



An Integrated Reporting Approach

*Vivendi's
Corporate Social Responsibility
2014*

An innovative positioning in the media and cultural industries

As a **key player in the media and cultural industries**, Vivendi has an **intellectual and cultural influence**.

As early as 2003, Vivendi accordingly focused its corporate social responsibility policy on three strategic CSR issues directly linked to the Group's activities:

- **protecting and empowering young people** through digital media ;
- **promoting cultural diversity** in the production and distribution of content while fostering the creative process ;
- **promoting knowledge sharing** by enabling as many customers as possible to access content offerings and communication services.

Vivendi has fully integrated its CSR policy into its strategy and its governance, as demonstrated by the specific CSR criteria taken into account in the variable compensation of senior executives.



Intangible cultural capital: the impact of the Group's

As Vivendi plans to focus on media and content , and in view of the an integrated reporting pilot project. Its aim is to illustrate how promoting creates societal and financial value while preventing risks

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; **Canal+ Group**, the leading French media company 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 and varied tastes of its audiences on all continents, to help these audiences achieve their full potential, and to provide the necessary conditions for them to become open to the world and exercise their critical judgment.

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 our subscribers; making our platform attractive in a digital environment that disrupts the well-established practices – these are the goals being pursued by our businesses as they strive to preserve their leading position in their respective markets.





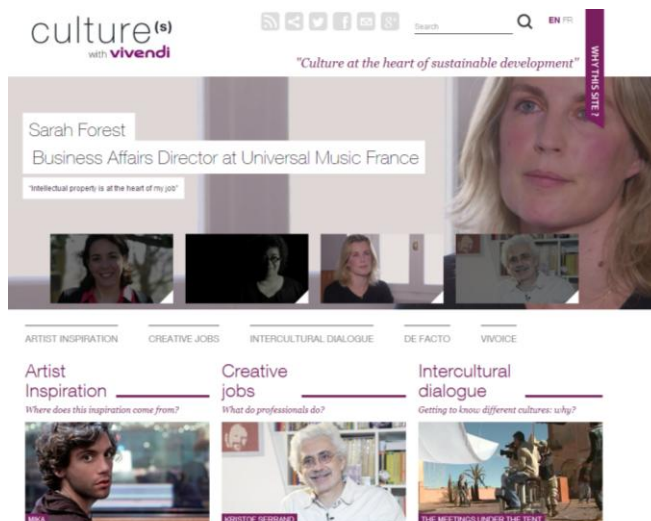
investment in diversity of content on value creation

growing demand from different stakeholders, the Group has launched cultural diversity, one of the strategic issues of Vivendi's CSR policy, and opening up opportunities to win markets.

The Approach

Vivendi decided to take a pragmatic approach to this pilot project and to implement it initially on a limited basis at **Universal Music France**, **Canal+ in France**, and **Studiocanal**. Led by Vivendi's Corporate Social Responsibility (CSR) Department, this initiative brought together the managers in charge of Finance and Strategy of these three entities of the Group and analysts representing investors (Amundi, Groupama AM, and Oddo Securities). Indicators establishing the **link between investments in diversity of content and returns** were chosen. The materiality of these indicators was then submitted to analysts for review.

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 a key player in the media sector.



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Contribution to value creation of investment in diversity of content 2013 Figures

This exercise has clearly demonstrated that **producing richly diverse cultural content satisfies the public interest** (societal value) **and gives the Group a competitive edge** (financial value) over its competitors.

CSR Issue

- ▶ 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 catalog of content

Societal Value

- ▶ To promote our audience's participation in cultural life, a source of personal fulfillment
- ▶ To enable increased access to knowledge and entertainment
- ▶ To enhance mutual understanding and social ties

Financial Value

- ▶ Growth in revenues
- ▶ Improved profitability
- ▶ Greater exposure of the brands
- ▶ Value creation

UNIVERSAL MUSIC FRANCE (excluding Publishing)

- ▶ Investment devoted to marketing new talent as a percentage of total investment: 21%
- ▶ Percentage of revenue earned by new talent: 10%
- ▶ Percentage of digital revenue and physical revenue earned by the catalog (works marketed for more than two years)
 - Weight of physical catalog: 20.3%
 - Weight of digital catalog: 44.7%
- ▶ Number of new artists signed: 49
- ▶ Portion of revenue earned by each musical genre (local, international, classical and jazz, and compilations)
 - Local revenue: 53%
 - International revenue: 26%
 - Classical and jazz revenue: 8%
 - Compilation revenue: 13%

Source : UMF

For Universal Music France, investing in diverse musical genres increases the market shares of its different labels; promoting the catalog stimulates digital and physical sales; and attracting new signatures of confirmed artists or of new talent provides a rich pool of artistic talent able to contribute to the Company's sustainable performance.

CANAL + GROUP

CANAL+ AND CANALSAT

- ▶ Survey results of Canal+ subscribers:
 - "Canal+ is a truly original network, different from the others": 77% agree
 - "Canal+ is a network that discovers and showcases new talent": 70% agree
 - "The films aired by the network are of varied genres": 90% agree
- ▶ Survey results of Canalsat subscribers:
 - "Canalsat opens me up to the world and benefits me": 74% agree

Source : Canal+ and Canalsat subscriber poll, 2013

STUDIOCANAL

- ▶ Investment in European cinematographic works as an absolute value and as a percentage: €129 million out of €181 million, or 71%.

Source : Studiocanal

The figures for Canal+ and Canalsat show the direct link between a diversified original program offering and subscriber satisfaction. The investments by Studiocanal in European cinematographic works make it possible to develop an offering able to complement the offerings of the US major film studios on the international market and to achieve an above-average return compared to its competitors.