks, and apprehends generational approaches of media and cultural practices.

→ In 2003, Vivendi defined the **sharing of knowledge** as one of its strategic CSR issues. The group contributes to producing pluralistic quality content for a large and diverse audience. It aims at facilitating access to this content and to media literacy.

Implementation of principles related to human rights

▪ Vivendi has the responsibility to protect its customers' personal data and build their digital trust in a spirit of loyalty and transparency.

→ In 2014, Vivendi decided to include the issue of **valuation and protection of personal data** within the core CSR strategic issues. The group is vigilant about reconciling personal data protection with the offering of new content and services aimed at meeting the expectations of its audiences.

▪ Vivendi is committed to support and to implement the fundamental principles of human rights and promotes them to its suppliers and providers.

→ **Compliance Program** formalizes the group's commitments, concerning human rights, on the form of rules of conduct. Adherence to these rules of conduct is a condition for belonging to Vivendi. An annual progress report, based on these rules of conduct, is prepared by Vivendi's General Counsel's office and presented to the Audit Committee.

EXAMPLES OF ACTIONS AND RESULTS ACHIEVED



Human rights related to the “core” business of Vivendi

During the 2014 consultation with stakeholders (see p.7), a substantial consensus emerged favoring further strengthening of the positioning of Vivendi's CSR policy within the three historical “core” issues (promoting cultural diversity, empowering and protecting youth and sharing knowledge), to which the issue of protecting personal data was joined in the interest of consistency, given the development of the group's digital activities. **The relevance of these issues is confirmed as Vivendi defines itself as a global integrated group in media and content.** The main focus of the four “core” CSR issues are :

→ *promotion of cultural diversity* : investing in creativity at its source, promoting local talent and cultural heritage, supporting artists and respecting intellectual property;

→ *empowerment and protection of youth* : enabling young people to express their creativity and civic engagement and giving them a voice, promoting rules of professional ethics, offering control tools to parents and promoting awareness raising ;

→ *knowledge sharing* : promoting pluralism and quality of content, enhancing media accessibility and literacy, encouraging dialog among cultures, and raising awareness on sustainability issues;

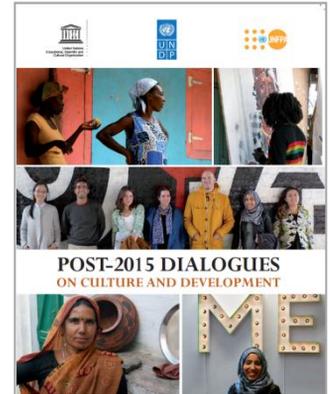
→ *valuation and protection of personal data* : build a relationship of trust with audiences, maintain a vigilance on the digital environment (employees, suppliers and IT systems).

Vivendi's Reporting Protocol incorporates indicators linked to these issues, along with indicators and non-financial information for the other CSR priority issues. **The Statutory Auditor Ernst & Young assessed the relevance and materiality** of those indicators. Ernst & Young audited one third of the data collected pursuant to this Reporting Protocol, which is presented in Chapter 2 of the 2014 Annual Report.

Promoting cultural diversity in content production and distribution

Contributing to the Dialogues on the implementation of the post-2015 development agenda

Vivendi took part in a **consultation** launched by **UNESCO, UNFPA and UNDP** about the role of culture in the implementation of the post-2015 development agenda. Vivendi responded to a call for papers inviting stakeholders to contribute ideas and best practices, with [a paper](#) focused on Corporate Social Responsibility as a way for cultural and creative industries to fight against material and intellectual poverty. Vivendi's input is featured in the [Final Report of the Post-2015 Dialogues on Culture and Development](#) established out of the 139 contributions received.



Culture in the spotlight of [Culture\(s\) with Vivendi](#) and [Vivoice](#)

Through testimonials from international personalities and rich and varied contributions (**more than 80 videos, articles and columns featured in 2014**), the website [Culture\(s\) with Vivendi](#) actively pursued its objective of illustrating the role played by the cultural industries and the media sector in promoting sustainable development. Culture was also regularly featured in the programs of [Vivoice](#), Vivendi's CSR webradio, in its special programs and in a new series of one-to-one interviews featuring singer-songwriter Ayo and Studiocanal's Executive Vice President of Strategy and Finance Romain Bessi, among others.

Raising awareness of women's role in the music and cinema industry

In 2014, Vivendi was invited to join the **Ministerial Committee for gender equality in the field of culture and communications**, chaired by French Minister of culture and communication. Composed of some thirty stakeholders and supported by a dedicated observatory, the Committee monitors the evolution of gender equality in the culture and media sector and makes proposals. Furthermore, Vivendi contributed to raise awareness on the issue of gender equality through **studies, facts and figures** published on [Culture\(s\) with Vivendi](#). The website also gave exposure to women in high responsibility positions in the cultural sector, as well as women involved in traditionally 'male' professions, such as **director of photography Caroline Champetier, conductor Laurence Equilbey, showrunner Anne Landois, and Business Affairs Director Sarah Forest**.



→ see also the *Integrated Reporting* focus on p.10

Implementation of principles related to human rights



Supporting cinematographic creation in France

In 2014, Canal+ remained a special partner of French cinema. It actively supported creation by financing **40% of French films** approved by the CNC (the French National Center for Cinema and the Animated Image) to a total amount of **€132 million**.

Percentage of CNC-approved French-initiative films financed by Canal+ and associated amounts 

GRI	UNGC	OECD	Scope covered
MSS M3	1, 2	II, IV	Canal+
			2014
			2013
Canal+			40% (€132 million) 54% (€153 million)



Supporting young filmmakers

Canal+ Group has a particular focus on the discovery of new talent. The channel empowers young filmmakers by **financing their first and/or second films** and carries out specific talent-spotting programs such as *Repérages* and *Canal Factory*.

Number of first and second films financed by Canal+ 

GRI	UNGC	OECD	Scope covered
MSS M3	1, 2	II, IV	Canal+
			2014
			2013
Canal+			27 first films & 15 second films 32 first films & 20 second films



Promoting European works and cinema heritage

Studiocanal, a wholly-owned subsidiary of Canal+ Group, has established itself as a leading European player in the coproduction, acquisition and distribution of films. In 2014, Studiocanal invested **€173 million in European works**. Studiocanal is also involved in promoting and preserving a catalogue of over 5,000 European and American titles. To date in France, **2,000 films** are available digitally of which almost 1,000 are in HD. In 2014, Studiocanal **restored two films** (*Daybreak* by M.Carné and *Tales of Hoffman* by M.Powell and E.Pressburger) and **digitized 21**.



Putting musical diversity at the heart of the business

Universal Music Group (UMG) offers a vast catalog with a wide variety of musical genres. It bases its growth policy on developing international artists, but also on developing **local talent**, in order to maintain a leadership position in its different national markets. In 2014, local artists across 59 countries account for more than **60%** of UMG's physical and digital sales. Also, UMG's investments drive musical creativity by identifying and supporting **new talent**. In France, 28% of marketing investment was dedicated to new talent in 2014.

Percentage of sales accounted for by local repertoires in their own countries 

GRI	UNGC	OECD	Scope covered
MSS M3	1, 2	II, IV	UMG (59 countries)
			2014
			2013
UMG			60% 61%



Showcasing musical heritage

Universal UMG develops platforms and applications that offer new ways to explore the group's exceptional catalog and help diversify the musical culture of the listeners. Two examples among others: the websites **Sinfini Music** that brings classical music to a broad and new audience, and **Udiscover**, a free-to-consumer platform for discovering legendary UMG artists.

FOCUS

Developing local talent in Africa at the heart of Vivendi's CSR strategy

Vivendi has made the development of local talent in Africa an essential component of its CSR policy, evidenced by, among other things, the setting of networks involving colleagues in the subsidiaries located in Africa, the collecting of data on societal indicators since 2004, and the running of a **sound engineering training program**.

Started in 2006 with the support of UNESCO, this annual program takes place at the Moffou studio in Bamako. It gains the loyalty of young professionals, who develop diversified skills such as the skills required to record the "Made in Bamako" album in 2012 or the captioning of a live show, as in 2014, when they recorded live a **concert by Salif Keita and the Ambassadeurs Internationaux**. One of the interns in this training program was the first winner in the "Technicians" category in November 2014 of the Ghislaine Dupont et Claude Verlon RFI (Radio France International) scholarship.



The 2014 training session - video available on Culture(s) with Vivendi

In 2014, in order to share views with stakeholders, Vivendi devoted a special broadcast of its CSR webradio Vivoice to the topic "**Africa, culture and sustainable development**": the event led to a lively debate between representatives of the ACP (group of African, Caribbean and Pacific countries), CSR experts in Africa, media professionals and African artists.



Vivendi's commitment is shared with all the group's subsidiaries. For instance, **more than 50 films** have been co-produced or co-financed since 2005 by Canal+ Group in Africa. In 2014, Canal+ Africa also launched **A+, a new 100% African channel** broadcast through the Canalsat package in more than 20 countries in West and Central Africa.

Canal+ Africa also contributed to the development of African cinema by supporting three major festivals (FESPACO, Clap Ivoire and Ecrans noirs) and by running, between 2013 and 2014, the project **L'Afrique au féminin**, whose purpose was to encourage African women to be involved in filmmaking and contribute to their training and professionalization. The collection of best documentaries has been aired by Canal+ in Africa in September 2014.

Universal Music Group has numerous African artists signed to labels and in its catalog, such as Ayo (Nigeria), Benjamin Clementine (Ghana) and Tiken Jah Fakoly (Ivory Coast). In 2014, it launched the first pan-African musical talent contest "**Island Africa Talent**," co-produced with Canal+ and aired on the new A+ channel. In order to strengthen its local presence, Universal Music France launched the **Island Africa label** of the same name: Baloji, a rapper of Congolese origin, was the first artist signed.

Implementation of principles related to human rights

Empowering and protecting young people in their use of digital media

Vivendi partner of the European Youth Parliament

Vivendi has entered into a partnership with the European Youth Parliament (EYP). **150 young people** met on the occasion of the Caen International Forum, which was held from May 29 to June 8, 2014, to celebrate the seventieth anniversary of the Normandy Landing. Following the example of members of the EU Parliament, in two **interactive workshops sponsored by Vivendi**, they debated the following topics: “the role of culture in sustainable development” and “protecting privacy in the digital world.” Their resolutions were submitted to the heads of state attending the official ceremonies.



The workshops held at the Caen forum

Youth Forum : a new section on [Culture\(s\) with Vivendi](#)

Because the voices of young people are an important part of Vivendi's CSR policy, a “**Youth Forum**” section was created on [Culture\(s\) with Vivendi](#) so that young people could express their views and expectations. The section continues, in particular, to provide a regular platform for expression for young members of the European Youth Parliament.

Safer Internet Day : building a safer and more creative Internet

In 2014, Vivendi dealt with the topic of empowering young audiences on its CSR webradio [Vivoice](#) in a special broadcast on February 11, on the occasion of the Safer Internet Day. The discussion focused on three topics: “**A Safer Internet**”, “**A Digital World respecting the Rights of Children**” and “**A Creative Internet: a Lever of Expression and Employability for Young People.**” The French Children's Advocate and representatives from associations (Transapi, Simplon.co, Web@cadémie), UNICEF and the French General Commission for Strategy and Outlook participated in these discussions.



Vivendi partner of France's National Youth Day

On November 20, 2014, for the third consecutive year, Vivendi was a partner in France's National Youth Day. Vivendi invited **three classes** to learn about career paths in the cultural industries and media sectors. The event was attended by executives from Universal Music France, Canal+ and Studiocanal. Almost **one hundred young people** had a chance to look more closely at a professional milieu that was previously unknown to them.



Study Day: “Children online: education in the digital era”

Vivendi contributes to public debate and participates in different events related to children protection. For example, for Study Day “Children online: education in the digital era”, which was held on October 9, 2014 by the **University of Poitiers** in collaboration with the **CEMEA** (Training Centers in Active Education Methods), Vivendi participated in the round table discussion on the responsibility of citizens, the media and the government, with regard to children. This conference provided an opportunity to compare the views of researchers, child and media specialists with those of content producers, while defining the current status of national and European regulations on the protection of children.



Supporting young entrepreneurs in the media sector

Canal+ Group has launched a structure called **CanalStart** that is designed to support initiatives and projects by young entrepreneurs in the world of media and new technologies to assist them in their development. A total of 150 projects were reviewed, 30 start-ups were identified and four initial partnerships entered into in 2014.



A self-regulation approach on commercials

In October 2014, the **nc+ channel**, a subsidiary of Canal+ Group in Poland, was a cosignatory of a self-regulation agreement covering commercials, along with the country’s 7 other main broadcasters: any advertising for food and beverages the overconsumption of which could be considered as unhealthy will no longer be permitted in the time slots of programs designed for children age 12 or younger.



A pilot age rating scheme for music videos

UMG in the United Kingdom ran a pilot age-rating scheme for video clips made available on the Youtube and Vevo platforms. Between October and December 2014, **24 video clips** were submitted to the British Board of Film Classification to be age rated and only one out of 24 has been rated 18. UMG plans to expand this good practice.



Promoting the expression of young people’s creative talent

UMG is behind a number of initiatives to encourage the expression of creative talent. The group continued to develop Spinnup, a platform for young unsigned artists to distribute their music to major digital music distributors. Located in Sweden, the United Kingdom and Germany, **Spinnup** also has a network of scouts who identify the best artists, to offer them assistance and advice. In 2014, Universal Music Group also introduced **Sinfini for Schools**, which offers free educational resources on masterpieces of classical music for teachers with pupils aged between 11 and 14.

Sharing knowledge



Stakeholder dialog on media literacy

in 2014, Vivendi has partnered with the **first European Forum on media and information literacy**. This forum, which was held in May 2014 at the initiative of the European Commission and UNESCO, brought together members of governments, audiovisual authorities, institutions, teachers media professionals, researchers and associations to promote media and information literacy in Europe, discuss MIL (Media and Information Literacy) within the EU, and encourage cooperation and initiatives at national and European level. Vivendi participated in the drafting committee for the **Declaration “Media and information literacy in the digital age”** that was announced at the close of the Forum.

Furthermore, as a partner in the **UNESCO Chair “Forwardance in sustainable digital development,”** Vivendi has contributed to the work on communication and creative practices in the digital age according to the gender. The speakers at the symposium meeting in December 2014 in Rouen discussed gender inequality in interactive relationships (particularly on social networks) and in the way young women and men approach the technical professions.



Diversity and gender equality on screen

By signing and implementing an **Ethics Charter**, Canal+ Group is committed to respecting diversity in its editorial offerings and within its teams. This commitment is reflected in a proactive policy aimed at strengthening gender equality and social diversity on its channels, so that both on-air content and the men and women presenting it illustrate the diversity existing within the company. In France, according to a study on the presence of women in news bulletins during the first quarter of 2014 which was carried out for the second year running by INA (French audiovisual institute) and requested by the CSA, Canal+ registered a **5.19 point increase compared with 2013 for the presence of female experts** – not including journalists or presenters – on air. Female presenters, for their part, are very much in the majority (72.6% compared with 11.9% men for all bulletins broadcast during the period studied). In addition, the increase in the number of women on air was **one of the CSR objectives integrated in the variable remuneration of Canal+Group’s senior executives in 2014.**



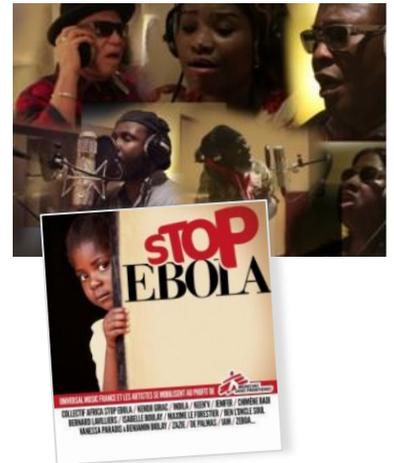
Canal+ engaged documentary policy

Thanks to its committed documentary policy, which reflects today's world, Canal+ Group is contributing to raising its subscribers' awareness of sustainable development issues, as diverse as they can be. Accordingly, in 2014, Canal+ implemented a comprehensive program to raise awareness of the sharing economy and the fight against waste on the occasion of the broadcast of the *Global Partage (Global Sharing)* documentary. About 100 talents and employees from Canal+ Group took part in an event to raise awareness of the so-called sharing economy at Place de l'Hôtel de Ville, in Paris, to coincide with the broadcasting of the *Global Partage* documentary on the channel: the employees manned stands on the exchange of cultural assets and distributed unsold supermarket goods. Canal+ also focused the spotlight on economic globalization with the *Made in France* documentary, in which a young journalist, Benjamin Carle, carries out an experiment by living for nine months using only French products. Action reflecting Canal+'s commitment beyond the screen was also taken through the running of the "*Kindia 2015*" documentary series, which follows the development projects carried out by NGOs in the region of Kindia in Guinea-Conakry from 2012 to 2015. The project was awarded the 2014 prize for Innovation from Reporters d'Espoirs.



Raising awareness of humanitarian and social causes

In response to the Ebola epidemic, UMG took action, alongside its artists, in particular through its French subsidiary, which partnered with three charity initiatives including production of the *Stop Ebola* anthology, featuring 32 of the company's artists who participated on a voluntary basis. In addition, UMG supported the promotion and distribution of [#AfricaStopEbola](#), a song recorded by a team of African artists to raise awareness in Western Africa of the Ebola epidemic and support work by Médecins Sans Frontières



Promoting access to music content

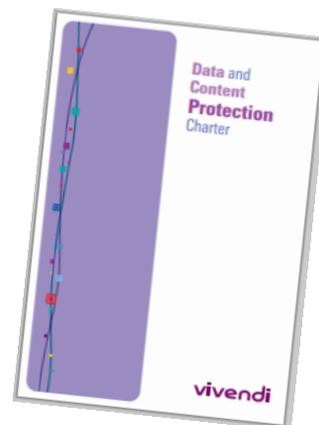
In countries that are poorly equipped with infrastructure, the **partnerships between UMG and telecommunications operators** for the creation of music bundles are helping to improve accessibility to musical content for geographically isolated populations, and make it possible to contribute to finding the best artists and local repertoire for promotion. In 2014, partnerships of this type were operating in Brazil, Peru, Argentina and Cambodia, amongst others. Moreover, UMG continued to develop **the Kleek**, a pan-African mobile streaming service available in 39 countries, which also helps in improving accessibility to musical content at a low cost by offering thousands of titles by local and international artists.

Implementation of principles related to human rights

Valuation and protection of personal data

Personal data protection within Vivendi's charter

The [Data and Content Protection Charter](#) adopted in 2008 defines Vivendi's commitments in terms of gathering and managing customers' personal data and the protection of content. The Charter sets forth the principles to be respected by each of the group's business units depending on their activity and specific organization in each of the countries in which it is active. In particular, the Charter states that "the procedures for collecting and processing these personal data must (...) respect certain basic rights in a spirit of fairness and transparency".



Personal data protection & senior executives' variable remuneration

In 2014, given Vivendi's shift in focus towards media and content, the group's subsidiaries, working closely with Vivendi's Human Resources and CSR departments, decided to **include the issue of personal data protection among the CSR criteria integrated into the senior executives' variable remuneration**. For fiscal year 2015, UMG and Canal+ Group, have set the following CSR criteria:

- commitment by UMG to expand employee training in the area of personal data protection beyond those who are already trained (Legal, Customer Relations or Marketing departments),
- development of the training of Canal+ customer relations agents.

Stakeholder dialog on personal data protection and valuation

Eager to contribute to public debate and to share its thoughts on its CSR issues, Vivendi participated in the national consultation on digital transition initiated by French Prime Minister Manuel Valls and French minister responsible for Digital Affairs Axelle Lemaire in 2014. In particular, Vivendi was part of the **public consultation on the topic "Loyalty in the digital environment"** and stressed the need for companies to build a trust and

transparency based relationship with their customers when it comes to the collection, treatment and valuation of their personal data ([contribution available here](#)). In addition, personal data protection as a human right was the focus of **Vivoice's special broadcast « Human rights at the digital age »** which gave the floor to representatives of French State Council, of the International Federation of Human Rights Leagues and of UNICEF France. The broadcast was aired on December 10, 2014 on the occasion of the Human Rights Day.





Suppliers' responsabilization

The **Data and Content Protection Charter** includes a rule stating that “Vivendi is concerned that its business partners should respect its values and codes of conduct in each country where it is active”. Accordingly, Canal+Group requires its suppliers (including external call centers, technical service providers having access to information systems and business partners) to follow the group’s rules in relation to the protection of the personal data of its customers. Similarly, in its relations with third parties such as distributors and mobile operators that have access to subscribers’ personal data, Canal+ Afrique includes contractual provisions requiring them to agree to the confidentiality of that data.



Mechanisms to monitor the personal data policy

Canal+ Group complies with the French Act on Information Technology, Data Files and Civil Liberties, which requires organizations engaged in the processing or handling of data files to guarantee the security of those files. Thus a **dedicated team** within the group’s legal department develops the personal data protection policy, monitors it, and manages relations with the CNIL (French National Commission on Freedom of Information).



A secure space for children

Canal+ Group has developed a dedicated space for children on its video-on-demand service Canalplay, featuring suitable programs with simplified browsing, all within a secure space. The parents configure access to the programs based on their children’s age, and exiting **Kids mode** is secured by authentication with a password.



A certification approach

In its Code of Conduct distributed in all countries where the group operates, UMG points out the need to protect its customers’ personal data. In the United States, the group is in the process of revising all of its websites with the aim of obtaining “**TRUSTe**” **certification**, which attests to the implementation of best practices in the area of confidentiality and personal data protection.



Employees trained in protection and securization of personal data

In the United States, UMG teams followed an on-line training course (**Security Awareness Training**), the contents of which included the protection of sensitive data and personal data. A training session on this issue also took place in the Netherlands in December 2014. In the United Kingdom, marketing and digital teams, who are particularly concerned with the processing of customer data, are made aware of the “**Consumer Data Protection Policy Day- to- Day Guidelines**” which outlines the best practices to apply on a daily basis to preserve the security of customer data

LABOR STANDARDS PRINCIPLES AND COMMITMENTS

3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining ;

4

The elimination of all forms of forced and compulsory labor;

5

The effective abolition of child labor; and

6

The elimination of discrimination in respect of employment and occupation.

- Vivendi works to establish a constructive dialog between management and the competent bodies representing employees that respect their prerogatives.

- Vivendi supports and implements the fundamental principles of labor rights and promotes them among its suppliers and providers.

- Vivendi affirms and asserts its attachment to diversity in recruitment and its fight against discrimination, which it holds to be guarantees of richness and performance.

→ Vivendi leads a process of dialog and consultation with unions in order to encourage collaboration and communication within the group.

→ The essential principles which form Vivendi's employment policy are to ensure the safety of its employees wherever they may be, to respect their employment rights, to give each of them recruitment, employment and promotion prospects based on their abilities and sense of responsibility, and to maintain employment conditions that respect their individual dignity and private life. This is the 1st rule of conduct of the group's **Compliance Program**.

→ In its **Compliance Program**, the group states that « Behavior which offends the dignity of individuals, and in particular psychological and sexual harassment and discrimination based on unlawful selection criteria such as sex, age, lifestyle, race, ethnicity, nationality, disability, religious or political opinions or beliefs, or union membership, is contrary to the values of tolerance and respect for the individual and is in-compatible with the employment policy that the group intends to apply. »

EXAMPLES OF ACTIONS AND RESULTS ACHIEVED



Employees' Rights within the [Compliance Program](#)

“Ethical business practice is one of Vivendi’s fundamental values. Acting with probity, complying with the law, **respecting the dignity and individual rights of employees**, protecting confidentiality, placing business ethics above the search for economic performance, protecting the Group’s property and resources: these are all principles which must guide the professional conduct of employees to ensure the Group’s business is conducted ethically and legally. (...) The essential principles which form Vivendi’s employment policy — in the context of a constructive dialog between management and the competent bodies representing employees which respect their prerogatives — are to ensure the **safety** of its employees wherever they may be, **to respect their employment rights**, to give each of them recruitment, employment and promotion prospects based on their abilities and sense of responsibility, and to maintain employment conditions which respect their individual dignity and private life.”



Respect and promotion of the ILO Fundamental Conventions

Vivendi complies with the fundamental principles of the ILO. In the area of labor law, these commitments require compliance with the four fundamental pillars of the ILO: freedom of association and recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labor, combating child labor, and eliminating discrimination in the area of employment and profession. Two of these four principles (freedom of association and combating discrimination) are of particular relevance to Vivendi (see Section « Social Indicators » of Vivendi Annual Report 2014).



Respect for freedom of association and the right to collective bargaining

With its social partners, Vivendi promotes **social dialog and consultation** at all levels. In 2014 all employees based in France and in the overseas departments and territories were covered by collective bargaining agreements. World-wide, 93% of corporate-level employees and 60% of Canal+ Group employees are also covered by such agreements.



Eliminating discrimination in employment

Vivendi has affirmed its commitment to **diversity** in recruitment and combating discrimination in employment. The group’s Compliance Program calls for active prevention of all forms of discrimination based on selection criteria such as gender, age, lifestyle, ethnic identity, nationality, disability, or religious, political or trade union opinions and commitments. These commitments are applied in practice through **policies relating to gender, diversity and non-discrimination**, and in the employment and job placement policies for **workers with a disability** (See Section 3.2.6 of Vivendi Annual Report 2014).

Implementation of principles related to labor standards



Abolition of Forced or Compulsory Labor and Child Labor

Vivendi complies with the ILO conventions and **bans** all forms of forced labor. Child labor is strictly prohibited in the group. In certain specific cases, such as filmmaking or music recordings, where minors may be required to make a contribution, all **regulatory requirements** are rigorously complied with.



A strong employee share ownership policy

Vivendi attaches particular importance to ensuring that employees' contributions to the group are rewarded and distributed equitably. Consequently, the group has implemented a profit sharing policy that exceeds legal requirements and strongly encourages employee savings, particularly through share ownership:

- in 2014, the total net amounts received by the employees of the group's French business units in the form of optional profit sharing plans, statutory profit sharing plans and employer's contributions to the Vivendi group Savings Plan (Plan d'épargne groupe or PEG) amounted to **€25.6 million**. This corresponds to a gross expenditure of €33.4 million for the group's companies;
- **two-thirds** of the amounts paid to employees under different profit-sharing systems was nevertheless invested in the various Share Savings Plans;
- the percentage of share capital in the company held by the employees remained above the 3% threshold throughout 2014 and was still **3.11% at year-end 2014**;
- on July 16, 2012, the Vivendi Management Board rolled out a plan for awarding free shares (Plan d'Attribution Gratuite d'Actions or PAGA) to all employees of the group's French business units. This plan was rolled out following a collective agreement entered into with the social partners on July 6, 2012 setting the general and uniform nature of the award. On July 18, 2014, a total of **727,118 Vivendi shares** were issued and awarded to 12,985 employees, each of whom received 56 Vivendi shares.



Two employee representatives on Vivendi's Supervisory Board

Starting from 2014, **two** Vivendi employees sit on Vivendi's Supervisory Board. In addition to the employee representative who represents the **employee shareholders** and was appointed for a four-year term at the 2013 Shareholders' Meeting, Vivendi chose to have an **employee appointed by the Works Council** under the employment security law of June 14, 2013 providing for the appointment of an employee representative as a member of the Supervisory Board.

Implementation of principles related to labor standards



Gender equality

With **5 women among the 14 directors** on Vivendi's Supervisory Board in 2014, Vivendi ranked high among the 120 French companies that participated in an [Ethics and Boards](#) study conducted by the French Ministry of Women's Rights in October 2014. In 2014, the **percentage of women in management** in the group remained stable.

Almost all of the group's French business units have also signed innovative **agreements on gender equality**:

- collective agreement on professional equality of men and women, pursuant to the law of March 23, 2006 providing for the implementation of a comprehensive set of measures (recruitment, promotion, compensation and maternity leave) and indicators to monitor the mechanisms put in place;
- parent-friendly agreements calling for equal treatment for father and mother; and
- agreements on working hours to facilitate a work-private life balance, for men and women.

Several measures are taken to enhance existing provisions for gender equality. For example, Canal+Group - who has signed a new agreement on gender equality on February 2014 - makes its partner hiring firms aware of the objective of increasing the number of women on final lists of applicants. In terms of internal mobility, Canal+ promotes **mobility towards business units with a gender imbalance** and allocates funding in its budget for on-the-job training. In addition, Canal+ Group has provided for the principle of a special budget, if necessary, in annual compensation budgets to remedy any **pay differentials** in the various categories.

Percentage of Women on Vivendi's Supervisory Board



GRI	UNGC	OECD	2014	2013
G4-34, G4-LA12	6	IV, V.1.e		
Consolidated data			35.7%	38.5%

Proportion of Women in Management



GRI	UNGC	OECD	2014	2013
G4-10, G4-LA12	1, 6	V		
			2014	2013
C+G			45%	47%
UMG			41%	41%
Vivendi Village			35%	38%
Corporate			51%	49%
Sub-total			42%	43%
GVT			28%	28%
Total			40%	41%

Calculation method: number of women managers in relation to all managers.

Headcount by Gender (%)



GRI	UNGC	OECD	2014		2013	
G4-10, G4-LA12	1, 6	V	Women	Men	Women	Men
C+G			50%	50%	50%	50%
UMG			47%	53%	46%	54%
Vivendi Village			44%	56%	44%	56%
Corporate			57%	43%	56%	44%
Sub-total			48%	52%	48%	52%
GVT			38%	62%	38%	62%
Total			43%	57%	43%	57%



Promoting diversity and non-discrimination policies

Universal Music Group encourages diversity in all its activities and has committed itself to eliminating all forms of discrimination through its **Equal Opportunity policy** which applies to all employees and also temporary workers and job applicants as well as the numerous contractors, suppliers and consultants.



Employment and integration of workers with disabilities

In 2014, the number of workers with disabilities rose by **24%** in Vivendi's business units in France, an increase due to the commitments made by Canal+ Group.

With its **new agreement on employing disabled workers** in effect since January 1, 2014, Canal+Group has moved ahead with its commitments on this issue. The agreement enhanced the commitments already made in previous years (discovery policy to spot young graduates with disabilities, participation in recruitments forums and specific partnerships, help provided to report on disabilities..) and reassessed the various forms of assistance provided, such as authorized absences compensated or disability Universal Employment Service Checks (Chèques Emploi Service Universel – CESU) mainly funded by the company. Numerous communication initiatives were also carried out under the CanalHandi+ banner: in 2014, programs were held to raise awareness of disability, featuring several topics such as **“invisible” disabilities**.



Supporting youth employability

Vivendi continues to pursue its engagement in employing young staff members through various types of **work-study contracts**. The increase in the number of contracts in 2014 is the result of the Canal+ Group's active investment in this kind of apprentice training programs (+16%) including professional training contracts which increased by 28%.

Number of employees with work-study contracts in the group in France

A²⁰¹⁴

GRI	PM	OCDE	
G4-10, G4-LA12	6	V.1.e	
			2014 2013
Consolidated data			230 190

Implementation of principles related to labor standards

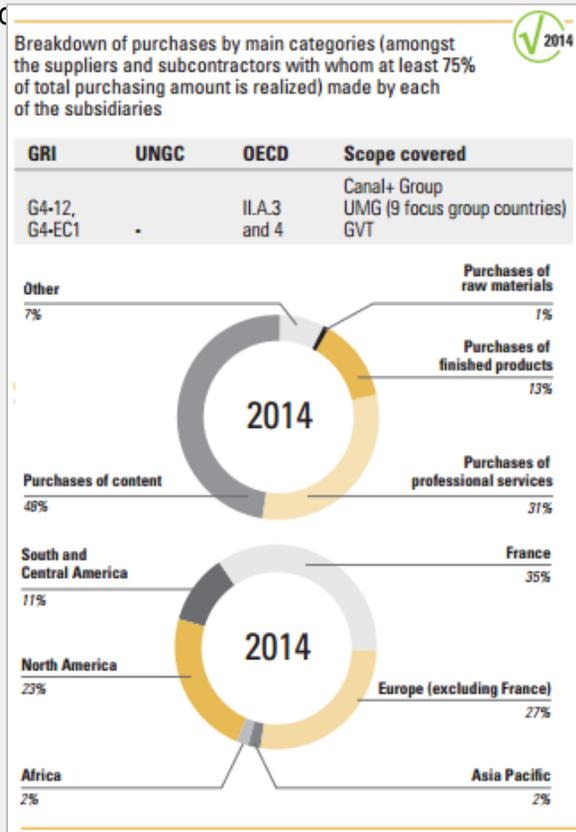
FOCUS

Vigilance in relation to the media and content supply chain

Vivendi's commitment towards its suppliers are guided by the rules of conduct of the Compliance Program, the United Nations Global Compact and the French Responsible Supplier Relationship Charter, the latter of which the company signed in 2013.

- Vivendi's **Compliance Program** includes a rule that reminds suppliers of their undertaking to provide services in compliance with the group's commercial and social ethical standards. The group's subsidiaries expect their suppliers and subcontractors to comply with the principles set forth in the Compliance Program and in the United Nations Global Compact, and with the values and rules of good conduct in their respective Codes of Ethics. Any violation of any of these principles is potential grounds for the group to terminate the contract with the supplier.
- Implementation of the **Responsible Supplier Relationship Charter** is based on the active involvement of the subsidiaries in France. In 2014, a CSR committee meeting was held with representatives from the legal and technical departments of Vivendi's headquarter and of the French subsidiaries of Canal+ Group and Universal Music Group on implementing the mediation arrangements, in the presence of the national ombudsman. An assessment of commitments was presented on that occasion.

In 2014, a **more precise assessment** was made of the purchases from suppliers and subcontractors that account for at least 75% of the total expenses of the subsidiaries, so as to obtain a detailed view of the risks related to the group's supply chain. It shows that nearly 80% of such purchases involve **content** (including audiovisual programs, TV rights and music licenses) and **professional services** (including promotion, marketing and distribution). As investments are made primarily by the group's companies located in Europe and North America, purchases are made primarily within those geographic areas (85%).





Each of the group's subsidiaries has made a **formal commitment, in the form of a code, charter or clause**, to incorporate social or environmental issues in the purchasing policy.

- Canal+ Group has established **contractual conditions dictating respect for the principles of the United Nations Global Compact**. These prior conditions are included in the bid solicitation documents (calls for tenders) used by Canal+ Group and in the contracts entered into with suppliers after the bids are accepted.

Purchases of audiovisual content (including films, series, broadcasts and sporting events), which represent a significant portion of the purchases made by Canal+ Group, are made under the conditions defined by the eligible parties.

In addition, the group regularly requires the following of its suppliers: obtention of the Social Responsibility label (for call centers), respect of the group's rules on personal data protection (for external call centers, technical service providers having access to information systems and business partners); waste management procedures (for manufacturers of set-top boxes).

The group's purchasing team in France is reminded regularly of fair practices with suppliers. Furthermore, in 2014, purchasing teams in Poland have been sensitized to, among others, **"fair purchasing"**, the purpose being to draw special attention to purchases for which the manufacturing process adheres to the principles of fair trade – that is, guaranteeing decent revenue for producers in the context of a long-term relationship.
- When tendering and contracting with its principal suppliers in all its major territories, UMG includes a clause in the tender documents referring to UMG's CSR policy and to Vivendi's Compliance Program .

UMG reserves the right to **audit the supplier's premises** at any time to ensure that these commitments are respected and that adequate procedures have been established to protect UMG's right of ownership against **piracy**, and that the supplier's premises meet **health and safety** requirements.

All UMG's purchasing staff are trained in responsible purchasing through the procurement system used throughout the group. This training is supplemented and formalized through the acquisition of specific professional qualifications.

ENVIRONMENTAL PRINCIPLES AND COMMITMENTS

7

Businesses should support a precautionary approach to environmental challenges ;

8

Undertake initiatives to promote greater environmental responsibility;

9

Encourage the development and diffusion of environmental friendly technologies.

- Vivendi defends environmental awareness and takes full responsibility in this domain, while it operates in business sectors where exposure to environmental risks is relatively low.

→ [Environmental awareness](#) is a clearly defined rule of conduct set down in Vivendi's [Compliance Program](#).

EXAMPLES OF ACTIONS AND RESULTS ACHIEVED



Vivendi's commitment in favor of the environment

The seventh rule of the [Compliance Program](#) defines the commitment of Vivendi towards the environment: "Vivendi undertakes to promote the **respect of the environment** in all its activities. It is up to each Group employee to contribute, within the scope of his or her duty, to the Group effort to protect the environment:

- by becoming familiar and complying with laws and regulations, instructions and procedures set out by its company;
- by immediately reporting, to the attention of the persons responsible for managing such situations, any non compliance with regulation, risk situation or incidents which he or she is aware of."



The reporting requirement

Vivendi's shift in focus to media and content has slightly modified the key reporting themes. In 2014, a decision was made to stop monitoring water consumption and quantities of hazardous waste, as those indicators were no longer relevant after the disposal of the telecom businesses, while accuracy has been increased and monitoring stepped up on **purchases of the plastics and acrylics** used in the manufacture of products intended for sale. Special attention has been paid to the Canal+ Group's African subsidiaries, with increased emphasis on the **awareness of local correspondents of environmental issues**, especially energy consumption and management of electric and electronic waste. The audits carried out in connection with the verification by the Statutory Auditors of the data reported in the Annual Report concerned new companies such as Canal+ Senegal and nc+ in Poland.



The certification process

Committing to a certification process allows the company to evaluate, structure and report on its environmental policy, and also to meet with its employees and other stakeholders to discuss common objectives:

- the site where all the Canal+ Group's free channels are located is certified **BREEAM** (BRE Environmental Assessment Method), the world's most widely used method of assessing the environmental performance of buildings;
- in 2014, the headquarters of Universal Music Group in Santa Monica received the **Energy Star** certification issued by the US Environmental Protection Agency (EPA) for the eighth time. This distinction is reserved for top-ranking businesses recognized for their energy performance at national level. The **Green Business** certification was also renewed by the city of Santa Monica;
- registration of Vivendi's headquarters as part of the EU's **EcoManagement and Audit Scheme (EMAS regulations)** with the French Ministry of Ecology, Sustainable Development and Energy was maintained, in 2014 in accordance with an annual follow-up audit. EMAS is a management tool for Vivendi's headquarters. Decisions on initiatives to reduce impacts on the environment are made by the "Green Team" Committee, led by an EMAS coordinator, which brings together some ten members from different departments: administrative services, IT support, human resources, finance, communications, CSR, and internal audit, as well as the service provider in charge of maintenance for the site.

BREEAM[®]



Implementation of principles related to the environment



Environmental issues of digital technologies

Vivendi's business units are offering their customers an ever-increasing range of creative digital content and high-speed access services. In this context of increasing digitalization, with the accompanying explosion of new uses, Vivendi works to obtain a better grasp of the **environmental footprint of the digital world**. Following a first CSR committee held in 2013 on "Energy consumption in information and communications technologies (ICTs) », a **working group** was set up in 2014 and has held two working sessions in order to examine this little explored topic in greater depth. This has enabled Vivendi to make an initial assessment of the status of its **digital supply chain** at Universal Music and Studiocanal, in order to assess its impact and determine what room existed for initiatives in this area. The group hopes initially to establish measurement indicators with its main suppliers.



Better control of energy consumption

Vivendi's business units have continued to strive, in 2014, for greater energy efficiency in their infrastructure and equipment, in order to control the forms of energy consumption that are the chief sources of the group's CO₂ emissions (for instance, electricity consumption contributes to 80% of CO₂ emissions related to consumption from fixed sources). Special attention has been paid to air-conditioning as a source of high electricity consumption.

- The facility comprising all the free channels of Canal+ Group, in France, is equipped with free cooling generators that use air from outdoors to cool film sets and equipment, leading to energy savings of **13%** a year, the equivalent of 100 tons of CO₂. More work has been done to improve the insulation of buildings by Canal+ Overseas (Canal+Group's entity in charge of overseas activities).
- Some of the buildings housing UMG offices located in South America use low-reflection windows to reduce the indoor temperature and limit the use of air conditioning. A number of UMG facilities have also actively sought to reduce their electricity consumption by installing LED technology and use automatic motion detection systems or timers to light offices during working hours only.
- In order to get a detailed energy diagnostic with a view to investing in energy reduction measures, **six energy assessments** were carried out by UMG in 2014. They involved UMG's five main facilities in the United Kingdom and one in Poland. The assessments on UMG's four main facilities in the United Kingdom were conducted by the leading commercial real estate services firm CBRE.



Control of the upstream impacts

As part of an effort to offset energy, Universal Music France has agreed to **diversify its sources of electrical supply** by purchasing electricity from renewable sources. At some UMG facilities, more than 70% of the electricity consumed comes from renewable sources. Some subsidiaries of Canal+ Group are also working on this diversification, in particular through the purchase of electrical energy from hydropower sources in Asia and from photovoltaic energy in Africa.



Management of the vehicle pool

The amount of CO₂ emissions attributable to vehicles remains unchanged compared to 2013. In France, Canal+ Group is continuing its efforts to replace its vehicles with greener vehicles, which has enabled it to reduce its CO₂ emissions by **30 g/km per vehicle** over the past five years. Moreover, in 2014, Canal+ has introduced an electric shuttle to enable employees to circulate between the Issy-les-Moulineaux and the Boulogne-Billancourt facilities. The employees receive training in eco-friendly behavior in a number of the Canal+ Group's subsidiaries in Poland and Asia. UMG in Sweden has invested in **electric vehicles**, which are provided to its employees for business travel. UMG in California has included resources in its 2015 budget to install two recharging stations for electric or hybrid vehicles.



Sustainable use of resources

The new models of set-top boxes placed on the market by Canal+ Overseas include environmental criteria in the design which have made it possible to reduce the amount of plastic used. This accounts for the reduction in consumption of plastics and acrylics used in the manufacturing of products at Canal+ Group (**117,756 kg** in 2014 compared to **142,215 kg** in 2013). Improvements were also made in cardboard packaging, resulting in a reduction of approximately **15%** in the amount used.



Information categories

Vivendi, with regard to its businesses, has **relatively little exposure** to environmental risks. Within the framework of the preparation of the verification work by the Statutory Auditors, the following information categories (extracted from the French *Grenelle II* law) were deemed **irrelevant** in 2014 with regard to the group's media and content businesses:

- Measures to Prevent Environmental Risks and Pollution;
- Financial provisions (and guarantees) for environmental risks;
- Prevention, reduction or remedying of emissions into the air, water and soil;
- Account taken of noise pollution and any other form of pollution specific to an activity;
- Land use;
- Adaptation to climate change;
- Measures taken to preserve or develop biodiversity.

ANTI-CORRUPTION PRINCIPLES AND COMMITMENTS

10

Businesses should work against corruption in all its forms, including extortion and bribery.

▪ Vivendi works against corruption in all its forms, including extortion and bribery, and makes sure this principle is respected by all its suppliers and providers in all of the countries in which the Group operates.

→ The fight against corruption and the receipt from or grant to any third party of an improper advantage of any kind for the purpose of obtaining preferential treatment is a clearly defined rule of conduct set down in Vivendi's [Compliance Program](#).

EXAMPLES OF ACTIONS AND RESULTS ACHIEVED



The fight against corruption as a rule of the Compliance Program

The rules of conduct set down in the [Compliance Program](#) cover employees' rights, fairness and protection of information, **prevention of conflicts of interest**, **business ethics**, the protection of property and resources belonging to the Group, financial ethics, and respect for the environment.

The Compliance Program sets rules of conduct based on general principles of international law (including those established by the OECD, ILO and EU law) as well as legislation in various countries (principally France and common law countries). The Compliance Program sets forth the general ethical rules applicable to all Group entities; following this approach, each operational business unit has also established its own Code of Ethics based on the Compliance Program. The group's General Counsel and Company Secretary and the Compliance Officers of the principal business units work to ensure the overall consistency of the program. An annual Activity Report is presented to the Audit Committee, which then reports to the Supervisory Board. The 2014 report focused on the **progress made by subsidiaries in implementing their procedures regarding fraud, corruption and conflicts of interest**.



Financial Code of Ethics

In 2004, the Board of Directors of Vivendi, upon recommendation of its Audit Committee, approved a **Financial Code of Ethics**. The Code applies to the senior executives of Vivendi SA, particularly those responsible for communications and financial and accounting reporting, which represents approximately 60 people.



Assessing the risks related to corruption

Once again in 2014, Vivendi published in its Annual Report the geographic breakdown of its revenue by country according to corruption index as defined by **Transparency International**. The geographic distribution of the group's business activity showed that **91%** of its revenues came from countries with low exposure to corruption, according to the Transparency International Index. Notwithstanding this result, the group remains vigilant and has taken steps to prevent any risks in this area.

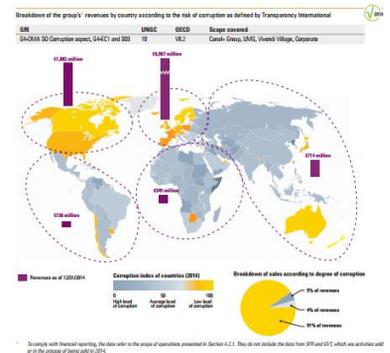


Chart available in the 2014 Annual Report p.60



Raising awareness of the group's employees

- Canal+ Group, which has formalized its anti-corruption commitments in an Ethics Charter, devoted a **training module to contractual risks**. All employees of the Canal+ Group Purchasing department, Legal departments and Audit department are made aware of the fight against corruption. In June 2014, the Internal Auditing department issued a **memorandum** for its employees on fraud prevention.
- UMG is committed to adopting a “zero tolerance” approach to fraud and corruption and to acting in a professional manner and with integrity wherever the company operates, in accordance with local regulations and with the 2010 UK Bribery Act. All the group's employees have been instructed in the company's Code of Conduct which includes its anticorruption policy and they must agree to abide by it. Employees located in North and Central America take a yearly **online Code of Conduct training course**: this session comprises sections relating to fraud and corruption, which enables employees in these regions to be continually tested in these issues. UMG has also developed **fraud and corruption training programs**. In 2014, all employees in China, Hong Kong and Taiwan received training on the Foreign Corrupt Practices Act, the UK Bribery Act and the UMG Code of Conduct. The meeting was held in Chinese to ensure that all employees fully understood the subjects covered.



Responsabilizing suppliers

For the first time in 2014, data on the number of incidents having resulted in non-renewal of contracts with commercial partners due to violations related to corruption were verified by Statutory auditors and published in the Annual Report. During 2014, neither Canal+ Group nor UMG recorded any cases of corruption in connection with their commercial partners.

With the support of outside counsel, UMG has undertaken an approach to draft **anti-corruption language** which the group intends to include in its commercial contracts on a global basis. The language will require UMG vendors to comply with applicable local laws and will provide UMG the ability to terminate contracts or enforce another penalty in the event of non-compliance on the part of the supplier. China will be the first jurisdiction in which the measure will be adopted, followed by North America.

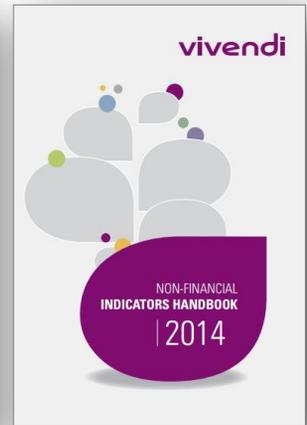
FOCUS

In 2014, **GVT** signed the “**Call to Action: Anti-Corruption and the Global Development Agenda**” issued by the Global Compact to celebrate the tenth anniversary of its tenth principle.

APPENDIX

Vivendi corporate website: www.vivendi.com

- [Annual Report 2014, Chapter 2](#)
- [CSR heading of the corporate website](#)
- [Non-financial indicators handbook 2014](#)
- [Cross-reference table 2014](#)
- [Vivendi Compliance Program](#)



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1 Employees' rights

2 Truth and the protection of information

3 Prevention of conflicts of interest

4 Commercial ethics

5 Use of property and resources belonging to the Group

6 Financial ethics

7 Respecting the environment

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