

# Sustainable development indicators 2005

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## Methodology

### Guidelines

Economic, social, and environmental performance indicators presented in this report refer in particular to France's New Economic Regulations Act (NRE)\* and the Global Reporting Initiative (GRI)\*\* guidelines.

The summary tables below feature the reporting matrix for these two reporting systems. This is the sixth year Vivendi has reported under the GRI.

### Protocol for reporting social and environmental performance indicators

Vivendi organizes the collection of social and environmental information from its two business sectors (media and telecommunications), which are broken down into business units:

- for media: Universal Music Group, Vivendi Games, and Canal+ Group;
- for telecommunications: SFR and Maroc Telecom.

Vivendi has defined a protocol, revised in 2005 to take into account changes in the Group's types of operations and observations from the subsidiaries, that lists and defines the social and environmental performance indicators. It defines the scope and the procedures for collecting, analyzing, and consolidating the data. This protocol is part of the internal and external control procedures put in place at the level of the subsidiaries and at the corporate level. It specifies the persons in charge of social and environmental reporting for each reporting entity.

Use of the computer application for the collection of social and environmental information, developed by Vivendi's IT Department, was generalized as planned in 2006 for the 2005 fiscal year.

This application comprises two Web interfaces dedicated, respectively, to social and environmental indicators. In order to ensure that each user understands the operation of this new tool, several informational meetings with the users were held.

The application is secure both physically and logically, operating on a "load sharing" principle. It contributes to guaranteeing the completeness of the information collected and the accuracy of the consolidated figures.

At the end of the first year of operation, a satisfaction survey was conducted with the representatives in charge of social reporting. 97.3% of them expressed a positive opinion of the system as a whole.

## Corporate governance: legal obligations,

The table below reflects the change in the company's management structure approved which adopted a dual corporate structure: a Supervisory Board and a Management Board.

			Supervisory Board	Audit Committee	Human Resources Committee	Corporate Governance Committee	Strategy Committee
			<b>Independence</b>	of members of the Supervisory Board	Presence of at least 30% of independent members <sup>(1)</sup> on the Supervisory Board <sup>(2)</sup> , 50% on the Remuneration Committee <sup>(3)</sup> and 100% on the Audit Committee <sup>(3)</sup>	83%	100%
		Maximum average term of office of 5 years for members of the Supervisory Board <sup>(2)</sup>	4 years				
	of auditors in relation to management	Publish the breakdown of the auditors' audit and consulting assignments <sup>(3)</sup>	See the 2005 Annual Report, page 101				
		Publish the number of meetings between auditors and members of the Supervisory Board without presence of the Management Board <sup>(2)</sup>	2				
	of members of the Supervisory Board toward each other	Publish the percentage of members of the Supervisory Board who have no cross-holdings, who do not sit on the same Boards, and who have no common origins (training, career, family) <sup>(1)(4)</sup>	83%				
<b>Involvement in decisions</b>	of members of the Supervisory Board	Maximum of 5 terms of office cumulated per member of the Supervisory Board (excluding non-French companies)	Compliant				
		Publish the number of meetings and average participation rate of members in Supervisory Board meetings <sup>(4)</sup>	Board of Directors (from January 1, 2005 to April 28, 2005): 3 meetings; 72% participation rate Supervisory Board (from April 28, 2005 to December 31, 2005): 5 meetings; 92% participation rate				
		Publish the existence of Audit, Appointment, and Remuneration Committees <sup>(2)</sup>	Audit Committee	Human Resources Committee	Corporate Governance Committee	Strategy Committee	
		Publish the number of annual Committee meetings <sup>(2)</sup>	5	4	2	4	
		Assess the performance of the Supervisory Board every 3 years <sup>(2)</sup>	Assessment carried out in 2006 (see the 2005 Annual Report, page 103). Existence of internal regulations for the Supervisory Board and for each of its Committees				
	of members of the Management Board	Maximum of 5 terms of office cumulated per member of the Management Board (excluding non-French companies)	Compliant				
		Number of meetings of the Management Board	8				
		Participation rate of the members of the Management Board	96%				
	of shareholders	Publish the participation rate of shareholders at the Annual Meeting of Shareholders <sup>(4)</sup>	Published the day after the Annual Meeting of Shareholders on www.vivendi.com				
		Publish ballot results of the resolutions submitted to shareholders	Published the day after the Annual Meeting of Shareholders on www.vivendi.com				
of other stakeholders	Having employees represented by a member on the Supervisory Board	Appointment of an employee member of the Supervisory Board, as defined in the company bylaws, when employee shareholders represent at least 3% of the capital stock					
		Percentage of questions on corporate social responsibility at the Annual Meeting of Shareholders <sup>(4)</sup>	26% in 2005				

(1) As defined by the Bouton Report: not to be or have been an employee or corporate officer of a company within the group during the previous five years; not to be under the control of the executive of another company; not to have had commercial relations with one of the company's customers or suppliers. Over and beyond the recommendations of the Bouton Report, the extended definition takes into account common university and professional origins, which are found frequently among French Board Directors.

(2) Viénot or Bouton reports.

(3) Sarbanes-Oxley Act.

(4) Other issues put forward by stakeholders.

### External auditor's opinion

For the fourth consecutive year, one of the company's external auditors analyzed the procedures used for collecting, validating and consolidating the social and environmental performance indicators.

\*New Economic Regulations Act (NRE). France's New Economic Regulations Act requires all French corporations listed on a regulated securities exchange to disclose their social and environmental performance in their annual report (see law n° 2001-240 of May 15, 2001, article 116; decree 2002-221 of February 20, 2002).

\*\* Global Reporting Initiative (GRI)

Established in 1997 by the Coalition for Environmentally Responsible Economies (CERES) in partnership with the United Nations Environment Program (UNEP), the GRI is a long-term, international, multi-stakeholder process whose mission is to develop and disseminate guidelines for voluntary use by organizations in reporting on the economic, environmental and social dimensions of their activities, products and services. The GRI has not verified the contents of this report, nor does it take a position on the reliability of information reported herein (see www.globalreporting.org).

## recommendations and expectations

by the shareholders at the Annual Meeting of Shareholders held on April 28, 2005,

## Economic performance indicators

	2005 data IFRS	2004 data IFRS <sup>(1)</sup>	NRE Act	GRI guidelines <sup>(1)</sup> 2004 <sup>(2)</sup> future formulation
Consolidated revenues	19,484 million euros	17,883 million euros		EC1
Breakdown of consolidated revenues by geographical area	see page 15	see page 7 of the 2004-2005 Sustainable Development Report		<sup>(1)</sup> EC2 <sup>(2)</sup> EC1
Breakdown of consolidated revenues by business unit	see page 15	see page 7 of the 2004-2005 Sustainable Development Report		
Remuneration of the corporate officers	See the 2005 Annual Report, pages 94-97	See 2004 Form-20F	✓	
Criteria for determining and setting the remuneration of the corporate officers and the main executives	See the 2005 Annual Report, pages 94-97	See 2004 Form-20F	✓	
Number of stock purchase options allocated	9,071 million stock purchase options including 2.48 million <sup>(2)</sup> to the corporate officers and 1,290 million <sup>(2)</sup> for the ten largest allocations	9,279 million stock purchase options including 800,000 <sup>(4)</sup> to the corporate officer and 2,190 million for the ten largest allocations (or 23.6% of the total number of options allocated in 2004)	✓	
Vivendi Group payroll and benefits	2,166 million euros	2,131 million euros	✓	<sup>(1)</sup> EC5 <sup>(2)</sup> EC1
Amount distributed to suppliers and service providers (distribution, purchase of programs, royalties, subscriber management, etc.)	12,662 million euros	11,223 million euros		<sup>(1)</sup> EC3 <sup>(2)</sup> EC1
Dividends paid to shareholders	1,147 million euros <sup>(5)</sup>	639 million euros <sup>(5)</sup>		<sup>(1)</sup> EC3 <sup>(2)</sup> EC1
Payments to banks (interest paid on borrowings, payments on borrowings, net of selling up of new borrowings)	-470 million euros <sup>(6)</sup>	6,110 million euros		<sup>(1)</sup> EC6 <sup>(2)</sup> EC1
Total taxes paid	1,386 million euros	622 million euros		<sup>(1)</sup> EC8 <sup>(2)</sup> EC1

(1) The figures published in the 2004-2005 Sustainable Development Report were prepared under French accounting principles.

(2) This figure concerns all the members of the Management Board and the President and CEO for the January 1 to April 28, 2005 period.

(3) Excluding members of the Management Board.

(4) This figure concerns the President and CEO.

(5) Number of shares ranking for dividend as at January 1, after deduction of treasury shares held at the time of dividend payment date.

(6) In 2005, the amount of borrowings set up was superior to the amount of payments made to banks (interest paid plus borrowing reimbursements).