

Societal Indicators

4

| | | |
|------|--|----|
| 4.1. | Vivendi's Four "Core" Issues Relating to Human Rights | 24 |
| 4.2. | Local, Economic and Social Impact of the Business Activity | 35 |
| 4.3. | Relations with Stakeholders | 37 |
| 4.4. | CSR Criteria as Part of Purchasing Policy and in Relations with Suppliers and Subcontractors | 38 |
| 4.5. | Fair Business Practices | 39 |

Being aware of the human and cultural influence exerted by the group over millions of customers and citizens, and of the role it can play in promoting intercultural living together, Vivendi has defined four CSR strategic "core" issues relating to human rights:

- ◆ promoting cultural diversity in content production and distribution;
- ◆ empowering and protecting young people in their use of digital media;
- ◆ fostering knowledge sharing which includes pluralism of content, media access and awareness raising of sustainable development issues; and
- ◆ valuating and protecting personal data.

These issues, which have been the subject of vigorous reporting since 2004, are part of the societal component of French Grenelle II law, under the heading relating to action taken in support of human rights (see Chapter 2, Section 2.4 and Section 4.1 of this chapter).

Data on compliance with the fundamental conventions of the International Labor Organization (ILO) is discussed in the suppliers and sub-contractors section (see Section 4.4) and in the "Social Indicators" section of this Handbook (see Section 5.7).

The societal data is based on the following scopes of consolidation, which are detailed in the indicators and in the Methodology Note (see Section 7.1 of this Handbook):

- ◆ Universal Music Group, limited to a focus group of nine countries (Australia, Brazil, France, Germany, Japan, Netherlands, South Africa, the United Kingdom and the United States), accounting for 81% of UMG's total revenue. For some indicators, this scope is expanded to include other entities that show noteworthy initiatives;

- ◆ Canal+ Group (entities located in France, Poland and Vietnam and in a focus group of six African countries: Burkina Faso, Cameroon, Congo, Gabon, Ivory Coast and Senegal), apart from some indicators which are only relevant to France;
- ◆ Vivendi Village (Vivendi Ticketing, MyBestPro, Watchever and L'Olympia) for a selection of indicators; and
- ◆ Corporate (Paris headquarters).

The abbreviations or acronyms used under the title of the indicators are provided in detail on p. 3.

4.1. Vivendi's Four "Core" Issues Relating to Human Rights

4.1.1. PROMOTING CULTURAL DIVERSITY IN CONTENT PRODUCTION AND DISTRIBUTION

Since 2003, promoting cultural diversity has been one of Vivendi's strategic CSR issues. The group aims to encourage diversity in music catalogs and cinematographic expression, discover and empower new talent, promote local artists and showcase cultural heritage.

This promotion of cultural diversity creates both societal and financial value (see Chapter 1, Section 1.5.1 of the Annual Report 2015). Since 2010, this issue has been part of the CSR criteria which are taken into account in the variable compensation of the group's senior executives.

In 2012, to illustrate in a tangible manner the major role played by culture in stimulating economic growth, strengthening social cohesion, encouraging intercultural living together and promoting innovation, Vivendi launched the website *Culture(s) with Vivendi* (cultureswithvivendi.com). With a focus on cultural diversity, it provides unique insight into the cultural industries and the media sector. In 2015, the site featured more than 60 new videos, articles and artist portraits.

4.1.1.1. Cinematographic and Audiovisual Diversity

As the chief contributor to cinematographic expression in France (mainland France and the overseas departments and territories), Canal+ Group, through its subsidiaries, also plays a significant role in Europe and Africa. Cinematographic diversity is one of the pillars of the editorial line of the group's channels.

Driven by the belief that talent is the focal point of the growth of an international media and content group, in 2015, Vivendi launched its project to build the CanalOlympia movie theaters and venues in Central and West Africa, to offer a stage to a large number of local artists and encourage the development of African talent.

In the same way, Watchever, a subsidiary of Vivendi Village, gives diversity a prominent place in its SVoD offer.

Supporting cinematographic creation in France

| PERCENTAGE OF CNC-APPROVED FRENCH-INITIATIVE FILMS FINANCED BY CANAL+ AND ASSOCIATED AMOUNTS | | | |
|--|----------------------------|--------|--------------------|
| GRI | UNGC | OECD | Scope covered |
| DMA HR MSS Cultural Rights aspect, MSS M3 | 1, 2 | II, IV | Canal+ |
| | 2015 | | 2014 |
| Canal+ | 55% (€175 million)* | | 45% (€128 million) |

* Subject to data consolidated by the CNC to be published in spring 2016, in the 2015 Report on Cinematographic Production.

In 2015, Canal+ remained the privileged partner of French cinema. It actively supported creation by financing 55% of French-initiative films approved by the CNC (the French national center for cinema and motion pictures) for €175 million, which represents 129 films in total. Through its subsidiary D8 Films, D8 co-produced four French films, including three first films and one directed by a woman.

Canal+ also renewed its agreement with professional cinema organizations (ARP, BLIC, BLOC and UPF) and has committed to devoting 12.5% of its revenue from sales to purchasing European and French films over five years. This agreement therefore extends the previous agreement of 2009, and strengthens Canal+ in its position as the major private source of finance for the French film industry (see also Chapter 1, Section 1.5.5 of the Annual Report 2015).

Discovering new talent and empowering young filmmakers

The discovery of new talent is a particular focus of Canal+ Group. The channel empowers young filmmakers by financing their first and/or second films.

| NUMBER OF FIRST AND SECOND FRENCH-INITIATIVE FILMS FINANCED BY CANAL+ | | | |
|---|--|--------|---------------------------------|
| GRI | UNGC | OECD | Scope covered |
| DMA HR MSS Cultural Rights aspect, MSS M3 | 1, 2 | II, IV | Canal+ |
| | 2015 | | 2014 |
| Canal+ | 20 first films & 14 second films* | | 25 first films & 8 second films |

* Subject to data consolidated by the CNC to be published in spring 2016, in the 2015 Report on Cinematographic Production.

In 2015, Canal+ supported 20 first films, including *M* from Sara Forestier, *Rosalie Blum* by Julien Rappeneau, and *M. et Mme Adelman* from Nicolas Bedos, and 14 second films, including the film from director Hugo Gélin (*Demain tout commence*), who directed *Just Like Brothers*. The channel also bets on projects carried by young actresses such as Adèle Haenel or Soko and young scriptwriters like Etienne Comar, who co-wrote, as his first film, *Mon Roi* with Maïwenn. In addition, Ciné+ supplemented the financing from Canal+ by supporting 24 first films and 16 second films.

Studiocanal also supported the young talents – identified on the air or by Canal+ Group's talent-spotting team – in their first feature-length film, including Alex Lutz (*Thanks to My Friends*) and Igor Gotesman (*Five*). Studiocanal also co-produced the first French animated film from Franck Ekinci and Christian Desmares, inspired by the graphic world of Tardi, *April and the Extraordinary World*. The movie received the Cristal for Feature Film award at the 2015 Annecy International Animation Film Festival. The British subsidiary of Studiocanal co-produced Justin Kurzel's second film *Macbeth*, which was also nominated in several international film festivals, and the first film from Max Joseph, *We Are Your Friends*.

◆ Digital cinematographic and audiovisual diversity

Committed to expanding the broadcasting of its content on the Internet, Canal+ has created a Digital Creation hub offering talented individuals a chance to build up their audience and receive assistance in producing and promoting short formats and original productions developed specifically for the web. The hub thus brings together affiliations of young digital talents whose productions have included *Le meufisme*, *Internet*, *Lolywoods*, *La biscotte*, *Digital mum* and *Bonjour tristesse*.

Canal+ also showcases short-film talent. In 2015, a call for projects *Dessine toujours!* was launched with cartoonists and animators on the theme of freedom of expression. The eight animated short features selected were broadcast on the channel in late 2015. In addition, Canalplay launched a section dedicated to short films on its VoD interface. At the same time the platform continues to develop web series belonging to very different spheres, as a reflection of the diversity that the platform wishes to offer to its subscribers.

In 2015, Watchever, the subsidiary of Vivendi Village, renovated its SVoD service to diversify its offer. Watchever introduced content coming from independent productions through several dedicated channels, such as the specialty channel *Docusphère*. Temporary channels marking cultural events also appeared on the platform, such as *Films français*. This channel was intended to highlight French film works, in partnership with the French Embassy and the Berlin French Film Festival.

◆ Enhancing international audiovisual and cinematographic influence and showcasing cultural heritage

INITIATIVES BY CANAL+ GROUP AIMED AT ENHANCING INTERNATIONAL AUDIOVISUAL AND CINEMATOGRAPHIC INFLUENCE AND AT SHOWCASING CULTURAL HERITAGE



| GRI | UNGC | OECD | Scope covered |
|---|------|--------|---------------|
| DMA HR MSS Cultural Rights aspect, MSS M3 | 1, 2 | II, IV | Canal+ Group |

Canal+ Group has developed a number of initiatives aimed at enhancing the influence of audiovisual and cinematographic media abroad and showcasing cultural heritage. In 2015, Vivendi along with Canal+ became Grand Sponsor of the Paris-based film institute and archive *Cinémathèque française*, a hotspot of cinematographic culture. In signing this major partnership through 2020, Vivendi reaffirms its commitment to the film industry and its many talented professionals.

Studiocanal, which operates subsidiaries in France, the United Kingdom and Germany and is also active in Australia and in New Zealand, has established itself as the leading European player in the production, acquisition, and distribution of world-class movies and TV series. During 2015, Studiocanal broadcast 47 new feature-length films from 12 different countries in the five territories in which it operates. It also participated in the production of 19 feature-length films from filmmakers of five different nationalities.

In 2015, the films produced or distributed by Studiocanal were again selected at the major film festivals: the Academy Awards (17 nominations for *The Imitation Game*, *Foxcatcher*, *Selma*, *Song of the Sea* and *The Tale of Princess Kaguya*), the Golden Globes (16 nominations for the films *The Imitation Game*, *Selma* and *Foxcatcher*), the BAFTA (15 nominations for *Paddington*, *71*, *The Imitation Game*, *Under the Skin*, all four in the race in the Best British Film category), the BAFTA Children Awards (*Shaun the Sheep* nominated and *Paddington* recognized as Best Film 2015), and the BIFA (13 nominations for *Macbeth*, *Room*, *High-Rise*, *Carol* and *Legend*, for which Tom Hardy won the prize for Best Actor). At the 2015 Cannes Film Festival, films co-produced by Studiocanal were also well represented with two films, *Macbeth* and *Mon Roi*, in the official competition.

Studiocanal continued its particularly dynamic policy of promoting and preserving cinematographic heritage. With over 5,000 titles, Studiocanal holds one of the most important film catalogs in the world. In 2015, €1.1 million was invested to restore in 4k or HD, digitize and modernize 36 titles from the catalog. Studiocanal restored major works, including *The Third Man*, one of Orson Welles' greatest roles (it was also released in theaters in several regions to mark the one-hundredth birthday of the director and recorded the third-highest results for the year for a film rerun in France). *Léon Morin Priest*, a drama starring Jean-Paul Belmondo, or *Ran*, set in feudal Japan and directed by the legendary filmmaker Akira Kurosawa, were also restored. The restored copies of these films were shown at several international festivals (including the *Venezia Classici* section at the Venice Film Festival, Cannes Classics and the Lyon Festival of Lights).

nc+, the Polish subsidiary of Canal+ Group, is also committed to local productions. The film *Ida*, winner of the Academy Award and the BAFTA award for Best Foreign Film in 2015, was co-produced by nc+, and *Belfer*, a new television series now in post-production, will be broadcast in 2016. In Vietnam, K+, which wants to expand its audience to movie fans, co-produced five Vietnamese films for the first time in 2015. The partnerships established with the principal local production companies are an opportunity for K+ to support the country's film industry.



| INVESTMENTS BY CANAL+ AFRIQUE IN LOCAL AFRICAN CONTENT (EXCLUDING SPORTS RIGHTS) | | | |
|--|------|--------|---------------|
| GRI | UNGC | OECD | Scope covered |
| DMA HR MSS Cultural Rights aspect, MSS M3 | 1, 2 | II, IV | Canal+ Group |

| | 2015 | 2014 |
|-----|--------------|------------|
| GC+ | €5.5 million | €3 million |

A committed player and major investor in the African film industry, Canal+ Afrique contributes to the influence and development of the seventh art on the African continent. The group supports numerous African cinematographic productions: since 2005, more than 50 films have been co-produced or pre-purchased. The channel broadcasts twelve African films every year. In 2015, Canal+ Afrique supported, among other African films: *Dhalinyaro* by Lula Ali Ismail (Djibouti) and *Wallaye!* by Bernie Goldblatt (Burkina Faso). In addition, Canal+ Afrique has contributed to the development of African cinema by supporting major festivals like the FESPACO for the last several years. Of the awards given at the 24th edition of the festival, Canal+ Afrique awarded seven prizes in the categories of "Documentary", "African film school" and "TV Series".

A+, the African channel based in Abidjan and broadcast in more than 20 French-speaking countries in West and Central Africa, has confirmed its determination to develop African talent and committed to 23 productions, co-productions and innovative pre-purchases in 2015 in almost every country in which the group is present. These programs include 13 original series and French-speaking fictions, four talent shows or reality TV shows, four magazines, and two live event formats (including "Conakry, the great concert to fight Ebola"). For the *Le Parlement du rire* program in particular, Canal+ Afrique launched the production of twenty 30-minute shows that will highlight 26 comedians from 12 different countries. In addition to the programs, which will be broadcast in 2016 on Canal+ Afrique and A+ in France and in the overseas departments and territories, a tour is planned in Abidjan in October. A+ also offers its subscribers a number of dubbed series produced in other African languages (including in Senegal, Ghana, Angola and South Africa).

4.1.1.2. Musical Diversity

Cultural diversity sits at the heart of Universal Music Group's business; UMG offers an extensive catalog covering every musical genre. UMG's growth is based both on developing its roster of international artists and on spotting and promoting local talent, whether the artists are young and upcoming or best-selling acts. UMG maintains its leadership position in its different national markets. In 2015, UMG signed local artists in 59 countries, with albums recorded in 44 languages and released in 120 countries.

Investing in creation and local talent



| PERCENTAGE OF SALES ACCOUNTED FOR BY LOCAL REPERTOIRES IN THEIR OWN COUNTRIES | | | |
|---|------|--------|--------------------|
| GRI | UNGC | OECD | Scope covered |
| DMA HR MSS Cultural Rights aspect, MSS M3 | 1, 2 | II, IV | UMG (59 countries) |

| | 2015 | 2014 |
|-----|------|------|
| UMG | 65% | 60% |

In 2015, young UMG artists once again received numerous awards. At Victoires de la musique, the singer Indila's first album *Mini World* received the award "Victoire de l'album révélation de l'année", while Benjamin Clementine, a 27-year-old composer and performer originally from Ghana, received the award "Révélation scène".

At the Gramophone Awards ceremony in September 2015, UMG received distinctions again: notably, Deutsche Grammophon won the coveted Recording of the Year award for Anton Bruckner's Symphony No. 9, recorded by the Lucerne Festival Orchestra under Italian conductor Claudio Abbado. At the 57th Grammy Awards for classical music, American violinist Hilary Hahn, signed with Deutsche Grammophon, won the third Grammy of her career for her album *In 27 Pieces - The Hilary Hahn Encores*, named Best Chamber Music Album of the Year.

In addition, UMG continues to sign young talent around the world, including those making their debuts on the different national versions of *The Voice*, which now has 60 local productions and has extended the scope of its broadcasting to 180 countries. Twelve young artists from *The Voice Kids* and 45 artists discovered on *The Voice* have signed with a UMG label.

New artists and musicians were also discovered by UMG in 2015 through Spinnup. This platform allows musicians and artists who have not signed with a record label to put their compositions online for subsequent distribution by all the major global digital retailers. At the same time, they are offered assistance in developing their careers. This assistance consists of tutorials (training in marketing, social media, tour booking) and advice provided by a dedicated team of talent scouts — who also browse the platform in search of new talent. Since the platform was created in 2013, 15 artists have signed with a UMG label, including Albin, Vigiland and Alfons, whose albums have already reached multi-platinum sales in Scandinavia.

Finally, Digitick and Infoconcert, subsidiaries of Vivendi Village, also provide support to young artists and to various local festivals. In 2015 their teams launched the editorial mechanism Digilove which offers visitors a chance to discover a selection of young musical talents (*Jeune scène française, La scène féminine*) showcased on their respective media. With 20,000 events, Digitick has a diversified offer, representing more than ten musical genres and six major categories of live shows (concerts, festivals, theatre, humor, dance and circus).

◆ Showcasing musical heritage

Showcasing musical heritage is a priority for UMG's global business. Therefore, the group is developing platforms and applications in order to create access to its exceptional artists and to its unrivalled catalog, while continuing with investment in digitizing the unique music collection.

| INITIATIVES TAKEN BY UMG IN FAVOR OF PROMOTING MUSICAL HERITAGE  | | | |
|---|------|--------|---------------|
| GRI | UNGC | OECD | Scope covered |
| DMA HR MSS Cultural Rights aspect, MSS M3 | 1, 2 | II, IV | UMG |

In 2015, UMG pursued its goal of digitizing its musical and audiovisual catalog: a discography of 326 artists is now available in restored, digitized version. More than 2,500 hours of video from the UMG archives have been viewed and processed – most of it previously unreleased. Among the restored legacy works re-released in 2015 is the Beatles 1 compilation deluxe edition on DVD and Blu-Ray. The new 1+ version includes 23 additional clips, including alternative versions of the 27 original titles, for a total of 50 films. The album *Motown Unreleased 1965: Marvin Gaye* and the artist compilation *Motown Unreleased 1965* have also been re-released in digital format.

UMG launched uDiscover, a worldwide platform offering new ways to explore the comprehensive catalog and discover Universal Music artists. In 2015, a rich offering of playlists (uDiscover TV, uBYTES, uQuizzes) was made available through the site and a mobile app. With more than a million unique visitors every month, uDiscover aims to diversify its users' musical culture and help them discover legendary UMG artists.

The digitization of content is the means by which to offer younger audiences the opportunity to discover heritage works. Similarly, the website Sinfini Music, available in the United Kingdom, Australia and the Netherlands, intends to expand the audience for classical music. It continues to gain followers (250,000 unique visitors a month in 2015, compared to 100,000 in 2014). Its rich musical offerings include a variety of editorial content (feature articles, short animation programs), which facilitate access to the classical catalog. In 2015, the Deutsche Grammophon label launched an iPad application based on Prokofiev's classical music masterpiece *Peter and the Wolf*. Intended for the youngest audiences, the app guides them in discovering the Russian composer's work through an interactive experience extended by the album *Peter and the Wolf in Hollywood*. Available in two languages, this album revisits the original musical story, enriched with an added chapter that takes place in modern-day Los Angeles, narrated by singers Alice Cooper (in the English version) and Campino (in the German version).

4.1.1.3. Respect for Intellectual Property and Support for Artists

| INITIATIVES TAKEN AGAINST PIRACY AND SUPPORT GIVEN TO PUBLIC ADMINISTRATIONS' ACTIONS FOR THE SUSTENANCE OF ARTISTIC CREATION  | | | |
|---|------|--------|--|
| GRI | UNGC | OECD | Scope covered |
| DMA HR MSS Intellectual Property aspect | 1, 2 | II, IV | UMG Canal+ Group Vivendi Village |

Respect for intellectual property, on which the long-term financing of artistic works depends, is a major issue for Vivendi and is included in the group's Data and Content Protection Charter. The subsidiaries ensure respect for intellectual property rights while satisfying consumers seeking new usages.

As part of its risk management policy, Canal+ Group is developing action plans in the areas of innovation and technological monitoring in order to combat audiovisual piracy. The group is developing tools to identify illegal content in order to proceed to its immediate removal from the main digital platforms (known as the fast-track approach). Canal+ Group also uses fingerprint generation technologies to protect its content and detect illegal copies. In this area, Canal+ and Studiocanal are involved in a cross-company effort and are pooling their tools and resources. Canal+ Overseas uses fingerprint technology in Africa in particular, to identify and punish the use of smartcards shared illegally by the administrators of pirate cable networks.

Canal+ Afrique has intensified its actions to combat the piracy of its content in its broadcast territories, where the phenomenon is especially prevalent. Monitoring is one of the principal components of this fight against piracy, and allows the company to identify content broadcast without authorization, particularly major sports events, and to collect data in order to calculate the losses. This monitoring is backed by communication initiatives: for example, Canal+ Afrique launched an anti-piracy campaign during the ANC 2015 (African Nations Cup) with the broadcast of radio and TV spots (on a technical level, several pirate servers were also dismantled during the event). Canal+ Afrique is also initiating awareness campaigns. In Ivory Coast for example, in June 2015, the group's subsidiary participated in a panel to warn of the dangers of "spider" connections during the International Conference on Originality and Intellectual Property.

UMG acts on a number of fronts, often in co-operation with the rest of the music industry and the entertainment industry, to battle piracy and thereby protect the entire value chain. Industry level action is coordinated by global and national industry associations (such as the IFPI – the International Federation of the Phonographic Industry – and its national group affiliates) with whom UMG works very closely. Raising consumer awareness is a significant part of the effort against piracy, including through vehicles such as the "Why Music Matters" campaign which targets young people (see Section 4.1.2.2).

On the technical side, UMG uses tools to identify and remove illegal content both directly and via industry bodies such as the RIAA (Recording Industry Association of America) or the French HADOPI system. They also employ technical resources to monitor websites and issue automated takedown notices, takedown of Apps from App stores when they facilitate piracy, notification to users of pirated services, etc. Additionally, in combating piracy, UMG closely co-operates with public authorities and intermediaries (e.g., Internet access providers, advertisers, credit card companies and search engines).

The Vivendi Village subsidiary Watchever is committed to protecting the content of its rights-holders, not only with respect to its users, but also vis-à-vis its service providers. Clauses describing the intellectual property of the rights-holders that prohibit unauthorized access to their content are included in the contracts with their technical partners. In addition, Watchever undertakes to its content suppliers to use DRM technologies. Finally, several functions have been created to limit the possibility of piracy: availability of videos in streaming and not for download, limit to number of devices that can access the service from a single user account, and accessibility of the service only on devices with technical features that prevent illegal copying.

The strategy for combating piracy also includes the delivery of compelling legal offers of music and audiovisual works (see Section 4.1.1), and a dialog with public authorities on the regulation and protection of intellectual property (see Section 4.5.2). Vivendi's subsidiaries are also active within associations that fight piracy (see Section 4.3).

| INNOVATIVE STRATEGIC PARTNERSHIPS ENABLING THE BROADCAST OF A LARGE SPECTRUM OF ARTISTIC CREATION | | | |
|---|------|--------|------------------|
| GRI | UNGC | OECD | Scope covered |
| DMA PR MSS Content Distribution aspect | 1, 2 | II, IV | UMG Canal+ Group |

To help bring artists' work to wider audiences, Vivendi's subsidiaries have formed innovative partnerships with distributors, platforms and operators.

For Canal+ Group, digital technologies provide an essential tool with which to bring local content and new talents to an increasingly vast and diversified audience. The Canal+ Group's strategic partnerships with key players in digital distribution and brands help it work toward this goal.

One example is the partnership it formed with iROKO, the world's leading distributor of online African content, for the purpose of launching the first subscription-based video on demand (SVoD) service for mobile devices in French-speaking Africa. The offering is based in particular on the Canal+ Group's large catalogue of African programs, which thus gets wider exposure in these parts of the continent.

In 2015, in France, Canal+ entered into a partnership with Seat to produce *Détours*. This digital platform dedicated to lifestyle news offers a selection of upbeat and original inspirations to help viewers explore the world in new ways thanks in particular to daily articles and a weekly web series with Manuel Herrero and Alexandra Leroux (talents discovered by the Canal+ show *Les Nouveaux Explorateurs*).

Partnerships with global brands form part of UMG's determination to make its catalogue accessible to all music fans regardless of borders and

cultural barriers. Universal Music & Brands, the group's dedicated brand partnership division, manages a broad portfolio of partners operating in 60 countries. These partnerships create dedicated services and special opportunities that are free to consumers, particularly in emerging markets and areas experiencing rapid growth (Africa, India, the Middle East, Eastern Europe and Latin America) where music is not widely accessible.

In 2015, for example, UMG extended its partnership with HP to cover 22 countries compared to the initial deal's six, thus enabling the brand's customers to take part in private concerts and to have access to UMG's diverse catalogue via an HP branded streaming site. The group also renewed its partnership with Turkish Airlines, which provides passengers with an opportunity to learn about the heritage of the city they are flying to with music playlists and interviews with artists. In the UK, UMG also launched the fourth series of their talent-discovery show on Channel 4, in partnership with Red Bull.

4.1.1.4. Support Given to Innovative Entrepreneurship

| INITIATIVES TO SUPPORT INNOVATIVE ENTREPRENEURSHIP AND START-UPS IN THE CULTURE AND MEDIA SECTOR | | | |
|--|------|------|----------------------------|
| GRI | UNGC | OECD | Scope covered |
| G4-26, G4-EC8, DMA PR MSS Content Creation and Distribution aspects | - | - | UMG Canal+ Group Corporate |

In April 2016, Vivendi teamed up with Paris&Co, the economic development and innovation agency of Paris, to launch The Cargo platform dedicated to cultural and creative digital industries. As a founding member, Vivendi will share its corporate social responsibility approach with the start-ups. The group will pay special attention to the young companies' ability to promote diversity of content and artistic expression in their projects, and to encourage more women into digital entrepreneurship.

In the UK, with Abbey Road Red, UMG launched Europe's first music tech start-up incubator. This program aims to help innovative young businesses expand their operations, get more exposure and refine their products. It allows them to work alongside Abbey Road Studios for a six-month period, thus benefitting from access to the studios' facilities, UMG's network, and to receive advice from music-industry professionals. Four start-ups joined the program in the fall of 2015.

Since 2011, Canal+ has been holding *Le Grand match de l'innovation*. This contest for young people encourages them to develop an innovative show concept for the television of tomorrow, based on interactivity and involving social media, applications for mobile devices and tablets, image processing and virtual platforms. For some, this contest will be an opportunity to join the staff of Canal+ for an internship, apprenticeship or job and to bring their show concept to life.

Similarly, Canal+ Afrique was a partner to the first edition of Land of African Business, which was held during COP 21 in Paris in December 2015. This event, held under the high patronage of the French Ministry of the Economy, Industry and Finance, was a place for sharing best practices for innovative companies in Africa and Europe. The group partnered with "L'Afrique au Féminin" (Africa by Women) round table, whose title was inspired by Canal+ Afrique's initiative aimed at identifying and empowering young African female filmmakers. This round table was an opportunity to discuss the role of art and culture production in Africa, as well as women's role in this production. The group has also supported young female entrepreneurs from Africa and the African diaspora by presenting the women's entrepreneurship award in the African Rethink Awards.

4.1.2. EMPOWERING AND PROTECTING YOUNG PEOPLE IN THEIR USE OF DIGITAL MEDIA

In a digital environment that is dramatically changing cultural practices and the way in which the media is used, Vivendi has a major role to play in assisting young people in their quest for self-fulfillment, in expressing their creativity, in accessing knowledge and media literacy. This is why, since 2003, Vivendi has defined the empowerment and protection of young people as a strategic "core" issue of its CSR policy (see Chapter 2, Section 1.1.1 of the Annual Report 2015). Since 2010, this objective has been part of the CSR criteria taken into account in the variable compensation of the group's senior executives.

4.1.2.1. Empowering Young Audiences

INITIATIVES FOR ENABLING YOUNG PEOPLE TO EXPRESS THEIR CREATIVE TALENT AND CIVIC ENGAGEMENT



| GRI | UNGC | OECD | Scope covered |
|--------|------|--------|----------------------------------|
| MSS M7 | 1, 2 | II, IV | UMG Canal+ Group Corporate |

Involving young citizens and students in discussions about the CSR of the media sector is fully integrated within Vivendi's approach. This is why, as part of its partnership with Sciences Po (see Chapter 2, Section 2.1.2.1 of the Annual Report 2015), Vivendi wanted to solicit the viewpoints of the students in the Europe-Africa program by inviting them to write an essay on the theme of cultural diversity and digital in Africa. The students, aged 17 to 19, who produced the best essays were awarded a prize during a ceremony at UNESCO celebrating the 10th anniversary of the Convention on the Protection and Promotion of the Diversity of Cultural Expressions. Their essays were published on *Culture(s) with Vivendi*.

The *Culture(s) with Vivendi* site is included in the educational resources recommended by the MOOC "Do It Yourself - media and information literacy", directed by media sociologist Divina Frau-Meigs. The site appears in the section "Exposing students to intercultural dialog for intercultural living together and respect for cultural diversity".

In 2015, several programs on Canal+ Group's youth channels encouraged children to show their talents and skills. In addition to the *Le Club des super héros* show, Piwi+ offered workshops for craftwork on its channel

to encourage children to create things by themselves. On Télétoon+, *Kids Talents* from Kids 20 allowed young viewers to come and perform in the TV studio with short demonstrations of songs or dances. In Poland, after launching a call for contributions from young viewers, Télétoon Sport broadcast the videos created by the children on the theme of basketball.

In addition, Canal+ works to identify and bring out young, talented and promising journalists through its two *Grands matchs* on the theme of news and sports. The 2015 edition of these competitions, aimed at students in the final year of journalism school, offered the winners the possibility of joining the channel's editorial team for one year. In 2015, Canal+ also renewed the *Grand match de l'innovation*, which invites young people to develop an innovative program concept. This competition is an opportunity for the candidates selected, accompanied by coaches, to present their projects to channel executives, which will allow them, in some cases, to join the Canal+ teams or participate in the implementation of their project.

In November 2015 in Africa, Canal+ launched the *MDR!* project (Mort de rire, or Dying of laughter) in partnership with CFI, the French media cooperation agency, to identify and train the African talent of tomorrow who will participate in the development of new short comedy programs. The candidates selected will receive training in writing and series production. Canal+ will finance eight pilots and will broadcast the best on its channel.

UMG also pursues a number of initiatives to assist and promote a new generation of artists and professionals in the music industry. In 2015, Abbey Road Studios, owned by UMG, established the Abbey Road Institute. Since September 2015, this educational institution has offered one-year apprenticeship courses. After training under the studio's professionals, the students receive a diploma in sound engineering and musical production. This training is not only offered in London, the studio's historical home, but also in Australia, Germany and France.

For the release of the song "Tell Everybody", intended to raise awareness of the UN's global goals for sustainable development (see Chapter 2, Section 2.1.2.2 of the Annual Report 2015), UMG partnered with director Richard Curtis to organize a major contest for young Africans to write the lyrics to the song which features verses in English, French, Swahili, Pidgin and Zulu. Almost 6,000 young people from 24 countries sent their proposed lyrics by mobile phone.

In Australia, UMG teamed up in 2015 with the charitable association Musicians Making a Difference, which offers art therapy to tens of thousands of troubled youths. Together, they have launched the #MMAD4U campaign to support and promote the association's work, primarily through a major Instagram campaign. As part of this program, UMG accepted 10 young people to a six-month tutoring program. During the program, which was assisted by 10 managers from the record company, the participants were able to write and record their song, and participate in shooting the video and the press communication that accompanied it.

Additionally, UMG and its artists develop young music fans by providing many opportunities to exercise their creativity and share their passion for music. One example is British singer James Bay, who partnered with the Talenhouse platform and the British Film Institute to invite his fans to produce short videos as concepts for a short film to accompany his new album *Chaos and the Calm*. Following this project, James Bay selected a young director to enrich the concept and shoot a 15-minute video to be presented at the BFI Future Film Festival in London and SXSW in March 2016.

| EDUCATIONAL CONTENT OFFERING FOR YOUNG PEOPLE | | | |
|---|------|--------------|---------------------|
| GRI | UNGC | OECD | Scope covered |
| MSS M3 and M4 | 1, 2 | II, IV, VIII | UMG Canal+ Group |

Vivendi's subsidiaries ensure that they offer young audiences quality educational content to foster their creativity and help them learn.

The Canal+ Group's youth channels provide airspace for edutainment shows such as *Au Pays des Signes*, in France, which helps kids learn sign language, and *Detective Brunch*, in Poland, which raises young viewers' awareness of ecology. In 2015, Canal+ Group participated in the adaption of the channel Gulli to create Gulli Africa, the first children's channel created specifically for kids in Africa. Included exclusively in the Canal+ package, the channel is broadcast in 22 African countries and aims to gradually introduce 15% to 30% African programming, mostly edutainment. In mainland France, Canalsat is the exclusive distributor of Disney English, a new on-demand service that helps young viewers to learn English through songs and special educational modules.

Canal+ is also continuing to expand its educational service Campus. Campus puts the quality and variety of Canal+ Group channel content at the service of education, making it possible to easily find all programs from 18 Canalsat channels that are related to educational curricula from the sixth through to the final grades, by level and subject. The offering is rounded out by content produced by partners of the service, such as French Audiovisual Institute INA, Pythagora, Nomad and Discovery Education. Special *Brevet* (higher secondary school qualification) and *Baccalauréat* (further education entrance qualification) programming supports pupils at the end of the school year. All told, around 2,000 videos are available to young people aged 11 to 18 via television, smartphone, tablet or computer.

UMG offers quality educational content aimed at putting all musical works and styles within young people's reach (see also Section 4.1.1.2 of this chapter). In this framework, UMG is the initiator of Sinfini for Schools, a website that provides free classical-music teaching resources for music teachers. Similarly, in 2015 in the United Kingdom, Decca Classics launched *The Classical 100*, a collection of 100 pieces of classical music developed in partnership with Classic FM and the Associated Board of the Royal Schools of Music (the UK's largest music education body) and supported by the Department for Education. *The Classical 100* is a free online resource intended first and foremost for use by primary school teachers.

UMG also actively helps young people learn about music creation and the professional world through numerous educational programs like *Utalks*, which bring UMG professionals into contact with young people, who are interested in the music industry, via universities, schools and partner charities.

4.1.2.2. Protecting Young Audiences

In 2008 Vivendi adopted a Data and Content Protection Charter, in which the group reaffirmed its commitment to respecting freedom of expression and to preventing the spread of illegal material, particularly with regard to children.

To achieve this balance, Vivendi commits to the following:

- ♦ promoting methods for choosing or controlling content (filtering tools and other selection methods);
- ♦ cooperating actively with the competent authorities in the fight against illegal content;
- ♦ promoting ethical standards in support of its activities; and
- ♦ raising the awareness of parents and children on the uses of new media.

This commitment includes a specific monitoring related to the information policy on personal data and youth protection that is published on the group's websites. In 2015, Vivendi reviewed how this commitment was implemented in Vivendi Village's entities that offer services via digital platforms. At MyBestPro, the Wengo site provides a Parents' Charter that offers advice to parents on increasing their children's awareness of the risks of using the Internet. Among the advice given to parents, the charter reminds them that there are technical tools available to them to control access to the Internet and to certain sites (e.g., filtering software).

| EXISTENCE OF A FORMAL COMMITMENT TO ETHICS COVERING CONTENT (PRODUCTION AND/OR DISTRIBUTION), PART OF WHICH SPECIFICALLY CONCERNS PROTECTION OF YOUNG AUDIENCES | | | |
|---|------|--------------|--|
| GRI | UNGC | OECD | Scope covered |
| G4-56, DMA PR MSS Content Creation and Distribution aspects | 1, 2 | II, IV, VIII | UMG Canal+ Group Vivendi Village |



| INITIATIVES AIMED AT RAISING THE AWARENESS OF YOUNG USERS AND THEIR ENTOURAGE ABOUT RESPONSIBLE USE OF PRODUCTS AND SERVICES | | | |
|--|------|--------------|--|
| GRI | UNGC | OECD | Scope covered |
| G4-PR3, MSS M4 | 1, 2 | II, IV, VIII | UMG Canal+ Group Vivendi Village |



Vivendi's subsidiaries provide their audiences with a number of tools to help them master the use of the group's products and services.

Canal+ Group's Ethics Charter stipulates that "the channels shall ensure the protection of children and teenagers, and to this effect shall apply a program classification reflecting the different degrees of appreciation and appropriateness of programs with regard to the protection of childhood and adolescence through the application of corresponding standards." This applies to all new media, including on-demand audiovisual media services.

The edutainment channel "Mon Nickelodeon junior" and Canalplay with Canalplay Kids offer a secure space for children. The Piwi+ channel dedicated to young viewers relies on an advisory ethics committee composed of pediatricians, educators and parents to ensure that its offer is in line with commitments to protect children and teenagers. At the same time, Télétoon+, whose offer includes free online games, videos and cartoons, is planning in 2016 to offer a magazine dedicated to digital media literacy for children aged 7 to 11.

In Poland, MiniMini Channel, the channel dedicated to young audiences, advises parents and children about safe use of the Internet. For this purpose, it dedicates a detailed page that provides information from youth experts and parents, advice about online games, as well as the web links of secure sites for children. In addition, nc+ ensures supervision of advertising communications targeting the youngest audience: commercials are assessed on the basis of an internal charter, the principles of which were established in compliance with national and international regulations (including the 1989 International Convention on the Rights of the Child). The charter details the principles that must be respected by commercial communications in order to comply with these regulations.

UMG also engages in activities to promote responsible use of its services. Thus, UMG invited its partners to consider the conditions for establishing an age rating system for its online videos to protect children from inappropriate content. In the United Kingdom, this is done in coordination with the British Board of Film Classification. The project involves the top five countries in terms of revenue (France, Germany, Japan, the United Kingdom and the United States) and is on the agenda for meetings of the industry associations such as the SNEP in France and the BVMI in Germany.

In the United States, UMG supports the RIAA's educational programs and campaigns to educate parents about digital media. It also raises the awareness of audiences – including those of youths – on the importance of the legal music offer by supporting initiatives such as "Why Music Matters" (a project started by artists and based on animated videos to show the importance of music in their lives) and the video "Music Remains" (www.musicremains.org) shot at Abbey Road Studios for the IFPI.

Within Vivendi Village, Watchever proposes "Kids", an offer which was developed with parents and is specifically designed for young children, both as regards the content available and its functions. Since 2015, it has also been possible to create several user profiles within one user account and to set age restrictions for each of the profiles. The mechanism for customizing profiles within a single account allows users to restrict access to certain content for certain family members, and therefore offers better protection for minors by blocking their access to inappropriate content.

Regarding the ticket business, See Tickets informs its customers about the age limit for concerts offered on its site. A clear and express notice about the age required to attend an event appears at the time of the online payment.

4.1.3. FOSTERING KNOWLEDGE SHARING: PLURALISM OF CONTENT, MEDIA ACCESS AND AWARENESS RAISING OF SUSTAINABLE DEVELOPMENT ISSUES

A third CSR strategic issue identified by Vivendi concerns pluralism of content, media access and awareness raising of sustainable development issues. Driven by the will to encourage intercultural living together and to promote access to its content by the largest number of users, the group has become part of various initiatives in order to expand the scope of its reflection and the actions it undertakes.

Some of the initiatives intended to raise awareness of sustainable development are described in Chapter 2, Section 2.1.2 of the Annual Report 2015.

4.1.3.1. Pluralism of Content

Vivendi ensures pluralistic expression of thoughts and opinions in accordance with the principle of equal treatment. Respect for freedom of expression is enshrined in Vivendi's Data and Content Protection Charter.

In Vivendi's Reporting Protocol, pluralism is defined as follows: "The goal of pluralism is to guarantee that customers, subscribers, consumers, viewers and listeners have diversified information, especially political information, which does not deprive them of the capacity to exercise their freedom of opinion and choice. A pluralistic media offering therefore results from a plurality of independent and autonomous media reflecting the broadest possible diversity of opinions and ideas."

Vivendi uses this shared definition to encourage and monitor the efforts of its subsidiaries in this area.

DESCRIPTION OF THE GOVERNANCE STRUCTURE, THE BUSINESS MODEL AND MECHANISMS USED TO GUARANTEE INDEPENDENCE OF EDITORIAL FUNCTIONS AND PLURALISM OF CONTENT



| GRI | UNGC | OECD | Scope covered |
|---|------|--------|---------------|
| G4-56, DMA HR MSS, DMA PR MSS Content Creation aspect | 1, 2 | II, IV | Canal+ Group |

Through the production of its documentaries, its round-the-clock television news channel iTélé and all the international channels comprising the Canal+ Overseas packages, Canal+ Group occupies a leading position in the audiovisual scene and therefore plays a major role in nurturing the critical mind of its audiences.

The principles of journalism ethics are enshrined in the group's Ethics Charter and in the collective agreement of Canal+ Economic and Social Unit (UES Canal+) for journalists. The collective bargaining agreement indicates the ethical rules that must be adhered to by journalists in their professional activities. Furthermore, after the commitments made by Canal+ Group at the hearing on September 24, 2015 before the CSA (the French broadcast media regulator), the group announced in January 2016 the setting up of an Ethics Committee at the Canal+ channel.

Mechanisms are in place for supervision of processing and disclosure of sensitive information. Some information programs (including iTélé programs, when necessary; *Spécial Investigation* on Canal+; *En Quête d'actualité* on D8) are viewed by lawyers from the Canal+ Group channels in collaboration with the editorial offices.

NUMBER AND DESCRIPTION OF INTERVENTIONS MADE BY THE CSA (WARNING – SUMMON – SANCTION) AND ACTION TAKEN IN RESPONSE 

| GRI | UNGC | OECD | Scope covered |
|----------------|------|--------|---------------|
| G4-PR7, MSS M5 | - | VIII.7 | Canal+ |

| | 2015 | 2014 |
|--------|------|------|
| Canal+ | 4 | 1 |

For all of its channels, Canal+ Group has received two warnings and two summons from the CSA.

iTélé received a summons from the CSA, like most of the French channels, for its coverage of the January 2015 attacks in Paris. The summons is being appealed in the *Conseil d'État*. The CSA also issued a summons against D8 in connection with a sequence broadcast during the program *Touche pas à mon poste* in which the CSA believed that one guest had made statements that might stigmatize a group of persons because of their disability.

EXISTENCE OF A FORMAL COMMITMENT GUARANTEEING BALANCED REPRESENTATION OF SOCIETY'S DIVERSITY

| GRI | UNGC | OECD | Scope covered |
|---|------|--------|---------------------|
| G4-56, DMA HR MSS, DMA PR MSS Content Creation aspect | 1, 2 | II, IV | UMG Canal+ Group |

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 policy aimed at strengthening gender equality and social diversity on its channels, so that both on-air content and the women and men presenting it illustrate the diversity existing within society.

By entering into agreements with the CSA, the Canal+ Group's channels in France are committed to respecting the representation of diversity of genres, origins and cultures and gender equality. As the leading satellite pay-TV provider in Africa for over 20 years, Canal+ Overseas, a subsidiary of Canal+ Group, also contributes to promoting diversity of content due to the variety provided by its package of around 200 channels and radio stations, including some fifty local African channels.

Today's music business requires that UMG's catalog reflects the world's diversity of genres, origins and cultures. This is demonstrated by the signing of local artists in 59 countries and the exposure given to repertoire performed in 44 languages by UMG artists. Of the 50 best-selling UMG albums in the world in 2015, 28% were by female artists and 40% were by male artists (excluding groups, film scores and compilations).

For additional information about women in artistic creation, please refer to Chapter 2, Section 2.5 of this Handbook ("Creating Value for Artists").

4.1.3.2. Media Access

Vivendi aims to facilitate access to the group's products and services so that the most isolated audiences, regardless of where they live, their age or financial position, can share the benefits of this rich audiovisual, cinematographic and musical offer.

MEASURES TAKEN IN FAVOR OF ACCESS TO OFFERS, PRODUCTS AND SERVICES (INCLUDING ACCESS TO CUSTOMER SERVICE) 

| GRI | UNGC | OECD | Scope covered |
|----------------|------|--------|--|
| G4-EC8, MSS M4 | 1, 2 | II, IV | UMG Canal+ Group Vivendi Village |

The Canal+ Group's channels offer their subscribers the following two systems: close captioning for the deaf or the hearing impaired (100% of the Canal+ channel's programs in France) and audio description for the blind or the visually impaired (for 2015, the Canal+ channel made an undertaking to the CSA to make 70 unedited programs available in audio description that could be broadcast during peak viewing hours).

Satellite coverage allows access to content throughout the territories in which Canal+ Group operates; therefore the main challenge in terms of geographic accessibility lies in the establishment of points of sale. In Africa, the distribution network is now being rolled out more quickly in rural regions than in cities, and several points of sale were opened in 2015 in isolated areas to allow residents of these regions to access the content.

In conjunction with the rollout of a DTT offer in Congo, Canal+ Group plans to offer a monthly subscription to low-income households at a very low cost. In addition, in 2015 the group proposed a new package in all the African countries where it operates which gives access to the Canal+ channels at a more attractive rate.

The fact that UMG has digitized its exceptional catalog of musical works provides a unique way of accessing thousands of recordings that are unavailable in any physical medium. UMG is developing or partnering with digital music services in the territories where it is active, which makes its offers more accessible. Furthermore, UMG strives to give every music fan access to the full diversity of its catalog, whether it be through services that are free to the user or services offered at a reduced rate (like the Japanese service Line Music, which offers a discount to students, who make up 22% of subscribers).

In countries with poor infrastructures, UMG forms partnerships with telecom providers to create music bundles. These partnerships facilitate access to music content for geographically isolated populations. These partnerships also provide the opportunities to establish and promote music offers over the Internet through legal means. Thus a partnership with provider Smart gave birth to Spinnr, the first streaming music service in the Philippines. In Cambodia, British singer Jessie J performed in Phnom Penh for the launch of the partnership with Smart Axiata and raised public awareness of the need to give preference to the legal music offers.

The entities of Vivendi Village have also taken measures to promote accessibility. Watchever, for example, asks its suppliers to deliver video files in a German version and the original version. The user is then free to choose which version he or she prefers to view the content purchased in. See Tickets has a special telephone number that allows disabled customers who require an adapted space to reserve a seat that meets their needs. As far as possible, priority will be given to reserving a seat accessible without steps or stairs, close to the stage, or which allows the use of a sign language translator.

4.1.3.3. Awareness Raising of Sustainable Development Issues

CONTENT AND PROGRAMMING CONTRIBUTING TO RAISING PUBLIC AWARENESS OF SUSTAINABLE DEVELOPMENT ISSUES

| GRI | UNGC | OECD | Scope covered |
|--|------|--------|----------------------------------|
| DMA PR MSS Content Creation and Distribution aspects, MSS M3 | 1, 2 | II, IV | UMG Canal+ Group Corporate |

Be it through its audiovisual and musical content, or through its partnerships, Vivendi plays a leading role in raising audience's awareness on the major sustainable development challenges: human rights, protection of the environment, impact of new technologies on human development, dialog between cultures, and mutual understanding between peoples and generations. The sections below provide a summary of certain highlights of the year 2015 (please also refer to Chapter 2, Section 2.1.2 of the Annual Report 2015).

Vivendi has established an innovative partnership with Sciences Po to foster debate with different audiences at this prestigious university on corporate social responsibility in the media and cultural industries sector. In addition, for more than ten years, as part of its various contributions and thanks to the testimonials of personalities collected on the *Culture(s) with Vivendi* website and the CSR web radio *Vivoice*, Vivendi has actively argued for positioning culture as a pillar of sustainable development and for the inclusion of culture in the United Nations global goals.

Through the content it distributes and through the artists of the group who share the ambition of the United Nations, Vivendi is taking action. Universal Music Group has partnered with British director Richard Curtis to release "Tell Everybody", a song and a video clip specifically dedicated to the UN sustainable development goals. A contest was organized for African youth to participate in writing the lyrics to "Tell Everybody". Several African artists from various countries joined forces and lent their talents to the production of this work: Becca (Ghana), Diamond (Tanzania), Mafikizolo (South Africa), Sarkodie (Ghana), Sauti Sol (Kenya), Toofan (Togo) and Yemi Alade (Nigeria) – please see also Chapter 2, Section 2.7 and Chapter 4, Section 4.1.2.1 of this Handbook.

Canal+ Group continues to raise the general public's awareness of sustainability issues, as diverse as they are, through documentaries that it produces and broadcasts on its various channels. Some 1,135 hours of documentaries aligned with Vivendi's CSR issues were aired in 2015 on the group's three Planète+ channels (Planète+, Planète+ Crime et Investigation and Planète+ Aventure et Expérience).

The Planète+ channels set up special programming on the occasion of COP 21, the United Nations' 21st Climate Conference which was held in Paris from November 30 to December 11, 2015. The channels broadcasted 40 documentaries, including 16 original productions, in the framework of an initiative titled "La Planète Vous Dit Merci!" (The Planet Thanks You!). The channels chose a positive editorial message: to promote a society on the move, that acts both individually or collectively to provide real solutions to the environmental challenge. Several short videos in which celebrities speak about their commitment to the planet were also produced and broadcast in particular on a dedicated Dailymotion channel.

In addition to Planète+, the Canal+ Group's channels were closely involved in programming related to COP 21. Even before the beginning of the Conference, iTélé dedicated a number of reports on the impacts global warming has on the planet. iTélé followed the negotiations step by step and won an exclusive interview with the President of the United States, Barack Obama, during his stay in Paris. Various programs on Canal + and D8 also covered ongoing news from COP 21.

Canalsat's educational service Campus also introduced special content around the time of COP 21. Over 40 documentaries (about biodiversity, the climate and ecological solutions) were selected and featured on the platform. Canalsat and myCanal also established a digital offering named "Canalsat Vous Donne à Réfléchir" (Canalsat Invites You to Reflect), including documentaries related to the event and an "eco-test" determining the programs best-suited for the subscriber depending on his or her responses to the questions.

Vivendi also supported the campaign launched by the Nicolas Hulot Foundation, *My Positive Impact*, that honors initiatives to fight climate change. The group made its various media available to the Foundation to relay this campaign and hosted the award ceremony at L'Olympia. The ceremony was attended by many artists, comedians and singers, several of whom were brought in by UMG.

4.1.4. VALUATING AND PROTECTING PERSONAL DATA

Personal data protection is a strategic issue for the group, which must build relationships of trust with its audiences. It is one of Vivendi's four "core" CSR issues. Since 2015, it has been included in the CSR criteria taken into account in the variable compensation of senior executives. The Data and Content Protection Charter adopted in 2008 and implemented in each of the subsidiaries, defines Vivendi's commitments in relation to the collection and management of customers' personal data and the protection of content. Vivendi and its subsidiaries have a designated officer responsible for the protection of personal data.



POLICIES PUT IN PLACE TO PROTECT CUSTOMERS' PERSONAL DATA

| GRI | UNGC | OECD | Scope covered |
|---|------|---------------|--|
| G4-DMA PR Customer Privacy aspect, DMA HR MSS | 1, 2 | IV, VIII.6 | UMG Canal+ Group Vivendi Village |

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 (the French data protection authority).

The issue of personal data protection is taken into account specifically in the training provided to customer advisors. In 2015, for example, the "Customer Relations" certification (see Section 4.3) included a section on raising awareness of data confidentiality. Responsible use of personal data is also taken into account in the customer relationship itself. An intensity relations team ensures that during customer relations, communications are harmonious and personal information is treated respectfully.

The entities are also mobilized at an international level. The Polish subsidiary of Canal+ Group has a strict policy covering security of personal customer data, and in 2015 more than 500 of its staff were trained on this topic. In addition, Canal+ Afrique explicitly includes contractual provisions in its contracts with distributors and mobile operators that have access to subscribers' personal data that require them to agree to the confidentiality of that data.

In its Code of Conduct, used in every country where the group operates, UMG stresses the need to protect its customers' personal data. In 2015, UMG also appointed a Privacy Officer, whose mission is to ensure that the procedures established by UMG properly protect the personal data of its customers and employees and to review the data transfer provisions contained in contracts with upstream and downstream third parties.

At UMG, emphasis is also placed on staff training and in 2015 more than 2,300 staff underwent online training devoted to protecting personal data. Moreover, UMG is reviewing its customer data protection policies in order to receive TRUSTe certification which attests to the implementation of best practices in regard to confidentiality and protection of personal data.

Vivendi Village's entities, Watchever and See Tickets, each display on their website their policy in the area of personal data.



DESCRIPTION OF ACTIONS FOR RAISING THE AWARENESS OF CUSTOMERS REGARDING PERSONAL DATA AND INFORMATION CONCERNING PRIVATE LIFE ONLINE

| GRI | UNGC | OECD | Scope covered |
|---|------|---------------|---------------------|
| G4-DMA PR Customer Privacy aspect, DMA HR MSS | 1, 2 | IV, VIII.6 | UMG Canal+ Group |

In order to ensure that customers are aware of the management of information collected from them, Canal+ Group defines clearly, in its General Subscription Conditions, the rules applying to the use of personal customer data. As regards services dedicated to young users, the General Conditions of Sale of the Canalplay Kids offer specify the details of personal data processing, and the website of nc+ (www.miniminiplus.pl), which offers audiovisual programs, video games and creative workshops for young children, also displays its confidentiality policy relating to the information it collects.

For its customers, UMG makes its policy on use of personal data available on the group's sites (privacypolicy.umusic.com). This helps customers better understand and manage information about themselves, and especially the option to authorize or refuse collection of their data. For young audiences, UMG requires consent by a parent or guardian when web users between the ages of 13 and 16 subscribe to its online music sites. Websites that are likely to appeal to children provide a Safe Surfing Guide to help parents and children control their Internet experience.

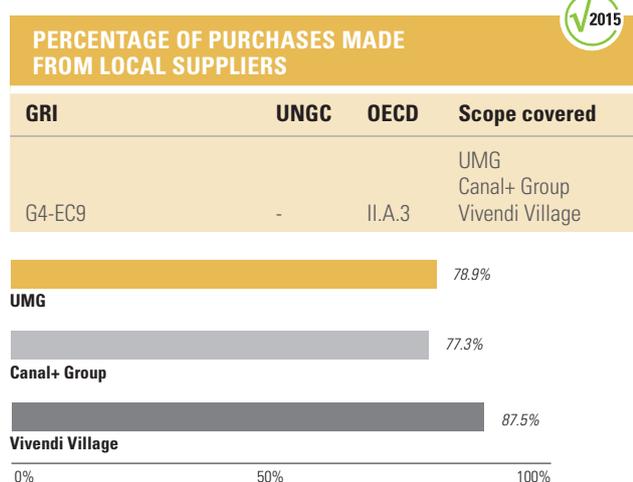
4.2. Local, Economic and Social Impact of the Business Activity

Vivendi plays a major role in the development of the territories in which it operates. Through its various subsidiaries, the group is a key partner of local economic players, as evidenced by the following:

- ◆ sharing the value produced by Vivendi with its principal stakeholders (see the chart in Chapter 1, Section 1.5.10 of the Annual Report 2015); and
- ◆ contributing to economic, social and cultural local development.

4.2.1. CONTRIBUTION TO LOCAL ECONOMIES

Vivendi contributes actively to the development of the territories where it has operations, not only through direct or indirect employment but also through the promotion of the local culture and by sharing its know-how. Whether through the empowerment of artistic talent, the professionalization of the local cultural sector, or the support given to NGOs, the group has chosen to assess its impact in a tangible way.



The group has analyzed the purchases made with suppliers and subcontractors, which account for at least 75% of the overall expenditure of each of the subsidiaries (see Section 4.4 of this chapter). On average, 78% of purchases made by Canal+ Group, UMG and Vivendi Village are made from local suppliers.

Through these purchases, Vivendi has a significant impact on the local economic fabric, and in particular by contributing to job creation. Thus, in the six African countries included in the 2015 scope of societal reporting, Canal+ Group generates nearly 4,500 indirect jobs, in particular through its distribution network, its purchases of communication services and of technical services used by the group to install the equipment

which is necessary for reception of the packages. In the same way, more than 750 indirect jobs have been created by Canal+ Group in Vietnam (primarily via the large distribution network of K+), more than 2,300 indirect jobs have been generated by the group in Poland, and more than 20,000 indirect jobs in France.

Moreover, through its activities Vivendi contributes to sustaining the local cultural industries.

In 2015, Vivendi continued its training program for sound engineers that was launched in Mali in 2006. The six trainees worked on techniques for studio recordings of titles performed by the koras orchestra of Ballaké Sissoko, an orchestra composed of eleven young Malian instrumentalists. In 2015, for the first time since the creation of the program, a female technician joined the training module. The 2015 edition of the training course was also the opportunity to assess the professional progress of the trainees and, for those who had been taking the training since it was initiated, to assess the development of their status and income since 2006. Despite an economic slowdown, the assessment of the training is extremely positive. Certain trainees have doubled the number of days worked between 2006 and 2012, and are now employed between 150 and 200 days a year.

Sharing skills was the centerpiece of another training program set up by iTélé in partnership with CFI, the French media cooperation agency. Between November 2014 and October 2015, the news channel conducted a total of seven training missions in Hanoi, Vietnam, to train journalists and technicians for the launch of a local news channel, VTV 24. The French journalists offered courses in the basics of journalism, and also offered workshops on reporting, studio work and interviews.

Vivendi also contributes to the economic and cultural fabric by collaborating with local professionals in its operations. The international entities of Canal+ Group in Africa and in Poland, for example, actively collaborate with many independent producers. In Africa, in 2015, the group entered into business relations with 76 local producers for the purchase and pre-purchase of rights as well as co-production of series, films and events. In Poland, 33 local producers worked with nc+. Due to the Canal+ Discovery channel launched in 2015 with the goal of broadcasting up to 120 hours of Polish programs developed exclusively for the channel each year, the opportunities to collaborate with local producers will increase even further.

For its part, UMG plays an important role in the development of the local music ecosystem through P&D (pressing and distribution) deals or joint ventures entered into with independent labels. These agreements allow the labels to benefit from UMG's expertise, infrastructure and distribution networks.

UMG has partnerships with music festivals in some countries. In addition, in France, Digitick has established close ties with local festivals that help nourish regional cultural life. Marsatac or Rockisland, for example, benefit from Digitick's financial and operational support.

4.2.2. PARTNERSHIPS WITH CIVIL SOCIETY

Since 2008, through its Vivendi Create Joy Fund, Vivendi has been committed to supporting young people that are marginalized, at risk, disadvantaged or suffering from sickness or disability. Each year, roughly thirty major projects aimed at the development of talent in musical, digital, journalism, cinema and television – the group’s businesses – are financed. The program has been implemented in the United States, in Europe (France and Great Britain) and in Africa.

Vivendi’s employees are involved with the NGOs supported through the Ambassadors Create Joy program. The volunteer skills provided by the Ambassadors assist in making the projects a success.



AMOUNTS SPENT FOR ENTERPRISE FOUNDATIONS, SOLIDARITY PROGRAMS AND SPONSORSHIP ACTION (IN €), AND A DESCRIPTION OF THREE INNOVATIVE PROJECTS

| GRI | UNGC | OECD | Scope covered |
|-----------------------|------|------------------------|--|
| G4-EC1, EC7, EC8, SO1 | 1 | II.A.3 and 4, IV, IX.5 | UMG Canal+ Group Vivendi Village |
| | | | 2015 2014 |
| UMG | | 1,897,680 | 1,002,688 |
| C+G | | 4,783,397 | 2,584,734 |
| Vivendi Village | | 23,750 | - |
| Total | | 6,704,827 | 3,587,422 |

The subsidiaries implement their own solidarity and philanthropic programs.

Canal+ Group, which maintains a unique connection with the seventh art, supports the French film industry through its Canal+ Foundation for cinema. The group in France gives financial assistance to training institutions such as the Cité du Cinéma film school and Femis. In addition, Canal+ has established a donation fund, “Kindia+”, to support projects and associations in Guinea. These projects were featured in the Canal+ documentary series *Kindia*, the last episode of which was broadcast in November 2015.

In Africa, Canal+ Group supports local cultural life by being a partner to many festivals and cultural events, such as FESPACO in Burkina Faso (see Section 4.1.1.1 of this chapter), the Clap Ivoire festival in Ivory Coast, the international choral festival in Gabon, CAL’U, and the Congolese film festival. The group also provides support to local television. In 2015 in Burkina Faso it signed a memorandum of understanding with the Ministry of Communication to provide financial support to the RTB, the local television. In Congo, it provides technical equipment to the national channel Télé Congo as part of an annual partnership.

Moreover, several local Canal+ branches offer associations free subscriptions to their packages. In Poland, 45 set-top boxes and subscriptions were offered to NGOs that care for children without access to media, in orphanages, hospitals or schools in isolated areas. In Gabon, Canal+ Group has offered free subscriptions to its package to four centers for young people at risk.

UMG conducts numerous initiatives to promote the development of young audiences through music (see also Section 4.1.2.1 of this chapter). In the United Kingdom, for example, UMG continues its support for the OnTrack program organized by the performance venue The Roundhouse. This program consists of six weeks of training to help 20 young people who are not in school, employed or in an apprenticeship to acquire professional skills in writing, performing and recording music. The success of this program has been remarkable: more than 50% of the young people who participated in 2014 are now in training or have found a job.

Also in the United Kingdom, UMG has extended its partnership with East London Arts and Music, a free school for those 16 to 19 years old. Its curriculum is based on music and the creative industries. In February 2015, 30 young people were involved in the UMG final weeks of preparation for the Brit Awards. Additionally, during the month of June, the students got UMG’s help in releasing their first piece on the Spinnup platform. Beyond this partnership, UMG also supports the hugely successful fundraising project Secret 7”. Graphic designers from around the world produced album covers for seven UMG artists (including the Rolling Stones and the Chemical Brothers). Proceeds from the sale of these valuable one-off covers were given to the Nordoff Robbins Music Therapy association.

In the United States, Universal Music supports the Global Poverty Project, an NGO that aims to eradicate extreme poverty by 2030. In particular, UMG participated in organizing the annual Global Citizens’ Festival, in September 2015.

4.3. Relations with Stakeholders

Dialog with stakeholders is at the heart of Vivendi's CSR policy (see Chapter 2, Section 1.2.4 of the Annual Report 2015).

| DESCRIPTION OF AT LEAST THREE DIALOG INITIATIVES WITH IDENTIFIED STAKEHOLDERS AND DESCRIPTION OF THE TOPICS ADDRESSED | | | |
|---|------|---------------------|--|
| GRI | UNGC | OECD | Scope covered |
| G4-26, G4-S01 and PR5, MSS M6 | - | II.A.3 and 14, VIII | UMG Canal+ Group Vivendi Village |

Canal+ holds a plenary consultation meeting in France with consumer associations every year. This meeting, attended by, among others, the Director of Customer Services and the Head of External Consumer Relations and Customer Dialog, is an opportunity to create a climate of constructive dialog with the representatives of the group's customers. The decline in the number of claims submitted by the associations to Canal+ continued in 2015, with 438 files, down from 471 in 2014.

In this context, in 2015, the Canal+ Group customer services set up, at the request of the consumer organization UFC-Que Choisir, an e-mail address for claims received by the association, in order to facilitate the communication of customer claims. A new customer process has also been offered since September 2015 following the establishment of mediation in French law. In the event of disputes, Canal+ Group refers to FEVAD (the French federation of e-commerce and remote sales), which acts as a mediator for the sector.

In addition, the audit conducted in October 2015 by AFNOR confirmed retention of the NF Service "Customer Relation" certification awarded to Canal+ in 2014, which certifies achievement of the best standards in the market for customer relations.

Dialog with the stakeholders of the Canal+ Group's international entities was largely focused on piracy in 2015:

- in Vietnam, K+ contributed to the formation of an alliance to fight piracy that includes rights-holders, film producers, content distributors and associations;
- by relying on two associations to which it belongs (Sygnał and Fota), nc+ carried out a number of initiatives and events in Poland to promote the legal offer of content, particularly with regard to sports rebroadcasts; and
- Canal+ Afrique is a member of the Convergence association, created in 2015. The aim of this association is to defend and protect the economic interests of the audiovisual sector and of creators in Africa, in particular by ensuring that copyright is respected and by combating piracy. The association represents the interests of all players in the African cultural industry, and in that capacity it brings together authors, producers and regulators, as well as television and mobile telephone operators.

UMG has identified its principal stakeholders (artists, artist managers, music retailers, digital partners, product suppliers, national and European

authorities, media, parent associations, consumer and industry bodies) and has instituted open and collaborative dialog.

In addition to the relationships the group maintains with the professional associations – especially the IFPI, of which it is an active member – UMG has regular discussions with artists and their managers.

For example, UMG's British affiliate has invited managers to a seminar, where participants could exchange ideas on trends in the music market and their impact on the company and the artist community. The week was a great success both in the rate of participation (90% of the managers were there) and in feedback from participants, who praised the dialog held by UMG as open and constructive.

In several countries, UMG has a web-based portal for access by artists and songwriters. This portal allows them to evaluate their promotional campaigns and provides them with up-to-date financial and marketing data relating to their releases. UMG Germany has a seat on the rate committee of GVL, an association for collecting artist royalties. This committee presents recommendations and suggestions for setting music royalties.

At Vivendi Village, dialog with industry professionals takes place in the context of professional associations to which the entities belong (such as FEVAD for Digitick, or PRODISS – the French union of producers and concert venues – for L'Olympia). In order to continue to offer an innovative approach to the customer experience, Vivendi Village is constantly searching for ways to improve responsiveness and to best meet the expectations of music, theatre, arts and sports fans. As a result, Digitick was elected Best Customer Service of 2016 in the "Event and Movie Booking" category by Viséo Conseil.

| RESULTS OF MEASURING CUSTOMER SATISFACTION | | | |
|--|------|---------------|---------------|
| GRI | UNGC | OECD | Scope covered |
| G4-26, and PR5, MSS M6 | - | II.A.14, VIII | Canal+ Group |

Canal+ Group regularly conducts customer satisfaction surveys, designed to measure the response to its offers and content by its subscribers. In 2015, all the group's subsidiaries conducted or commissioned a company to carry out at least one measurement of satisfaction of their customers.

In France, the satisfaction barometer for October 2015 demonstrated customers' attachment to the film offer provided by the channel. For 86% of subscribers, Canal+ is the reference channel for movies. 75% of the respondents also agreed that "Canal+ is a channel that offers programs you cannot see anywhere else."

nc + in Poland measured the satisfaction of its customers in the third quarter of 2015: 86% of customers were satisfied with the offer from nc+. Several surveys, posting very good results, were also conducted by Canal+ Afrique. With respect to A+, more specifically, the subscribers believe the channel reflects a modern and dynamic Africa, one which is a source of pride and creates a feeling of belonging.

4.4. CSR Criteria as Part of Purchasing Policy and in Relations with Suppliers and Subcontractors

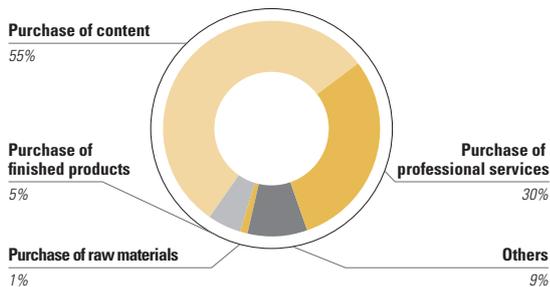
4.4.1 IMPORTANCE OF PURCHASING AND SUBCONTRACTING AT VIVENDI

To obtain a better overall view of the risks related to the supply chain, the group has carried out an analysis of its purchases made with suppliers and subcontractors that account for at least 75% of the total expenditure of each of the subsidiaries.

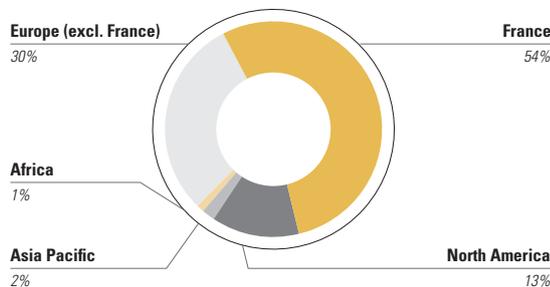
BREAKDOWN OF PURCHASES BY MAIN CATEGORIES AND GEOGRAPHIC REGIONS (AMONGST THE SUPPLIERS AND SUBCONTRACTORS WITH WHOM AT LEAST 75% OF TOTAL PURCHASING AMOUNT IS REALIZED)



| GRI | UNGC | OECD | Scope covered |
|---------------|------|--------------|--|
| G4-12, G4-EC1 | - | II.A.3 and 4 | UMG Canal+ Group Vivendi Village |



The group purchases mainly content and professional services. Most of these purchases are made from suppliers in Europe and North America. The five principal countries from which these purchases originate are, in descending order, France, Great Britain, United States, Poland and Germany.



4.4.2 A RESPONSIBLE PURCHASING POLICY ADOPTED BY THE SUBSIDIARIES

Vivendi is committed to increasing the awareness of its main suppliers and subcontractors to its social and environmental issues. In 2013, Vivendi signed the Charter of Responsible Supplier Relations, which defines a number of commitments designed to increase the awareness of economic players to the importance of responsible purchasing and the quality of customer-supplier relations. Vivendi's Compliance Program includes a rule that recalls the commitment of commercial partners to provide services in compliance with the group's commercial and social ethical standards.

EXISTENCE OF A FORMAL COMMITMENT WITH REFERENCE TO FOUNDING PRINCIPLES IN THE PURCHASING POLICY



| GRI | UNGC | OECD | Scope covered |
|---|------|--------------------------------------|---|
| G4-56, G4-DMA Supplier Assessment aspects | 1-10 | II.A.13, III, IV, V.1, VI.6 | UMG Canal+ Group Vivendi Village Corporate |

The subsidiaries use subcontracting. They expect their suppliers and subcontractors to comply with the principles set out in Vivendi's Compliance Program and in the UN Global Compact, as well as with the values and rules of good conduct in their respective codes of ethics. A breach of any of these principles is potential ground for the group to terminate the contract with the supplier. Canal+ Group has two internal call centers for which it has obtained renewal of the "Integrated Centers" Social Responsibility Label, and also has outsourced call centers.

In 2015 the entities of Vivendi Village included in the scope of reporting were informed of the group's commitments on this issue during training sessions on reporting.

DEPLOYMENT OF THE RESPONSIBLE PURCHASING APPROACH AMONGST THE SUPPLIERS AND SUBCONTRACTORS WITH WHOM AT LEAST 75% OF THE TOTAL PURCHASING AMOUNT IS REALIZED



| GRI | UNGC | OECD | Scope covered |
|--|------|---|---|
| G4-DMA Supplier Assessment aspects | 1-10 | II.A.12 and 13, II.B.2, IV, V.1, VI.6 | UMG Canal+ Group Vivendi Village Corporate |

The subsidiaries were made particularly aware of the issue of human rights in business relationships at a dedicated CSR Committee meeting, during which experts gave clarifications on the group's corporate responsibility in its own sphere of influence (the media sector).

Purchases of audiovisual content (films, series, broadcasts, sports events and similar) which account for a substantial portion of the purchases made by Canal+ Group are made under terms and conditions defined with the rights-holders. For relations with its other suppliers, Canal+ Group has established contractual prerequisites which require compliance with the provisions of the United Nations Global Compact, through the systematic insertion of a CSR clause. These contractual prerequisites are included in Canal+ Group's bidding documents (calls for tenders) and in the contracts entered into with suppliers after the bidding process. In addition, the group regularly requires the following of its suppliers:

- ◆ the external call centers to which it assigns part of the management of its customer contacts must obtain and comply with the Social Responsibility Label;
- ◆ suppliers must follow its rules in relation to protection of the personal data of its customers (including external call centers, technical service providers with access to information systems and business partners); and
- ◆ manufacturers of set-top boxes must implement waste management procedures.

In its main business regions, through its calls for tender, UMG asks its suppliers to sign the Universal Music Group Supplier Corporate Responsibility Policy. In addition, suppliers who respond to a call for tender must provide information on the following:

- ◆ the selection and management of ethical and environmental practices in the supply chain;
- ◆ confirmation of adherence to the principles of the Universal Declaration of Human Rights;
- ◆ the use of paper, pulp or fibre coming from forests or resources declared legal by European and American standards; and
- ◆ the supplier's status with respect to the ISO 14001, EMAS and REACH standards.

Bravado Australia, UMG's Australian merchandising subsidiary, is particularly vigilant in relation to the ethics of its suppliers. Suppliers are asked to prove, before any contractual commitment with Bravado, international accreditation (WRAP, BSCI and Sedex) that guarantees they meet the ethical requirements. They are also asked to sign a Manufacturing Agreement that restates the principles in regard to human rights. Bravado Australia conducts annual audits to ensure that these commitments are adhered to.

Watchever also ensures that its contracts contain clauses that recall the obligations of the parties in relation to social and labor legislation, compliance with anti-corruption laws, and identification of age restrictions applying to content purchased.

Lastly, the subsidiaries have trained purchasing teams on responsible purchasing, with a view to strengthening their performance in this area.

Canal+ Group's purchasing teams in France, among others, have been made aware of issues linked to socially inclusive procurement practices, respect for workers' fundamental rights, fair practices with suppliers, the dependency of suppliers, and commitments in relation to payment terms.

In the United Kingdom, the UMG purchasing team has been made aware of the Modern Slavery Act, adopted in 2015. It requires greater vigilance and transparency by companies in regard to their suppliers. Companies must detail the measures they have in place to ensure that their suppliers are not engaged in slavery or human trafficking.

4.5. Fair Business Practices

Since 2002, Vivendi has had a Compliance Program setting out the general rules of ethics applicable to every employee in the group regardless of their role or seniority. These rules of conduct cover the rights of employees, truth and protection of information, prevention of conflicts of interest, commercial ethics and compliance with competition laws, the use of property and resources belonging to the group, financial ethics and respect for the environment. Compliance with these rules is a condition for belonging to Vivendi.

4.5.1. ACTION TO PREVENT CORRUPTION

| DEFINITION OF THE POLICY'S PRIORITY AXES CONCERNING THE STRUGGLE AGAINST CORRUPTION  | | | |
|---|------|---------|---|
| GRI | UNGC | OECD | Scope covered |
| G4-DMA SO Corruption aspect | 10 | II, VII | UMG Canal+ Group Vivendi Village Corporate |

The subsidiaries manage their own anti-corruption policies based on the Compliance Program and on the United Nations Global Compact, of which the group is a signatory.

Canal+ Group has formalized its commitments in its Ethics Charter and set up a structured governance procedure for all expenditures and contracts signed within the group. In addition, the Internal Audit department of Canal+ Group has defined a quarterly census procedure to highlight any fraud within the group, as well as defining the associated action plans. In accordance with the group's procedure for notifying fraud, established by the Internal Audit department, this information is transmitted by the operational departments.

All the employees of the Canal+ Group's Purchasing department, Legal departments and Audit department are made aware of the fight against corruption. Moreover, in 2015, the governance procedures were presented to the employees based in Paris during sessions held in April and June. In addition, in the Polish subsidiary of Canal+ Group, the topic of fighting corruption has appeared since November on the agenda of the training modules given to new employees. An e-mail restating the guidelines of this anti-corruption policy is also sent every year to operational executives and to the members of the executive committee of nc+.

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. UMG has introduced a warning alert system available to its employees: the group maintains a compliance and ethics helpline number that can be called to anonymously report any suspected violations of the UMG Code of Conduct. The helpline is available twenty-four hours a day, seven days a week.

All the group's employees have been made aware of the company's Code of Conduct which includes its anticorruption policy and must agree to abide by it. UMG has also developed courses on the fight against fraud and corruption. After a 2014 session in Asia, colleagues in Mexico, Brazil and South Africa participated in training on the UK Bribery Act, the Foreign Corrupt Practices Act and the UMG Code of Conduct. A total of 279 employees participated in these training sessions (134 in Mexico, 101 in Brazil and 44 in South Africa).

In order to combat fraud and abuses in the ticketing black market, Digitick set up zePass, a trusted third-party service, unique in France, enabling the non-speculative resale of tickets between individuals on a secure platform. zePass also offers event organizers (including L'Olympia) the introduction of an official public market for ticket exchanges.

TOTAL NUMBER OF INCIDENTS HAVING RESULTED IN NON-RENEWAL OF CONTRACTS WITH COMMERCIAL PARTNERS DUE TO VIOLATIONS RELATED TO CORRUPTION

| GRI | UNGC | OECD | Scope covered |
|--------|------|---------|--|
| G4-S05 | 10 | II, VII | UMG Canal+ Group Vivendi Village |

In 2015, Canal+ Group, UMG and Vivendi Village did not record any incidents causing non-renewal of a contract with their business partners as a result of violations linked to corruption.

4.5.2. CONTRIBUTION TO PUBLIC POLICY/ RESPONSIBLE LOBBYING

Vivendi and its subsidiaries adopt transparent lobbying practices (disclosure of membership in professional associations, registration in lobbyist registers, and clear communication about the main positions taken).

UMG and Canal+ Group are registered in the European Parliament and Commission's Transparency Register. In the United States, as required by regulations, UMG declares its lobbying activities and related expenses in quarterly reports sent to Congress.



SIGNIFICANT THEMES AND POSITIONS TAKEN IN LOBBYING ACTIVITIES

| GRI | UNGC | OECD | Scope covered |
|-----------------------------------|------|------|---------------------|
| G4-DMA S0 Public Policy aspect | - | - | UMG Canal+ Group |

In 2015, Canal+ Group made its position known to French public authorities on the following three significant issues in particular:

- during debates on the draft bill for growth and economic activity proposed by the French Minister of Economy, Industry and Digital Affairs, the group defended the freedom of distributors of pay-TV to offer specific editorialized packages which are different from the numbering assigned by the CSA to the channels with a free-to-air DTT offer;
- with the arrival of new offers proposed by unregulated international groups, discussions with public authorities have focused on the status of these new players on the French market, and how this coexistence will affect competition. These discussions were an opportunity to recall the very onerous regulatory environment for pay-TV distributors in France and the obligations imposed on Canal+ Group to finance creation; and
- with regard to projects and goals in relation to content development, including original fiction, and in cooperation with public authorities, in 2015, Canal+ Group also contributed to discussions intended to continue the reform of relations between audiovisual broadcasters and producers and improve the balance between them in order to enable consolidation of the audiovisual groups and promote a better return on investment.

In Poland, Canal+ Group is a member of Sygnał and PIRS (Polish Chamber of Broadcasters), which work to protect intellectual property and which contributed in 2015 to the European debate on the single digital market and the revisions of the Satellite and Cable Directive. In Africa, in addition to its upstream positioning on calls for tenders, the group is making efforts to raise the awareness of authorities about combating piracy, particularly through its membership in the association Convergence (see Section 4.3 of this chapter).

Universal Music Group belongs to several industry associations (such as IFPI at the worldwide level and national affiliates including BPI in the United Kingdom and SNEP in France) through which it conducts many of its lobbying activities. These associations make their positions known

through various communications and written materials. UMG's lobbying efforts mainly concentrate on protection of intellectual property rights, recognition of the value of music and cultural diversity, the battle against illegal content and promotion of works' distribution and public performance rights – especially in countries where these rights currently have little or no protection.

Through these associations and on its own, UMG has been very active, including in Europe, in defending more equal distribution of the value generated by digital music services and consolidating the notice-and-take-down mechanisms. In France, the "Schwartz agreement" was signed in October 2015 by key stakeholders in the music industry. The French government promoted this voluntary code of practice to help govern relationships between digital platforms, record labels, publishers and artists, with the major labels being represented in France by their national union, SNEP (see also Chapter 1, Section 1.5.5 of the Annual Report 2015).

UMG has continued to work for the extension from 50 to 70 years of the period for protection of copyright-related rights. This measure encourages cultural diversity by allowing performers and studio musicians to be compensated for a longer period of time for their work and for the copyright owners to maintain a high level of investment in new talent. In 2015, this extension was adopted in Canada and ratified by the TransPacific partnership agreement for application in Japan and New Zealand.

4.5.3. RESPONSIBLE COMMUNICATIONS AND MARKETING

The Data and Content Protection Charter, adopted by Vivendi in 2008, establishes the principles applied by the group in the area of responsible communications and marketing. The principles in the charter must be complied with by all the subsidiaries in the countries in which the group operates. With this charter, Vivendi commits in particular to working to avoid advertising practices that mislead children, complying strictly with consumer protection legislation and obtaining the prior consent of Web users before sending advertising messages.

In the spirit of the Children's Rights and Business Principles established in 2012 by the UN Global Compact, Unicef and Save the Children, the group pays special attention to protecting young viewers. Principle 6 requires businesses to ensure that their marketing and advertising respect children's rights.

In 2015, in the framework of its dialog with media-sector stakeholders at the Forum RSE Médias, Vivendi contributed to the development of a "CSR and advertising" factsheet covering ethical issues related to advertising in content-based industries and proposing best practices.

EXISTENCE OF A FORMAL COMMITMENT IN FAVOR OF RESPONSIBLE COMMUNICATION AND MARKETING ON ANY COMMUNICATION MEDIUM

| GRI | UNGC | OECD | Scope covered |
|---|------|------|---------------------|
| G4-DMA PR Marketing Communications aspect | - | VIII | UMG Canal+ Group |

EXISTENCE OF MEASURES FOR ENSURING CONFORMITY OF COMMUNICATION AND MARKETING WITH THE COMMITMENTS MADE

| GRI | UNGC | OECD | Scope covered |
|---|------|------|---------------------|
| G4-DMA PR Marketing Communications aspect | - | VIII | UMG Canal+ Group |

Vivendi's subsidiaries promote responsible communications and marketing, under codes, charters or special provisions.

At Canal+ Group for example, this commitment is incorporated into several sections of the Ethics Charter (particularly those relating to business ethics and environmental protection). The agreement signed by Canal+ and the CSA also contains specific provisions on advertising communications.

The group is especially vigilant when it comes to messages to which children are exposed. In France, Canal+ has set up strict provisions for its youth channel Piwi+ and Télétoon+, stating for example that advertising sequences must last no longer than two minutes and that advertising slots must be clearly identified. The Canal+ Family channel does not run any adverts at all. In Poland, advertising communications aimed at children are evaluated according to an internal charter (see Section 4.1.2.2 of this chapter). More particularly, advertising messages for beverages and food the overconsumption of which could be considered as unhealthy are covered by a self-regulation deployed by nc+ in 2014 with the main broadcasters in the country.

Several measures have been taken to ensure compliance of communications and marketing with the commitments made. Adverts are reviewed internally by the legal departments. Externally, in France, radio and television adverts are submitted to the Autorité de Régulation Professionnelle de la Publicité (ARPP), the French authority for the professional regulation of advertising.

All of UMG's companies comply with its Code of Conduct. Most of the operating companies have set up an in-house committee in charge of approving communications and advertising campaigns before their launch. These committees meet regularly and are composed of marketing directors and project managers (who develop and implement communications plans in connection with the artists). This ensures that communications meet the requirements of the Code of Conduct and applicable local rules, such as those set forth by the ARPP in France and the National Council of Advertising Self-Regulation (CONAR) in Brazil.

Responsible communications and marketing also involve providing support for socially-responsible campaigns. Media have a key role to play as a sounding board for public-service announcements. In 2015, 57 associations received 503,597 seconds of free advertising on Canal+ Group channels for a total of 18,431 spots broadcast. Aware of the need to take action and committed to airing prevention messages, Canal+ also

supported the anti-jihadism awareness campaign created by families whose children or other relatives went to Syria or Iraq. This campaign, which is supported by the French Ministry of the Interior, was relayed by Dailymotion as well as the Canal+ website and during the show *La Nouvelle Édition*.