

2006 sustainable development indicators

METHODOLOGY

Standards and 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 tables below show the correspondences between these two sets of guidelines.

This is the seventh year Vivendi has reported under the GRI, and the group monitors proposed changes thereto aimed at improving reporting on sustainable development. In October 2006, Vivendi took part in the International Conference on Sustainability and Reporting held by the GRI in Amsterdam.

During this conference, the GRI presented its new Guidelines (G3) based on the Framework for sustainability reporting proposed by the GRI in 2002. These Guidelines simplify reporting and provide protocols defining all the indicators. The Guidelines consolidate the GRI's position as the *de facto* world reference for organizations reporting on sustainable development.

Vivendi also participates in the work being conducted by France's National Accounting Board on societal reporting, in liaison with actors in the private sector.

Reporting on social and environmental indicators

Pursuant to the provisions of a group-implemented protocol, collection of social and environmental information is done by entering all data using an on-line application developed by Vivendi's IT department.

* 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 no. 2001-240 of May 15, 2001, Article 116; Decree no. 2002-221 of February 20, 2002).

** 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).

During 2006, new business-unit representatives had access to this application for entering their environmental data directly. They were given training to familiarize them with the application.

The protocol was revised in 2005 to include changes in the consolidation scope and to incorporate suggestions by subsidiaries regarding its use. Revisions continued in 2006 and dealt more specifically with the part of the protocol that concerns social and environmental indicators. The analysis was conducted taking into account the pertinence of the indicators in the light of changes in the group's activities.

The Auditors' opinion issued for the period 2005, which recommended that the protocol

be disseminated and implemented at the level of each business unit, resulted in discussions with the representatives of the subsidiaries aimed at moving forward with this process.

Opinion of the external auditor

For the fifth consecutive year, the *Sustainable Development Report* has been reviewed externally by one of the Auditors. The review includes the procedures used to report, validate and consolidate the social and environmental indicators.

In conformity with recent changes in Auditors' professional standards, the opinion of the external Auditor published at the end of the present Report and corresponding to "agreed-upon procedures" no longer includes a paragraph entitled "Conclusion."

CORPORATE GOVERNANCE: LEGAL OBLIGATIONS,

		Supervisory Board	Audit Committee	Human Resources Committee	Corporate Governance Committee	Strategy Committee
Independence	of members of the Supervisory Board	Presence of at least 30% of independent members ⁽¹⁾ on the Supervisory Board ⁽²⁾ , 50% on the Remuneration Committee ⁽²⁾ and 100% on the Audit Committee ⁽³⁾				
		80%	100%	100%	80%	80%
	of auditors in relation to management	Maximum average term of office of 5 years for members of the Supervisory Board ⁽²⁾ Publish the breakdown of the auditors' audit and consulting assignments ⁽³⁾ See 2006 Annual Report, page 107				
Involvement in decisions	of members of the Supervisory Board toward each other	Publish the number of meetings between auditors and members of the Supervisory Board without presence of the Management Board ⁽²⁾ 2 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) ^{(1) (4)} 80%				
	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 ⁽⁴⁾ 11 meetings; participation rate = 91%				
	of members of the Management Board	Audit Committee	Human Resources Committee	Corporate Governance Committee	Strategy Committee	
		6	2	3	3	
	of members of the Management Board	Assess the performance of the Supervisory Board every 3 years ⁽²⁾ Assessment carried out in 2006 (see 2006 Annual Report, page 109). Existence of internal regulations for the Supervisory Board and for each of its Committees Maximum of 5 terms of office cumulated per member of the Management Board (excluding non-French companies) Compliant Number of meetings of Management Board members 20 Management Board members' participation rate 98%				
	of shareholders	Publish the participation rate of shareholders at Annual Shareholders' Meeting ⁽⁴⁾ Published on the same day of the Annual Shareholders' Meeting on www.vivendi.com Publish ballot results of the resolutions submitted to shareholders Published on the same day of the Annual Shareholders' Meeting 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 Annual Shareholders' Meeting ⁽⁴⁾ 41% in 2006				

2006 ECONOMIC INDICATORS

	2006 data	2005 data ⁽¹⁾	NRE Act	2006 GRI guidelines
Consolidated revenues	20,044 million euros	19,484 million euros		EC1
Breakdown of consolidated revenues by geographical area	See cover flap			EC1
Breakdown of consolidated revenues by business unit	See cover flap			
Corporate officers' total remuneration	41 million euros ⁽²⁾	46 million euros ⁽²⁾	✓	
Determining criteria of the corporate officers and senior executives' remuneration	See the 2006 Annual Report, pages 97-100	See the 2005 Annual Report, pages 94-97	✓	
Number of stock purchase options allocated	5,481 million stock purchase options including 1,480 million to the corporate officers and 1 million ⁽⁴⁾ for the ten largest allocations	9,071 million stock purchase options including 2,48 million ⁽³⁾ to the corporate officers and 1,290 million ⁽⁴⁾ for the ten largest allocations	✓	
Number of free shares allocated	456,968 including 123,336 to the corporate officers	N/A		
Vivendi group payroll and benefits	2, 227 million euros	2,174 million euros		EC1
Amount distributed to suppliers and service providers (distribution, purchase of programs, royalties, subscriber management, etc.)	12,021 million euros	11,954 million euros		EC1
Dividends paid to shareholders	1,387 million euros ⁽⁵⁾	1,152 million euros ^{(5) (6)}		EC1
Payments to banks (interest paid on loans; premium incurred for early redemption of loans, etc.)	167 million euros	703 million euros		EC1
Income taxes paid	1,381 million euros	1,386 million euros		EC1

(1) Certain choices as to the presentation of information adopted in 2006 have been applied to the 2005 figures for the sake of homogeneity.
(2) Total amounts booked by the group under fixed and variable remuneration (including employer's contributions), other advantages (stock purchase options and free shares) and all retirement plans (see page 258 of the 2006 Annual Report) granted to the members of the Supervisory Board and Management Board as per IAS 24 Paragraph 16.
(3) This number concerns all the members of the Management Board and the CEO for the period January 1-April 28, 2005.
(4) Excluding members of the Management Board.
(5) Number of entitled shares at January 1, after deduction of cash held at dividend payment date.
(6) Including payments to shareholders of Vivendi Exchangeco (former shareholders of Seagram) worth 5 million euros.

RECOMMENDATIONS, AND EXPECTATIONS

(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, frequently encountered among French Board members.
(2) Viénot or Bouton reports.
(3) Sarbanes-Oxley Act.
(4) Other issues put forward by stakeholders.