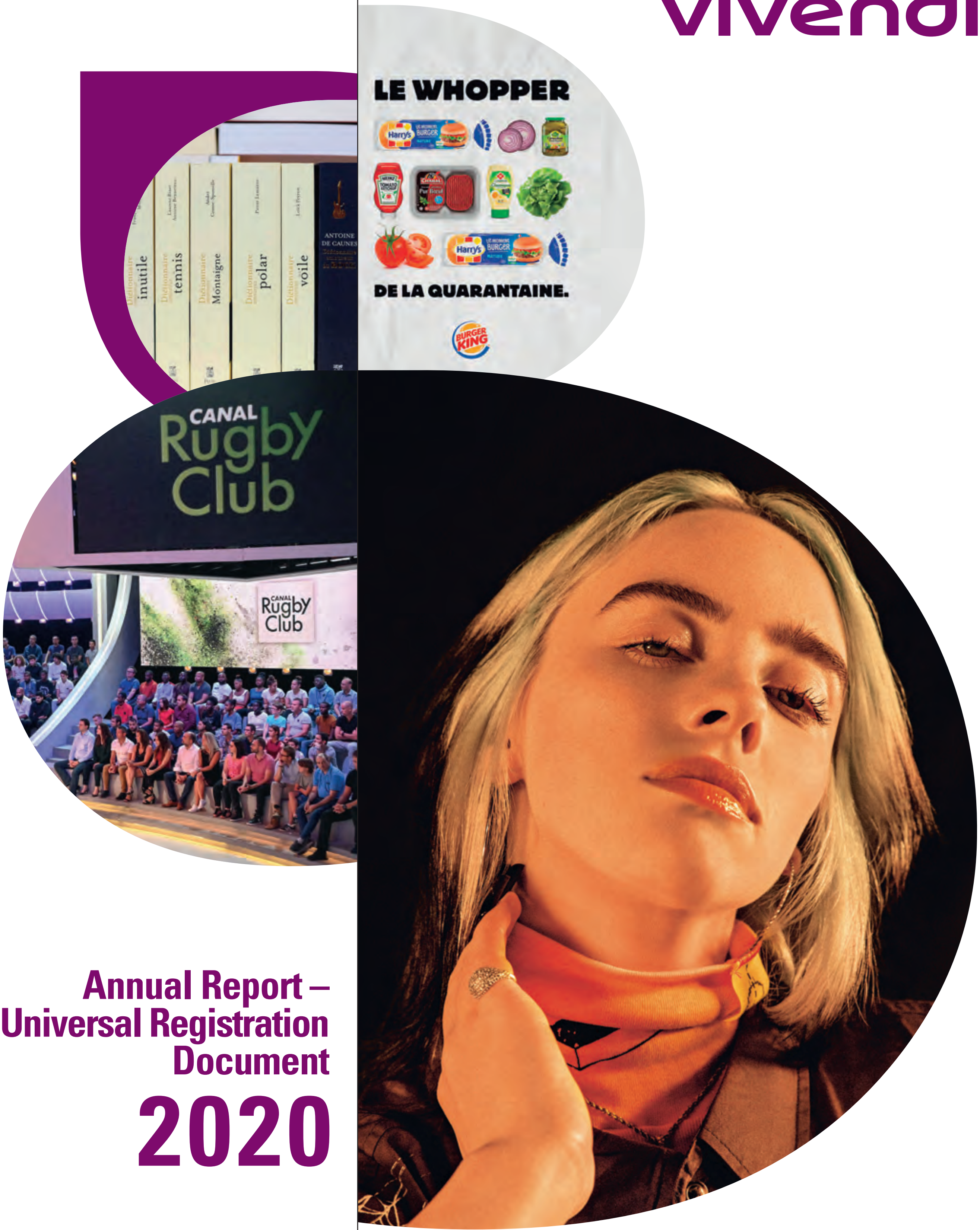
vivendi



Annual Report – Universal Registration Document 2020

UNIVERSAL MUSIC GROUP · CANAL+ GROUP · HAVAS GROUP · editis · GAMELOFT · vivendi village · dailymotion

The Annual Report – Universal Registration Document in English is a translation of the French *Document d'enregistrement universel* provided for information purposes. This translation is qualified in its entirety by reference to the *Document d'enregistrement universel.*

The Annual Report – Universal Registration Document is available on the company's website www.vivendi.com.

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Editorial

Yannick Bolloré

Chairman of the Supervisory Board

"Vivendi has a defining role to play in building a better world and nurturing powerful creative ideas and influential content."

2020 will no doubt be remembered for the public health crisis that overwhelmed organizations around the world. As events unfolded, the group's compass remained firmly set on taking all the necessary steps to ensure the health and safety of its teams.

Vivendi's entities have each demonstrated a remarkable ability to adapt to public health requirements and continue operating in these unprecedented conditions. Our business lines have reinvented themselves, developing new formats that have allowed them to forge ahead with innovative content and digital or hybrid events.

In 2020, we continued to follow our strategic roadmap and to invest in our future, accelerating our development to build a world class content, media and communications group.

Throughout the year, our group remained as dynamic as ever, opening up Universal Music Group's share capital following the completion of sale agreements with a Tencent-led consortium, and signing a put option agreement for Prisma Media.

The coronavirus crisis has put a spotlight on the critical role of the entertainment industry in society today. Creative content provides a means of escape for the billions of people forced to follow social distancing and lockdown measures all over the world. Global demand for high-quality digital creative content is higher than ever.

2020 also highlighted the spirit of creativity and solidarity that has long guided us at Vivendi.

The group upheld its responsibilities toward all of its stakeholders, introducing a number of exemplary community initiatives as part of the global effort to fight the pandemic, while its entities took various steps to support its suppliers and partners.

Vivendi has a defining role to play in building a better world and nurturing powerful creative ideas and influential content. We have defined our raison d'être with the tagline *"Creation Unlimited"*, which expresses the group's mission of unleashing creativity by promoting all talent, ideas and culture, and sharing them with as many people as possible.

We also strengthened our corporate social responsibility commitments with our *Creation for the Future* program, which sets new environmental, societal and social goals. While we have always been strongly committed to protecting the environment, the urgent need for climate change has prompted us to go further and set the clear and ambitious milestone of achieving group-wide carbon neutrality by 2025.

We also believe in the power of creativity and the growth potential of our businesses which bring exciting prospects for us in 2021.

Arnaud de Puyfontaine

Chief Executive Officer

"Our robust subscription model limits our exposure to economic fluctuations, while our complementary businesses and creative talent are valuable assets that set Vivendi apart."

Vivendi performed well in 2020 despite the public health crisis. In this challenging environment, our group's revenues increased 1.2% while its EBITA climbed 6.6% compared to 2019.

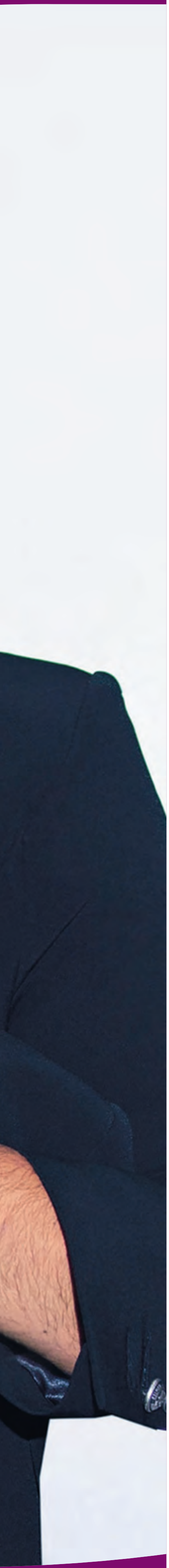
These gains were driven by the solid performance of the group's main businesses: music and pay-TV. The increase in income from subscription streaming services resulted in another year of strong growth for Universal Music Group (UMG). Canal+ Group successfully continued implementing its transformation plan in France, while its international pay-TV operations made significant progress. Havas Group's performance improved as the advertising market stabilized at the end of the year. Editis, for its part, has rebounded sharply since the first lockdown in France ended in June 2020, and Gameloft has held up relatively well. In contrast, Vivendi Village's live performance and ticketing activities were deeply impacted by the public health crisis.

Vivendi continued moving ahead. 2020 was another important step in achieving our goal of building a world-class group at the crossroads of content, media and communications.

A number of recent transactions have moved us closer to achieving this goal. First, we successfully opened up UMG's share capital to an international consortium led by Tencent, which acquired a 10% interest in March 2020 and then exercised its option to buy an additional 10% in January 2021. Furthermore, in December 2020, we signed a put option agreement for 100% of Prisma Media, France's leading magazine publishing group. We expect to finalize this acquisition by the end of June 2021, thereby gaining a foothold in an industry that complements our existing businesses. Finally, we have purchased stakes in several media companies in France (29.2% in Lagardère group) and abroad (12% in MultiChoice, the top pay-TV provider in South Africa, and 9.9% in PRISA, the leader in Spanish-language education and media).

2021 will also be marked by a major project for our group: the study of a plan to distribute 60% of UMG's share capital to Vivendi's shareholders and list the company by the end of the year. If it goes through, the transaction will have a positive impact on UMG, which can keep growing and play its full part in the music industry as a pioneer that serves musical talent and fans all over the world. It would also enable Vivendi to accelerate its development and achieve its corporate mission of lasting value creation.

Although there is still some uncertainty as to how the global public health crisis will evolve, we look to the future with confidence. Our robust subscription model limits our exposure to economic fluctuations, while our complementary businesses and creative talent are valuable assets that set Vivendi apart. Above all, we can count on the support of our core shareholder, the Bolloré Group, which ensures long-term stability.



1 PROFILE OF THE GROUP, STRATEGY AND VALUE CREATION, BUSINESSES, FINANCIAL COMMUNICATION

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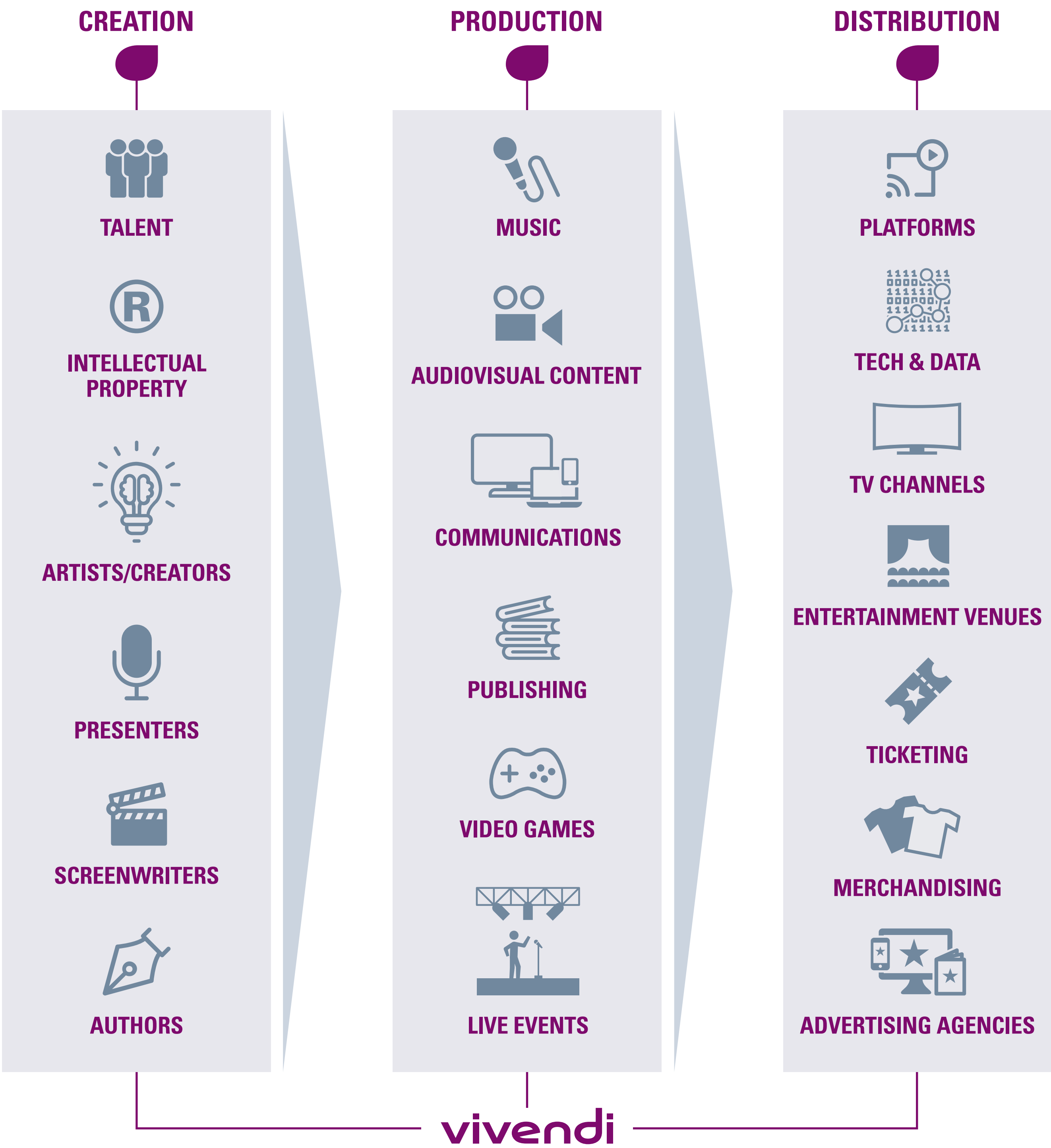
Chapter 1

SECTION 1. PROFILE OF THE GROUP

1.1. Creation, Production and Distribution

Vivendi is one of the only groups in the world to be at the crossroads of several cultural and creative industries, combining creative and production activities in music, film, television, communications, books, video games and live performances. It also has distribution activities that complement perfectly the creative and production activities.



1.2. Governance

1

SUPERVISORY BOARD

Yannick Bolloré
Chairman

Philippe Bénacin (*)
Vice Chairman, lead independent member

Cyrille Bolloré

Paulo Cardoso
Member representing employees

Laurent Dassault (*)

Dominique Delport

Véronique Driot-Argentin

Aliza Jabès (*)

Cathia Lawson-Hall (*)

Sandrine Le Bihan
Member representing employee shareholders

Michèle Reiser (*)

Katie Stanton (*)

Athina Vasilogiannaki
Member representing employees

NON-VOTING DIRECTOR
Vincent Bolloré

13 MEMBERS

60% OF WHOM ARE INDEPENDENT (1)

55% OF WHOM ARE WOMEN (2)

3 SPECIAL COMMITTEES

- Audit Committee
- Corporate Governance, Nominations and Remuneration Committee
- CSR Committee

MANAGEMENT BOARD

Arnaud de Puyfontaine
Chairman

Gilles Alix

Cédric de Bailliencourt

Frédéric Crépin

Simon Gillham

Hervé Philippe

Stéphane Roussel

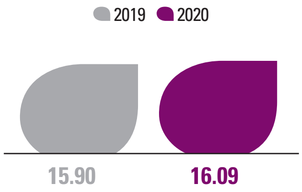
7 MEMBERS

(*) Independent member.
(1) Excluding the member representing employee shareholders and the members representing employees.
(2) Excluding members representing employees.

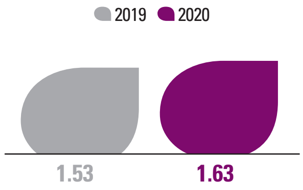
1.3. Key Figures

FINANCIAL INDICATORS

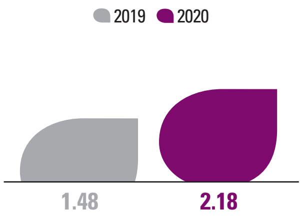
REVENUES
Year ended December 31
– in billions of euros –



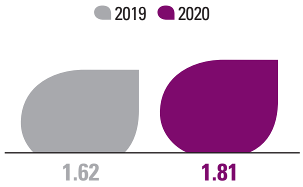
EBITA
Year ended December 31
– in billions of euros –



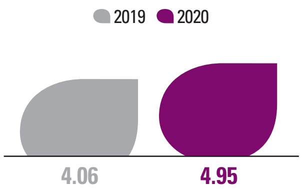
EARNINGS BEFORE PROVISION FOR INCOME TAXES
Year ended December 31
– in billions of euros –



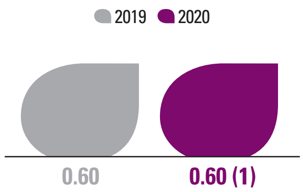
ADJUSTED EARNINGS FROM CONTINUING OPERATIONS BEFORE PROVISION AND INCOME TAXES
Year ended December 31
– in billions of euros –



FINANCIAL NET DEBT
As of December 31
– in billions of euros –



DIVIDEND
With respect to fiscal year
– in euros –



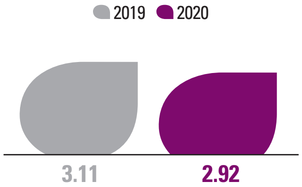
(1) Submitted to the approval of the Annual General Shareholders' Meeting of June 22, 2021.

The non-GAAP measures of EBITA, Adjusted Net Income and Net Cash Position (or Financial Net Debt) should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance. Vivendi considers these to be relevant indicators of the group's operating and financial performance. Vivendi Management uses these indicators for reporting, management and planning purposes because they exclude most non-recurring and non-operating items from the measurement of the business segments' performances. In addition, it should be noted that other companies may have definitions and calculations for these indicators that differ from those used by Vivendi, thereby affecting comparability. Each of these indicators is defined in Section 1 of the Financial Report, in Chapter 5, or in Note 1 to the Consolidated Financial Statements for the year ended December 31, 2020, in Chapter 5.

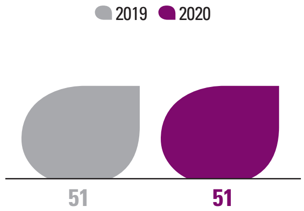
NON-FINANCIAL INDICATORS

CARBON INTENSITY (2)

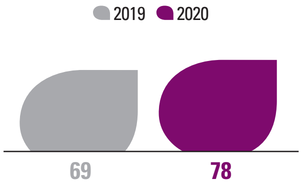
– in tons of CO_2 equivalent per million euros of revenue –



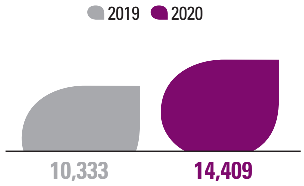
PERCENTAGE OF WOMEN IN THE HEADCOUNT



PERCENTAGE OF EMPLOYEES TRAINED (3)

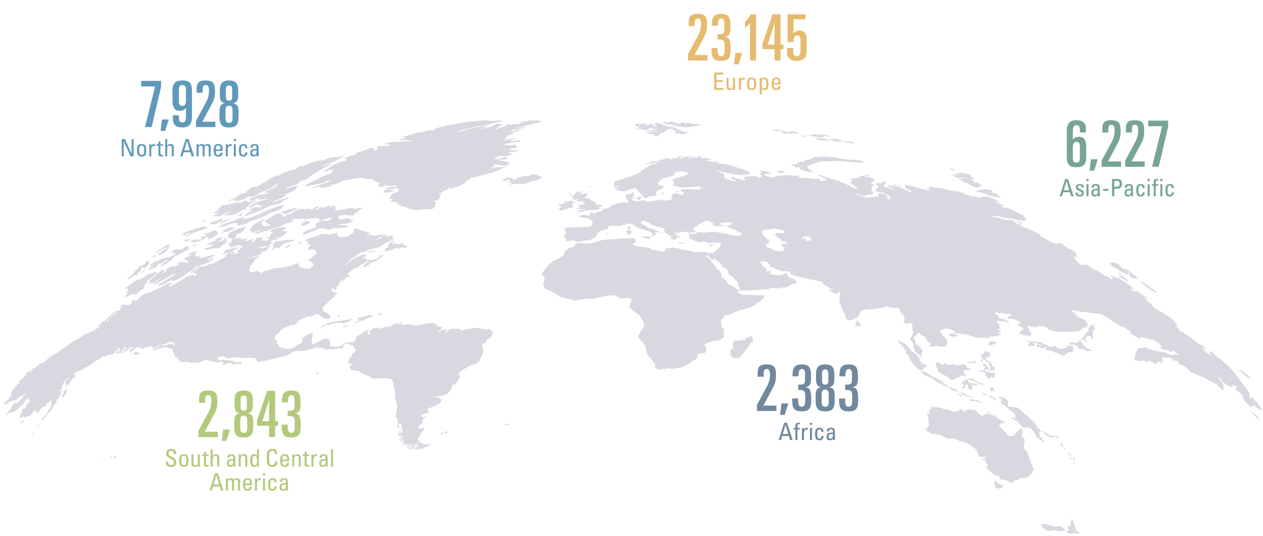


TRAINING GIVEN ON ANTI-CORRUPTION MEASURES



HEADCOUNT BY GEOGRAPHIC ZONE

Total headcount **42,526**

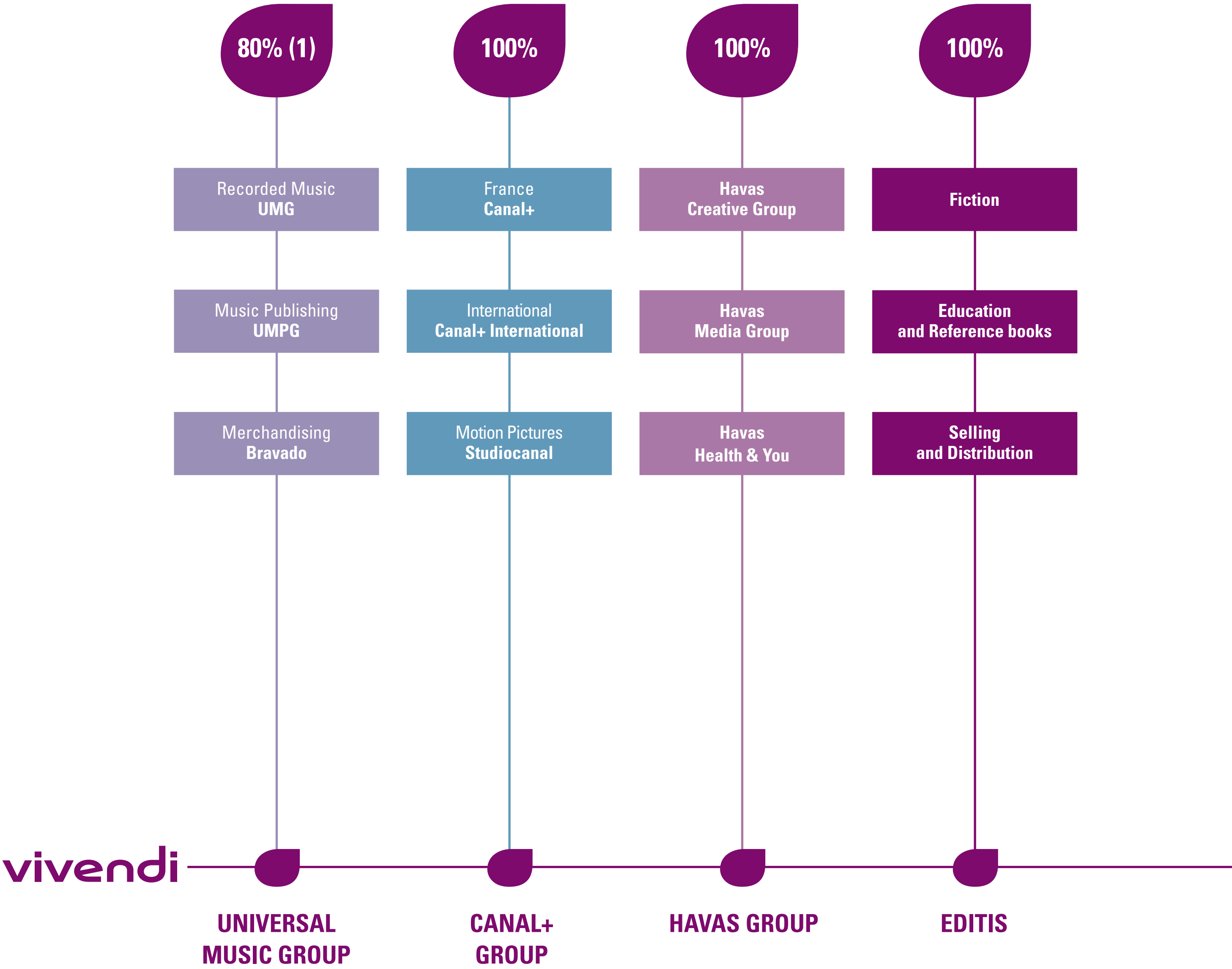


REVENUES BY GEOGRAPHIC ZONE

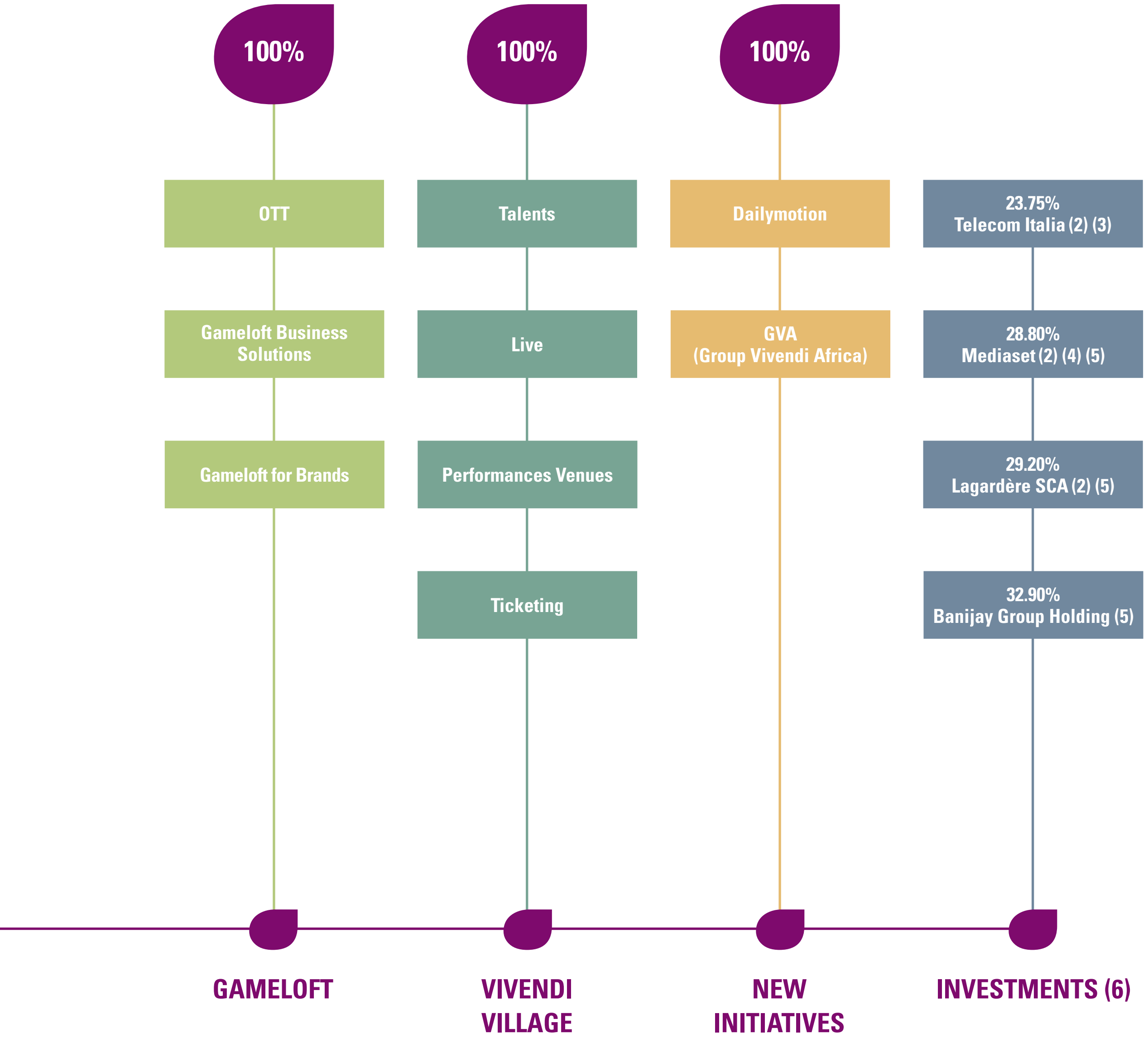
€4.82 bn	€3.88 bn	€5.09 bn	€1.54 bn	€0.76 bn
France	Rest of Europe	The Americas	Asia and Oceania	Africa

(2) Carbon intensity corresponds to the amount of CO_2 emissions (Scopes 1 and 2) produced by the group versus revenues generated.
(3) As a percentage of the total reported headcount, i.e., excluding companies entering the scope of consolidation (see Section 7.1 of Chapter 2).
For detailed information on the group's non-financial indicators, see Section 5 of Chapter 2.

1.4. Simplified Organization Chart of the Group



(1) As from January 29, 2021, the consortium led by Tencent owns 20% of UMG's share capital (a first stake of 10% was acquired on March 31, 2020).



(2) Listed company.
(3) Based on the number of ordinary shares with voting rights.
(4) On April 6, 2018, in accordance with the commitments given to the Italian communications regulator, AGCOM, Vivendi transferred the portion of its Mediaset voting rights in excess of 10% to an independent Italian trustee. The AGCOM decision was overturned on December 23, 2020 (a decision contested by Mediaset).
(5) Of the share capital (% of interest).
(6) Percentage of controlling interest as of December 31, 2020.

SECTION 2. STRATEGY AND VALUE CREATION

2.1. Strategy

The Covid-19 pandemic affected most of the businesses and industries, especially the cultural sector, which was hit hard by lockdown measures.

Yet entertainment has never seemed as important as it has been in this unprecedented situation. The crisis has effectively shown that the need for culture, escape and open-mindedness is by no means superfluous: it is essential. Since the pandemic began, the public has shown a growing appetite for films, television series, music, books, video games and creative content in the broadest sense. Vivendi's creative talent and content has helped meet this demand.

Overall, the group's business lines have held up well against the pandemic. Vivendi generated revenues of €16.1 billion in 2020, a 1.2% increase from 2019. Its EBITA amounted to €1.6 billion, a 6.6% increase from 2019.

This solid performance was primarily driven by two main activities: music and pay-TV, which rely on subscription models that have proved their worth.

Also in 2020, UMG artists were popular on streaming platforms, with Drake, J. Balvin, Juice WRLD and The Weeknd all ranking among Spotify's top 5 for 2020. *Blinding Lights,* by Canadian artist The Weeknd took the platform's top spot for most popular song.

Meanwhile, Canal+ Group made great strides internationally owing to a substantial increase in subscribers (a 1.2 million increase from 2019 to 2020). In mainland France, its total pay-TV subscriber portfolio experienced a net increase of 262,000 subscribers over the last twelve months. Another hit with audiences and critics were the *Créations Originales* series *All the Way Up, La Flamme* and *Possessions.* Studiocanal, on the other hand, was adversely affected by the closure of movie theaters and postponement of film and TV shoots.

After an uneven period, Havas Group benefited from a stronger advertising market in the last six months of the year. It also gained some prestigious clients, which bodes well for its 2021 campaigns.

Editis sales bounced back considerably after French bookstores reopened. In addition, the publishing group launched Nimba Éditions, a 100% Ivorian publishing house, demonstrating its desire to win over new markets.

Gameloft also held up relatively well, due to its extensive catalog.

Dailymotion continued to forge partnerships with well-known content publishers.

Finally, Vivendi Village's event and ticketing activities were deeply impacted by the lockdown measures.

Throughout the year, the group's business lines launched unprecedented community initiatives and offered innovative entertainment formats to adapt to the new conditions.

At the same time, Vivendi followed its strategic road map to become a world-class group at the crossroads between media, content and communications. A number of major transactions moved the group closer to achieving this goal:

- Vivendi finalized the sale of 20% of UMG's share capital to an international consortium led by Tencent, based on an enterprise valuation of €30 billion for UMG. In February 2021, the group announced that it would study a plan to distribute 60% of UMG's share capital to Vivendi's shareholders and list it by year-end 2021. At the Extraordinary General Shareholders' Meeting on March 29, 2021, Vivendi's shareholders approved by a majority of 99.98% out of a record quorum of 73%, the amendment of Vivendi's by-laws to allow this distribution in kind. Vivendi will continue to pursue this plan with a new General Shareholders' Meeting to approve the distribution, which could be completed before year-end 2021.
- In 2020, Vivendi also became the biggest shareholder in Lagardère group (with 29.2% of its share capital) – an investment that shows Vivendi's confidence in the major French group's potential for value creation.
- In December 2020, Vivendi began exclusive negotiations with Gruner + Jahr / Bertelsmann to acquire 100% of the share capital of Prisma Media, France's number one magazine publishing group. In accordance with applicable regulations, the planned acquisition remains dependent upon the outcome of the information and consultation process with the relevant employee representative bodies, the authorization from the relevant competition authorities as well as the finalization of legal documentation.
- In January 2021, Vivendi increased its interest in PRISA, the leader in Spanish-language media and education and owner of the *El País* newspaper, to 9.9%.

2020 also underlined Vivendi's commitment as a responsible leader in the cultural sector. Since creativity is intrinsic to the group powering all of its business lines and nurturing all of its talent, the group defined its raison d'être with the tagline *Creation Unlimited.* It comprises three dimensions:

- implementing all means necessary to promote diverse, inclusive and original creation;
- guiding new talent and supporting established talent in their artistic and professional approach;
- making the most beautiful content and talent shine as widely as possible. This raison d'être enables Vivendi to create value not only for the company but for the entire creative community.

The fact that Vivendi is present across a variety of different cultural and creative industries gives it the ability to develop new talent and unique projects, which it can showcase through its media, distribution platforms, entertainment venues and events. By choosing diverse creators, Vivendi is promoting diversity in the long term to the benefit of communities around the world as well as future generations while working toward its industry goal.

This commitment is also shown by Vivendi's adoption of *Creation for the Future,* its new corporate social responsibility (CSR) program. This program reflects Vivendi's raison d'être by placing creativity at the center of its model.

It places all its activities under a unified, supportive framework that maximizes the group's positive impact on society.

The *Creation for the Future* program is built around three pillars (see opposite) that provide perspective on the environmental, societal and social impacts of the group's activities at all levels and set a first milestone for 2025.

This approach, advocated by the group's most senior management, is a powerful driver of performance and value creation that is the focal point of Vivendi's strategy. The approach relies on an organization to oversee the roadmap that applies each pillar to the various Vivendi business lines. It is shared with all employees, who serve as its main ambassadors.

The strategic plan is implemented in accordance with a foundation of ethical values and a culture of integrity that underpin the way in which the group does business. They are reflected in the group's corporate compliance policy, which contributes to maintaining relationships of trust with the group's numerous partners, especially its clients.

vivendi CREATION FOR THE PLANET

Aware of its position as a global leader, Vivendi has committed to contribute to the fight against climate change by achieving carbon neutrality (reaching "net zero") across the group by 2025. Vivendi wants to use the creativity of its talent and its business lines to help preserve the planet and raise its audiences' awareness of the urgency of climate change.

vivendi CREATION FOR SOCIETY

As a leader in culture, entertainment and communication, Vivendi has a particular responsibility to society via the content it produces and distributes. The group is committed to building open societies by making culture and education more accessible.

vivendi CREATION WITH ALL

Through joint action with its stakeholders, Vivendi has made a commitment to promote a more inclusive world both internally and externally, a world in which everyone participates to the building of a better future.

2.2. 2020 Highlights

JANUARY

• Billie Eilish was the big winner at the 62nd Grammy Awards. No other artist has swept the event's big four categories since 1981.

• Canal+ and l'Olympia launched Olympia TV, a channel dedicated to all forms of live shows.

• *The Adventures of Paddington* television series was broadcast on Nickelodeon in the United States. It won the prestigious *"Best Preschool Series"* category at the British Animation Awards in March.

FEBRUARY

• Taylor Swift signed an exclusive global publishing agreement with Universal Music Publishing Group.

• Canal+ and beIN Sports finalized their exclusive distribution and sub-licensing deal. This partnership allows Canal+ to offer Ligue 1 matches to its subscribers.

MARCH

• Vivendi finalized the sale of 10% of UMG's share capital to a consortium led by Tencent based on an enterprise valuation of €30 billion.

• Havas Group announced the acquisition of a majority stake in Cicero (which has offices in London, Brussels and Dublin), which will merge with AMO, the group's global strategic advisory network.

• To support people in France during the lockdown, Canal+ Group announced that Canal+ and all its sister channels would be broadcast free-to-air on all set-top boxes for a limited time.

• Havas Group's media business developed its Meaningful Impact methodology, which measures the environmental impact and carbon footprint of advertising campaigns and communications.

• After schools closed, Editis' Education and Reference business (including publishers Nathan, Retz, Bordas and Le Robert) offered students free access to their textbooks on the Biblio Manuels platform. This lasted until October 31, 2020.

• To prevent network saturation, Dailymotion reduced the bandwidth required to stream on its platform.

APRIL

• Vivendi acquired a 10.6% interest in Lagardère SCA. As of December 31, its interest amounts to 29.20%.

• Canal+ began offering Disney's streaming service, Disney+.

• *All the Way Up,* a Canal+ *Créations Originales,* won the Canneseries festival *"Audience Prize"* and garnered more than 30 million views in a few months.

• Canal+ Group broadcast the *One World: Together at Home* concert organized by Global Citizen and Lady Gaga to raise funds for the World Health Organization and support health care workers.

• Editis published *Des mots par la fenêtre,* a charitable ebook of collected texts. Proceeds from the sale of the ebook will go to Fondation Hôpitaux de Paris-Hôpitaux de France.

• Gameloft celebrated its 20th anniversary. Originally a developer of video games for mobile devices, Gameloft is now a multiplatform developer.

MAY

• UMG launched Def Jam Africa, a label dedicated to signing African artists.

• Havas Health & You launched Havas Mango, which focuses on consumer wellness experiences delivered through immersive virtual platforms.

• Editis launched two online events: "From the Book to the Screen", aimed at introducing producers to books with high cinematic potential, and "Behind the Screen", a series of master classes for authors in which screenwriters and directors explain their work and what inspires them.

• Gameloft celebrated the 15th anniversary of *Asphalt,* the mobile video racing game series with the most downloads worldwide.

JUNE

• UMG significantly expanded its operations in the Middle East and North Africa by opening new offices in Morocco and Israel.

• Canal+ Group, l'Olympia, Olympia Production and Flab Prod organized *Ensemble à l'Olympia,* a charity show that raised funds for Emmaüs.

• Editis created Philéas, a publishing house dedicated to comics and graphic novels. It also entered into a strategic agreement with L'Iconoclaste, Les Arènes and Trédaniel Group.

JULY

• UMG and Spotify signed a new multi-year licensing agreement.

• The Junction 2 electronic music festival produced by U Live streamed a virtual edition of the event, known as J2v. It drew an audience of more than 3 million people in approximately 100 countries.

• Dailymotion launched the Paddington channel.

AUGUST

• UMG and Tencent Music Entertainment Group extended their licensing agreement for several years. The companies also announced that they would launch a new joint-venture music label.

• During the last week of August, UMG set a record in the United States by placing 9 of the top 10 albums on the Billboard 200. It is the fourth time that UMG has attained this level of performance in 64 years.

SEPTEMBER

• Havas Group acquired a majority stake in Camp + King, a US creative agency that has been named "Small Agency of the Year four times by *Advertising Age*.

• Edi8 (Editis) and the Majelan audio content app partnered to offer new listening and reading experiences.

OCTOBER

• Vivendi became the Official Entertainment Sponsor for Rugby World Cup France 2023. The whole group is mobilized for the event.

• UMG and Dakia U-Ventures announced the launch of UMUSIC Hotels, their first foray into the hotel industry.

• Canal+ Group announced its acquisition of a 12% stake in MultiChoice Group Ltd, Africa's leading pay-TV group, which reaches 50 countries.

• Havas Group created Havas Positive Impact, an umbrella brand that brings together all its CSR initiatives around the world.

• Havas Group's *Commit to Change* initiative kicked into high gear in the United States. Havas set up a Diversity, Equity and Inclusion (DE&I) committee.

• Editis launched *Bureau des Auteurs,* a service that helps authors speak to new audiences and diversify their activities.

• Havas Group created Havas CX, an international network delivering meaningful experiences across the entire customer journey.

NOVEMBER

• Editis created an audiovisual permissions website for professionals with a stable of high-potential titles.

• CanalOlympia opened its first cinema and live performance venue in English-speaking Africa, located in Nigeria. The network now has 16 venues on the African continent.

DECEMBER

• Vivendi began exclusive negotiations with Gruner + Jahr/ Bertelsmann, eventually signing a put option to acquire Prisma Media, France's number one press publishing group (with titles including, among others, *Femme actuelle, Voici, GEO, Capital* and *Gala).*

• The Tencent-led consortium decided to exercise its option to buy an additional 10% interest in UMG based on the same enterprise value of €30 billion. This transaction was completed on January 29, 2021.

• UMG purchased Bob Dylan's entire catalog of more than 600 songs.

• The *New York Times* ranked the Canal+ *Créations Originales The Bureau* as one of the 10 best series of 2020 and number three of the top 30 series of the decade.

• Editis launched Nimba Éditions, a new publishing house dedicated to Ivorian and West African cultures.

• Olympia Production co-produced two live-streamed concerts by M. Pokora and Jenifer.

• Havas Group launched Havas Market, a consultancy specializing in e-commerce, acquisition and search engine optimization.

• Dailymotion partnered with Verizon Media to provide a new programmatic guaranteed offer.

2.3. Global Performance

2.3.1. THE GLOBAL PERFORMANCE MODEL

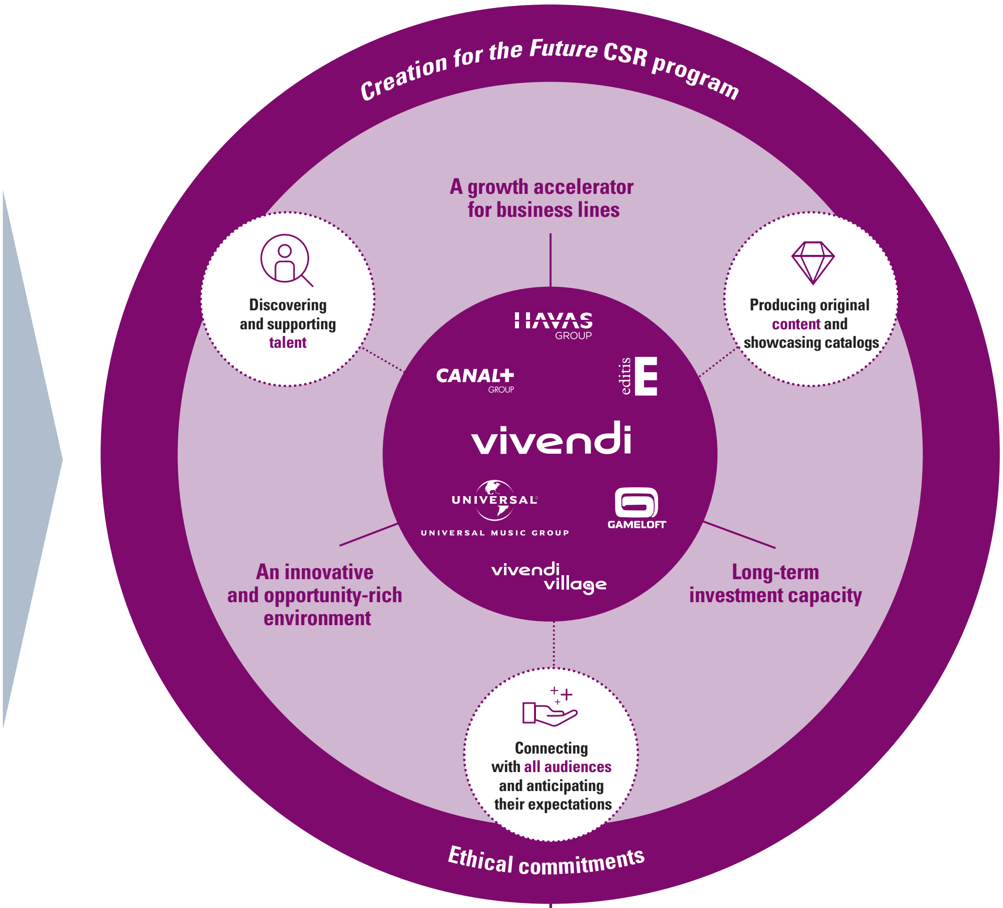
Talent
- **42,526** employees
- **51%** of whom are women

Content
- **€4 billion** invested in content
- Diverse genres and investment in local creation

Financial resources
- Total equity: **€16.4 billion**
- Net debt: **€4.95 billion**

Natural resources
- Energy consumption: **169,069 MJ**

Local presence
- Active in more than **80 countries**



OUR RESOURCES

OUR ACTIVITIES

This diagram is a concise, system-oriented representation of the group, its economic value creation, how this value is shared between its various stakeholders for 2020 and its contributions to society. It should be read in light of the strategic points set out in Section 2.1 of this chapter.

VALUE SHARED WITH OUR STAKEHOLDERS

Talent and skills development

€2.8 billion in compensation

374,066 training hours

Supporting an ecosystem

€10.9 billion paid to suppliers and service providers

Value shared with shareholders

€2.8 billion in dividends and share repurchases

Contribution to fighting climate change

2.92 tCO_2e per € million Carbon intensity (Scopes 1 and 2)

Value shared with governments and local communities

€818 million (1) Taxes and social security contributions

OUR CONTRIBUTION TO SOCIETY

We are helping build more open, inclusive and responsible societies

- **We support** diverse and inventive creative works that feed the mind and create connections
- **We promote** broader access to culture, education and our businesses
- **We increase** awareness of 21st-century challenges and opportunities

(1) For 2020, this amount includes a one-time payment following a ruling by the French Council of State *(Conseil d'État)* at the end of December 2019 (see Chapter 5, Section 2.2.3 of the Financial Report).

2.3.2. BELONGING TO VIVENDI GROUP: A DRIVER OF GLOBAL PERFORMANCE

Belonging to Vivendi group provides each business line with a foundation upon which they can build and develop. It helps them better meet and anticipate customers' and subscribers' needs and map out their medium and long-term strategy.

The group's financing capacity and the backing of a stable shareholder are also powerful driving forces behind a more sustainable global performance. These factors enable Vivendi to adapt to market developments and one-time events.

A growth accelerator for business lines

Support for transactions initiated by the business lines

Vivendi offers its business lines the support they need to complete transactions (e.g., acquisitions, commercial partnerships) that will contribute to enhancing their growth.

Development of new business lines

Operations that boost development in new areas, such as the recent plan to acquire Prisma Media, allow Vivendi to make valuable additions to the range of its activities and offer opportunities for collaboration that enhance growth.

Impact of an international group operating across multiple entertainment activities

Its complementary business lines related to entertainment offer an edge that is attractive to new partners. This is a significant advantage in reaching equity investment deals and commercial agreements with industry leaders.

Center of expertise on business issues

Vivendi teams guide operating entities in evaluating risks and making decisions when it comes to complex acquisitions or contractual negotiations with large multinationals. The group's expertise in financial, legal, IT and other matters offers valuable support for business lines.

Long-term investment capacity

Farsighted strategy and role as a stable shareholder

By employing a farsighted investment strategy, Vivendi supports its business lines through the economic and technological growth phases, which can last several years. Vivendi's stable shareholder base promotes coherent group development based on a long-term strategy.

Substantial financing capacity for growth transactions

Vivendi has enough financial capacity to give it the headway to respond quickly to internal and external growth opportunities for all its business lines. This financing capacity is reinforced by long-term credit facilities **(1)** that provide Vivendi with a large margin of safety so it can successfully expand.

An innovative and opportunity-rich environment

Entrepreneurial initiatives built on diverse business lines

Helping business lines launch shared entrepreneurial initiatives is the key to responding to market trends and leveraging the diversity of the group's businesses to differentiate themselves from the competition. The "From the Book to the Screen" series of online sessions, aimed at fostering exchanges between producers and Editis authors about books with high cinematic potential, are a perfect example of cooperation between group entities in 2020. Vivendi Village also followed this approach, working with the other business lines to come up with innovative event formats. One example is the Junction 2: Connections show, which was live-streamed directly into Gameloft's *Asphalt 8: Airborne* and *Asphalt 9: Legends* games.

Innovating for growth

Innovation is one of the key factors driving the group's growth. This approach is based on its ability to:

- cooperate and share information and expertise within the group while forging ties with the innovation ecosystem to stay on top of technologies that can help the business lines develop;
- identify and establish the means to work together and promote innovative projects within and between the business lines or in relation to the ecosystem;
- invest in innovative companies to acquire skills and technologies or enter new markets.

(1) See Note 21 to the Consolidated Financial Statements for the year ended December 31, 2020 in Chapter 5.

2.3.3. SHARED DRIVERS FOR GLOBAL PERFORMANCE AMONG THE BUSINESS LINES

Discovering and supporting talent

Discovering and supporting talent is one of the key factors in Vivendi's performance. Talent helps the group provide more original content and services and reflect the varying sensibilities of its audiences. Internally, talent is nurtured through specialized development programs that contribute to maintaining and refreshing this expertise, and to creating an environment conducive to taking initiative. Externally, discovering and supporting creative talent is the focus of dedicated multicultural teams who analyze artistic, social and technological trends, build trusted relationships with creators, support incubator programs and draw on multiple methods of talent detection and entry points into the group. Experienced creators and up-and-coming talent alike receive tailored support through each stage of their development. Another factor that inspires their loyalty is Vivendi's ability to do more than simply promote the content they create. It opens up new possibilities across the value chain of its business lines, which allow it to manage audiovisual and film rights, brand partnerships and fan bases.

Universal Music Group

€4.2 billion in investments for artist development

More than 192,000 agreements with songwriters

Canal+ Group

More than 700 co-financed and prepurchased works

Support for **over 70** debut and second films

More than 50,000 hours of training provided for talent outside mainland France, particularly in Africa

Havas Group

78% of employees confirm a feeling of belonging to their agency or group *(HavaSay* survey – January 2021)

4 talent programs and **119** participants *(Next Gen, Femmes Forward, FF Frida and Havas Emerge)*

BETC included on the Contagious Pioneers 2020 list of the 10 best agencies on the planet

Editis

4 Editis authors among the top 10 bestselling writers in France

Nearly 200 authors joined Editis's *Bureau des Auteurs,* an innovative service that helps authors speak to new audiences

More than 80 literary awards, including **5** of the most prestigious (given to Les Escales, Sonatine, Plon, Perrin and Belfond)

Gameloft

18 studios in America, Europe and Asia

54 nationalities in the workforce

Over 16% of employees are under the age of 26

Vivendi Village

3 million fans in more than 100 countries watched J2v, the first completely virtual techno music festival to take place on a 3D platform, designed by U Live

Ensemble à l'Olympia, the first major music show organized as France's first lockdown was ending, met a real need for artists and their audiences

Producing original content and showcasing catalogs

Vivendi's production resources – including video game development studios, film and recording studios and writing workshops – are instrumental in helping artists make their creative projects a reality. The business lines also make significant investments in producing and developing artistic works in France and further afield.

The group's catalogs are among its prime assets. The content of these catalogs reflects the diversity of the music, literary, film and video game collections available through Vivendi. Maintaining this wealth, quality and originality is a constant challenge for the group that is crucial to developing the loyalty of existing audiences and attracting new audiences with local content that matches their sensibilities. Vivendi also provides multiple opportunities for promoting and disseminating works to extend their life (as well as their intellectual property rights), by adapting them to new formats and environments for distribution. Management of creative works includes protecting rights attached to them and implementing measures to safeguard them against piracy and counterfeiting, which could adversely affect the value of titles and works in the group's catalogs.

Universal Music Group

60% of sales accounted for by local repertoires in their own countries

57% of digital sales generated by the catalog (works marketed for more than three years)

More than €10 million supporting the conservation and digitization of UMG's archive

Canal+ Group

€3.1 billion devoted to financing programs, of which almost **45%** spent on programs produced locally

More than €200 million invested in French and European cinema

132 films restored or digitized by Studiocanal

Havas Group

Over **1,000** awards received by Havas Group campaigns at festivals

77 pro bono campaigns

Editis

4,000 new works published

123 Editis books originally published in print also released as audio books by Lizzie

5 "From the Book to the Screen" pitch sessions with **nearly 200** producers joining each session live and **2** "Behind the Screen" master classes bringing authors and producers together

Gameloft

68% of income generated by the catalog of games under directly-owned IP rights

41% of income invested in production costs to develop the portfolio and game quality

Vivendi Village

£2.6 million collected for Unicef in the United Kingdom through original campaigns, especially the Paddington's postcards initiative in partnership with the Copyrights Group

Connecting with all audiences and anticipating their expectations

Constantly innovating to reinvent relationships with the widest possible audiences is a key performance driver for Vivendi. The group's audiences vary from fans of music, sports and television series to gamers, film-lovers, readers and educators. To connect with all of them effectively, Vivendi develops multiple methods of interaction and access points, drawing on its infrastructure (including platforms, TV channels and live performance venues) and partnerships with digital and telecom operators. The public health crisis has accelerated these developments. This period was spent on designing new digital formats that maintain ties with its audiences, which helped diversify the group's products and services.

Building audience loyalty goes hand in hand with technological innovation. All Vivendi entities work with startups in their respective ecosystems and invest in research and development. This means they can design tools and services to give their customers compelling, enhanced experiences and make it easier for them to find the products they are interested in. The group brings together technical and creative expertise to design the entertainment formats and experiences of the future. The group's expert understanding of shifts in consumer expectations is also critical in supporting the performance of its business lines as well as its partners and client brands. By setting up organizational structures and customer service teams for retail consumers, businesses and brands, the group can better meet their needs now and in the future.

UNIVERSAL MUSIC GROUP

More than 400 partnerships with digital platforms
Digital sales account for **71%** of recorded music sales
Presence in **60** countries

CANAL+ GROUP

Over 160,000 training hours provided for partners (customer service representatives, distributors and installation technicians) in France and abroad
70% of subscribers using the group's on-demand services in France (December 2020)
More than 35 million titles viewed in press offerings
Group channels broadcast in **42** countries

HAVAS GROUP

More than 60 Havas Villages on **5** continents where Creative and Media businesses can combine their skills to serve clients
189 competitions won thanks to the Route 66 program coordinating the integration of Havas activities
50 clients in the top 100 shared with Creative, Media and Health & You activities generating **31%** of net income
23 clients in the top 50 loyal clients since 2010 with net income up **28%**

editis

2.8 million teacher visits and **5.5 million** family visits for the Education division's websites and digital solutions
Increased access to textbooks during the public health crisis
2,000 new works published as ebooks and **181** new works released as audiobooks (by Lizzie)

GAMELOFT

8 million daily active players
74% of revenue generated by OTT distributors (app stores) and **14%** by telecom operators
12% of total revenue from advertising

vivendi village

60,000 fans attended the live-streamed show by M. Pokora, even though venues were closed to the public, thanks to a co-production by Olympia Production
See Tickets developed a number of new tools to help its clients implement public health measures (contactless access control and physically distanced seat assignment software)

SECTION 3. BUSINESSES, FINANCIAL COMMUNICATION

1.

2.

3.

1. *Ovni(s)*, a Canal+ *Création Originale*
2. Louane
3. Nimba Éditions

3.1. Businesses

3.1.1. MUSIC

€7.43 bn
2020 REVENUES

€1.33 bn
2020 EBITA

9,183
HEADCOUNT

MARKET TRENDS

Universal Music Group (UMG) is a leader in the global music industry. In 2020, its agility and resilience were reflected in uninterrupted growth, despite the global pandemic. Music is a unique source of inspiration in hard times. In 2020, UMG artists continued to create new tracks, and upstream work by their labels allowing them to embrace new ways of connecting with their fans and reaching new audiences.

Music fans' appetite for streaming, and especially subscription streaming, continued to grow strongly during the year, even as listening habits changed. Music has become a feature of the day's work at home, rather than just part of the regular commute to and from work. On top of that, a growing number of subscribers to streaming services now use smart speakers that enhance the listening experience on mobile devices. And with gyms closed, many consumers are turning to digital fitness apps that stream music.

Taking advantage of these new opportunities, UMG is using its creativity to ensure that its artists can record new material. The group has also been working with platforms to organize thousands of virtual concerts, performances, fundraisers, social media events, audiovisual productions and creative album and single releases.

With the pandemic forcing bricks and mortar stores to close, UMG is developing a direct sales business, opening the door to new merchandising initiatives. For these reasons and many more, UMG's business can count on strong growth prospects until the pandemic ends, and in the years to come.

ACTIVITY

In 2020, UMG recorded its sixth consecutive year of revenue growth, despite the pandemic. The group knows how to adapt to new trends in the music industry while continuing to discover and develop the best local and international artists in all genres and of all times, including The Beatles, The Rolling Stones, U2, Andrea Bocelli, Drake, Lady Gaga, Taylor Swift, Queen and Helene Fischer. Its roster includes the year's biggest artists, The Weeknd, Juice WRLD, Lil Baby, Billie Eilish, Post Malone, Ariana Grande, J. Balvin and Lewis Capaldi.

UMG has three main operating businesses: recorded music, music publishing and merchandising.

The recorded music business is dedicated to the discovery and development of artists, marketing and promoting their music across a wide array of formats and platforms. UMG is also expanding into other areas such as live events, sponsoring, film and television recording, and podcasts.

The music publishing business discovers and develops songwriters, and owns and administers the copyright for musical compositions used in recordings, public performances and related uses, such as films and advertisements.

The merchandising business produces and sells artist-branded and other branded products, which are marketed through multiple sales channels, including fashion retail, concert touring and direct Internet sales. This division also extends to other areas, such as brand rights management.

■ 3.1.1.1. Recorded music

Discovering and Developing Talent

UMG's recorded music business is dedicated to the discovery of artists and the development of their careers. Its activities also include marketing, distribution, sales, concession, and audio and audiovisual content creation.

With a diverse range of labels and a global presence in more than 60 countries covering 180 markets, UMG is the world's largest recorded music company and the leader in many major music markets, including the United States, the United Kingdom, France and Germany.

UMG has licensed local and global streaming platforms to help establish legal music markets in countries that have not traditionally been major markets for recorded music sales, such as the BRIC countries (Brazil, Russia, India and China), Latin America, Africa, the Middle East and Eastern Europe. These partnerships have led to greater investment in developing local talent and have helped make music more accessible to fans.

UMG's diverse range of labels helps the business consistently cater to changing consumer trends. Its major record labels include Capitol Music Group, Interscope Geffen A&M, Republic Records, Island Records, Motown Records, Def Jam Recordings, Universal Music Group Nashville, Universal Music Latin Entertainment, EMI Records and Polydor. Its classical and jazz labels are Blue Note Records, Decca, Deutsche Grammophon and Verve.

In 2020, UMG's best sales were made by major international artists including Drake, J. Balvin, Juice WRLD, The Weeknd and Taylor Swift, as well as successful local artists such as Mabel in the United Kingdom, Vitaa and Slimane in France, Sarah Connor and Bonez MC in Germany, King & Prince in Japan, and Karol G in Latin America.

In 2020, UMG artists:

- took four of the year's Top 5 spots in the Spotify global charts (Drake, J. Balvin, Juice WRLD and The Weeknd), released the No 1 song of the year *(Blinding Lights,* by The Weeknd) and took two spots in the Top 3 album rankings *(After Hours,* by The Weeknd and *Hollywood's Bleeding,* by Post Malone);
- received the artist and songwriter of the year awards (Lil Baby and Taylor Swift) on Apple Music;
- took the awards for the most widely streamed artist on Deezer (J. Balvin) and the most popular female Latin American artist (Karol G) on all of the biggest platforms, for the third consecutive year;
- according to Music Rights Clearance (MRC) data, held the No 1 album spot on the US charts for 36 consecutive weeks, and took all places in the Top 6 albums of the year, with Lil Baby, Taylor Swift, Pop Smoke, The Weeknd, Juice WRLD and Post Malone, and Taylor Swift, Juice WRLD and The Weeknd releasing the year's three top-selling albums in the United States;
- according to Official Charts Company (OCC) data, accounted for 13 of the year's Top 20 albums in the United Kingdom, including first place for *Divinely Uninspired to a Hellish Extent,* by Lewis Capaldi, and four places among the Top 5 most listened to artist spots (Drake, Eminem, Taylor Swift and Juice WRLD), not to mention the year's No 1 single, with *Blinding Lights,* by The Weeknd. EMI Records was designated the country's "number one record label";
- based on the official GfK Entertainment rankings, took five of the Top 10 album spots in Germany (Sarah Connor's *Herz Kraft Werke,* Die Ärzte's *Hell*, Metallica's *S&M 2,* Kerstin Ott's *Ich muss Dir was sagen,* and Bonez MC's *Hollywood);*
- released six of the year's Top 10 albums in France, including first and second place for *Versus,* by Vitaa and Slimane, and *Les Derniers Salopards,* by Maes.

Sales from prior releases reinforce UMG's recorded music revenues each year, and UMG has the most comprehensive catalog of recorded music in the world. This wide array of timeless performers includes ABBA, Louis Armstrong, Charles Aznavour, Daniel Balavoine, The Beatles, The Beach Boys, the Bee Gees, Andrea Bocelli, Neil Diamond, Guns N'Roses, Elton John, Bob Marley, Paul McCartney, Nirvana, Queen, The Rolling Stones, André Rieu, Frank Sinatra, U2 and Amy Winehouse.

Supporting New Trends

While the global pandemic is impacting certain business verticals, music consumption remains at unprecedented levels. While physical sales are still significant in some markets, music consumption has shifted from an ownership model, whereby consumers purchase vinyls or CDs, to an access model that includes subscription and ad-supported streaming formats. Streaming is revolutionizing the experience for music lovers around the world and transforming the industry.

The growth behind subscription and ad-supported streaming in 2020 stems from the growth and good health of the international music market. UMG is playing a very active role in promoting the continued development of new digital services and consumer offerings by licensing rights to over 400 digital services worldwide. The emergence of subscription-based and ad-supported streaming services also makes it possible to monetize legal music consumption in markets that were previously dominated by piracy.

In 2020, UMG refreshed and expanded many iconic brands in both established and high-growth markets, including EMI, Motown UK, 0207 Def Jam, Def Jam Africa, Def Jam Vietnam, Island Records Philippines and Astralwerks Asia. It is also strengthening its global presence through new activities and key partnerships in Israel, Morocco, Vietnam, Senegal, Cameroon, Nigeria, Italy, India, Indonesia, Thailand and South Korea.

In July, UMG announced a new multi-year global licensing agreement with Spotify, which has aligned itself with the company's efforts to integrate new features into the platform, enhancing the value of artists while providing a great experience for music fans. UMG's aim is to leverage the deal to entrench its leadership position by being an early adopter of future products created by Spotify's development team.

In China, UMG renewed its multi-year licensing agreement with Tencent Music Entertainment Group, and created a new music label through a joint venture. UMG has also entered into a multi-year licensing agreement with NetEase Cloud Music.

UMG is also extremely active in developing new sources of revenue, including through sponsorship and brand initiatives, and through the production and exploitation of audio and audiovisual content.

Universal Music Group For Brands (UMG For Brands) is a global team of experts that uses UMG's resources and reach to strengthen the business of partner brands in more than 70 countries. Strategic and consultative, the company creates branded content, event and live sound identities, social activation and unique multimedia sales solutions for a range of industries including media, technology, consumer goods, automotive, banking, hospitality, luxury and telecommunications. UMG For Brands helps its clients define strategies to improve their voice in music and culture, increase audience reach, and build brand awareness and differentiation to drive long-lasting engagement with customers and fans. Its targeted approach to brand marketing delivers real results and unites fans, brands and culture.

In the audiovisual segment, UMG's priorities are to continue to create new content by leveraging existing content and rights, capturing live events and creating new formats. From long-form content (including music documentaries, feature films, musicals, music-themed television series and reality shows) to short-form content (including live event streaming, viral content and behind-the-scenes artist videos and podcasts), UMG is working harder to accelerate the monetization of video assets. In 2020, it introduced its music catalog to new audiences in award-winning films and television productions including *The Apollo, The Bee Gees, Beastie Boys Story,* Polygram Entertainments' *The Go-Go's and Zoey's Extraordinary Playlist,* and Mercury Studios' *That Little Ol' Band From Texas.*

1.

2.

1. J. Balvin
2. Lady Gaga

■ 3.1.1.2. Music Publishing

Universal Music Publishing Group (UMPG) is one of the world's largest music publishing companies, acquiring the rights to musical compositions (as opposed to recordings) and licensing them for use in a variety of formats including films, television, advertisements, video games, concerts and other public performances. It also licenses compositions for use in sheet music and song portfolios.

Generally, UMPG licenses compositions after acquiring a direct interest in songwriters' copyrights by entering into agreements with them. The company also administers musical compositions on behalf of other owners, which can include other music publishers or authors.

The company's global publishing catalog contains more than 3 million owned and administered titles, including some of the world's most popular songs. Major songwriters and artists whose works are represented include ABBA, Adele, Jhené Aiko, Axwell & Ingrosso, J. Balvin, The Beach Boys, Beastie Boys, The Bee Gees, Irving Berlin, Leonard Bernstein, Justin Bieber, Benny Blanco, Chris Brown, Kane Brown, Mariah Carey, Brandi Carlile, Kenny Chesney, Coldplay, DaBaby, Jason Derulo, Neil Diamond, Disclosure, Dua Lipa, Bob Dylan, Billie Eilish, Eminem, Gloria and Emilio Estefan, Florence + the Machine, Future, Selena Gomez, Ariana Grande, Al Green, Josh Groban, Halsey, Jimi Hendrix, HER, Imagine Dragons, Carly Rae Jepsen, Billy Joel, Elton John, Bernie Taupin, The Jonas Brothers, Alicia Keys, Kendrick Lamar, Lil Baby, Lil Yachty, Linkin Park, Logic, Demi Lovato, The Mamas & the Papas, Steve Mac, Maroon 5, Dave Matthews, Megan Thee Stallion, Shawn Mendes, Metallica, Miguel, Nicki Minaj, Maren Morris, Mumford & Sons, Pearl Jam, Post Malone, Quavo, Otis Redding, REM, Red Hot Chili Peppers, Rex Orange County, Rosalía, Carole Bayer Sager, Carly Simon, Paul Simon, Britney Spears, Bruce Springsteen, Stax (East Memphis Music), Harry Styles, Taylor Swift, SZA, Shania Twain, Justin Timberlake, U2, Keith Urban, Jack White and Zedd, among many others.

In 2020, UMPG signed new partnerships with a multitude of songwriters and artists, ranging from legendary talents and today's superstars to up-and-coming artists including Taylor Swift, Kendrick Lamar, Megan Thee Stallion, Brandi Carlile, Kenny Chesney, Luke Combs, Bad Bunny, Andrew Lloyd Webber, Van Halen, Dave Cobb, Billy Walsh, Lil Mosey, Rina Sawayama and more. It also made a landmark deal with Bob Dylan to acquire his entire catalog of iconic songs.

UMPG also signed agreements with TikTok and Snapchat during the year. In addition, it maintained its position as the premier music publisher for film and television studios, representing Amazon, MGM, Paramount, Viacom, Disney in Europe, and DreamWorks, DreamWorks Animation, HBO, Legendary Pictures, Lionsgate, MarVista Entertainment, NBC, Sesame Workshop, Universal Pictures and Warner Bros. Pictures in other regions.

3.1.1.3. Merchandising

Bravado is UMG's wholly-owned, global, full-service merchandising and brand-management company. It works closely with new and established artists as well as both long-standing and more recent entertainment clients to create comprehensive campaigns that include innovative products, partnerships and promotion. Merchandise is sold internationally through various channels, including in-store retailers and direct online retailers, as well as through direct sales and limited-edition experiences. Bravado also licenses rights to an extensive global network of third-party licensees.

Bravado leverages UMG's global network to have offices located around the world to provide global product sales, licensing, branding, marketing, e-commerce and creative resources and innovative cultural experiences for fans.

Its client roster includes artists such as Aerosmith, Ariana Grande, Billie Eilish, Blackpink, Bob Marley, Elton John, Guns N'Roses, Justin Bieber, Kanye West, Kiss, Lady Gaga, Queen, Selena Gomez, Taylor Swift, The Rolling Stones, Shawn Mendes, The Weeknd and The Who.

3.1.1.4. Regulatory Environment

UMG's businesses are subject to the laws and regulations of the countries in which it operates.

In the United States, the implementation of the Music Modernization Act (MMA) continued in 2020, notably through work aimed at establishing the Mechanical Licensing Collective (MLC) system to manage the new general licenses for streaming musical works. At the state level, Assembly Bill 2257 in California allows most music professionals (artists, musicians, composers, songwriters, and vocalists) to be considered independent contractors rather than employees when composing, performing live, or recording in a studio.

In Europe, further progress was made on implementing the European Union's Directive on Copyright in the Digital Single Market. In December 2020, the Netherlands became the first country to implement it, and its adoption is progressing in several other Member States, which must enact implementing laws by June 7, 2021 (except for the implementation of the Directive's "transparency" provisions, for which the deadline is June 7, 2022).

3.1.1.5. Piracy

Piracy is an issue that materially harms the music industry and impedes the development of new business models. The findings of the 2019 International Federation of the Phonographic Industry (IFPI) Music Listening report shows that it remains a significant problem, with 27% of consumers infringing copyright to listen to or obtain music (38% of 16-24-year-olds). Stream-ripping (the practice of making a permanent copy of streamed content) is the most widespread form of copyright infringement. It is practiced by 23% of consumers and 34% of 16-24-year-olds. Working in liaison with the rest of the music industry and other entertainment sectors (including the movie and video games industries), the group takes a multi-pronged approach to combating piracy, which includes:

- supporting the development and launch of innovative services across a number of platforms, as well as the continued growth of existing services such as those from Apple Music, Spotify, YouTube Music, Amazon, Deezer and Tencent. The group works with partners to ensure music can be accessed legally, in all new media (mobile phones, smart speakers, tablets, computers and game consoles) and to offer consumers the best all-round digital music experience;
- working with governments and intermediaries (such as credit card companies, advertisers, search engines, proxy services and ISPs) to reduce potential profits from piracy and ensure the adequate enforcement of preventive measures.

3.1.1.6. Competition

The profitability of any record company depends on its ability to attract, develop and promote recording artists, the public's acceptance of those artists and the success of their recordings. UMG competes with other major record companies for creative talent that includes both new and established artists. It also faces competition from independent labels and, to a lesser extent, from certain distribution platforms and financial investors.

The music industry also competes with apps, video games and films for consumer leisure spending. In addition, the recorded music business continues to be adversely affected by piracy, particularly in the form of illegal downloading and stream-ripping from the Internet (see Section 3.1.1.5 "Piracy" above).

3.1.1.7. Research and Development

As the music industry continues to evolve, UMG works to maximize opportunities for digital distribution by partnering with both established and emerging digital businesses. It also works actively to protect its copyright and those of its artists against unauthorized digital or physical distribution.

In addition, UMG continues to pursue new ways to capitalize on the digital transformation of the industry, including using data that were previously unavailable in the physical business to help its artists better analyze consumer listening habits in compliance with applicable data privacy regulations.

Lastly, in the interest of transparency, UMPG launched UMPG Window, its next-generation copyright portal, in 2020, giving its artists and customers instant access to clear, comprehensive, real-time information about their income and data.

3.1.2. TELEVISION AND MOTION PICTURES

€5.50 bn	€0.44 bn	7,484
2020 REVENUES	2020 EBITA	HEADCOUNT

MARKET TRENDS

The pay-TV and subscription video-on-demand (SVOD) market is growing in all of the group's geographies. The arrival of new local and global players contributes to momentum in the market in France and internationally but intensifies competitive pressure for pay-TV incumbents.

In 2020, the television market was characterized by an increase in overall viewing time (from 3 hours 40 minutes in 2019 to 3 hours 58 minutes in 2020 in France **(1)**), a sign of the importance of the entertainment and media industry in everyday life. However, the health crisis is having a significant impact on advertising revenues for media groups, both television networks and digital platforms.

The motion picture industry has been disrupted by the temporary closure of cinemas and the suspension of film shoots in many countries. At the same time, new platforms are proliferating and accelerating their direct-to-consumer rollout. Global content and service bundling strategies are emerging in response to this heightened competition.

(1) Médiamat annual 2020, Médiamétrie.

ACTIVITY

Canal+ Group is a major player in television and cinema in France and abroad. It is a leader in the production, bundling and distribution of first-run movie and themed pay-TV channels in France, Africa, Europe and Asia (Vietnam and Myanmar). Through its Studiocanal subsidiary, Canal+ Group is also the European leader in the production and distribution of feature films and TV series.

The group is committed to offering subscribers the best content and services in terms of first-run exclusives, quality, mobility, consumer choice and customization.

It has 21.8 million subscribers worldwide, including 13.1 million outside France.

In 2020, Canal+ Group continued the transformation of its business model that began five years ago: from French group to global group, from French content creator to international creator with a European focus, from linear television channel to key player in digital platforms.

3.1.2.1. Pay-TV in France

In 2020, Canal+ Group received various marks of external recognition: Canal+'s switch, in step with its other channels, to free-to-air broadcasting in France in March was hailed as one of the most widely appreciated solidarity initiatives by the French (Brands&You); Canal+ Group won the CB News Media Grand Prix; Canal+ is one of the brands that has made the most progress in terms of image in France (YouGov); Canal+ Group was voted the favorite company of students and young graduates in the Media category (Epoka and Harris Interactive).

Lastly, the redesign of Canal+'s visual identity around a new moving logo together with its latest brand campaign launched in November have both been met with great success among prospective subscribers and subscribers alike.

Supported by a large-scale media plan, the brand campaign achieved excellent results in terms of reach, attribution and new subscriptions, and was particularly successful among young people: 75% of French people have seen it, 86% naturally associate it with Canal+ and 75% say they liked it.

3.1.2.1.1. Programming Activities

Canal+ Channels

Canal+ Group produces six channels offering exclusive, original and innovative programming:

- a general-interest channel (Canal+), showing movies, sports, drama, documentaries, entertainment programs, as well as children's and discovery programs; and
- five specialized premium channels (Cinéma, Sport, Family, Décalé and Séries), featuring their own programs.

In 2020, Canal+ Group strengthened the main pillars of its editorial line: sports, series and cinema.

The group's channels broadcast a number of major sporting events, including the English Premier League in its entirety, the Arkema D1 and the Top 14 in their entirety, the Formula 1 World Championship, the MotoGP™ World Championship, golf and boxing, and more. In addition, following the agreement with the Ligue de football professionnel announced on February 4, 2021, Canal+ Group now has exclusive live broadcasting rights to all Ligue 1 Uber Eats matches and 8 of the 10 Ligue 2 BKT matches, starting on the 25th day of the championship and continuing until the end of the 2020-2021 season. Prior to this agreement, Canal+ had been broadcasting two Ligue 1 Uber Eats matches for each day of the championship – including 28 of the 38 best matches – since the start of the 2020-2021 season.

The Formula 1 and MotoGP™ World Championships both delivered top-notch ratings. The Formula 1 World Championship had its best season since its arrival on Canal+ channels, with an average of nearly one million viewers for the Grands Prix in the afternoon. The MotoGP™ World Championship also had an outstanding season, with an average of over 700,000 viewers, up 70% year on year.

More than ever, Rugby remains an essential pillar of the sports offer, with all Top 14 matches broadcast. At the beginning of the 2020-2021 season, the best match was broadcast in prime time on Canal+ on Sundays. Following the return of Ligue 1 to this time slot in February 2021, the Top 14 will continue to enjoy maximum exposure, including the Saturday prime time slot on Canal+.

The extensive golf offer means enthusiasts can follow the European Tour and the PGA Tour, the World Golf Championships, the final of the Race to Dubai and the Evian Championship in full.

This plethora of rights comes with a superlative lineup of sports programs, including the *Canal Football Club*, the *Canal Rugby Club*, the *Late Football Club* and *Formula One,* the *Match of ze Day* and *King of ze Day* dedicated to the Premier League, not forgetting the *Canal Sports Club* and *Dimanche Soir Sports,* which cover all the latest sports news. More major sports reports and documentaries were aired during the year, with great programming of *Intérieur Sport* and *Sport Reporter,* as well as long formats including *C'est pas grave d'aimer le football,* hosted by Hervé Mathoux.

From September 2021, Canal+ will enjoy broadcasting rights to the two premium packages of the UEFA Champions League for three seasons, meaning coverage of two best matches on each day of the UEFA Champions League and the best match on each day of the UEFA Europa League.

Canal+ Group also stands out for the quality of its dramas. Acclaimed by critics and subscribers alike, Canal+'s *Créations Originales* series were a success again this year and remained central to Canal+'s programming in 2020.

In 2020, Canal+'s *Créations Originales* series will continue to support talent discovered on its channels, such as Franck Gastambide, with his cult series *Validé* exploring the world of rap, which won the Étoile du *Parisien* for best French series and set a new record of more than 30 million views on myCanal and Canal+ Séries. Jonathan Cohen also enjoyed great success with his comedy *La Flamme,* which he wrote, directed and starred in alongside Géraldine Nakache, Ana Girardot, Doria Tillier, Vincent Dedienne, Camille Chamoux, Adèle Exarchopoulos, Leïla Bekhti, Céline Sallette and Pierre Niney.

Canal+'s *Créations Originales* also ventured into new territories with *Possessions,* its first Franco-Israeli co-production, created by Shachar Magen and Valérie Zenatti, bringing together Nadia Tereszkiewicz and Reda Kateb. The international co-production *ZeroZeroZero,* based on Roberto Saviano's book *Extra Pure,* follows the path of cocaine traffickers around the world. Meanwhile, John Malkovich took over the title role from Jude Law in Oscar-winning filmmaker Paolo Sorrentino's *The New Pope.*

2020 also saw the latest seasons of *Baron noir* by Éric Benzékri, *Engrenages,* by Marine Francou, and *Le Bureau des légendes,* by Éric Rochant, who entrusted Director Jacques Audiard with the last two episodes.

Canal+ continues to select the best foreign series. In a year marked by the 2020 US elections, Canal+ offered viewers *The Comey Rule* with Jeff Daniels and Brendan Gleeson as Donald Trump, the first airing of an episode of cult series *The West Wing* and *Mrs. America* starring Cate Blanchett and Rose Byrne. Subscribers were also able to watch Israeli series *Our Boys,* by Hagai Levi, high-tech series *Devs,* by Alex Garland, polar thriller *The Head* and Spanish series *Patria,* about the Basque independence conflict.

As part of its agreement with WarnerMedia, Canal+ Group ran Adult Swim programs in its Canal+ Séries lineup, including must-sees *Rick & Morty* and *Robot Chicken,* plus new shows including *Primal* and *Close Enough.* Canal+ Séries also aired themed programs from its *Summer of LOL* selections featuring *Documentary Now!,* its *Légendes urbaines* selections with series *Narvalo, Serge le Mytho,* and *Atlanta,* and its *Interdit aux enfants* selections with *Crossing Swords,* featuring the voices of Baptiste Lecaplain, Antoine de Caunes and Camille Chamoux in French.

Alongside series, movies continue to play a major role on Canal+ channels. A total of 471 films were broadcast on Canal+ in 2020, and 608 on its other channels. *Aladdin, The Lion King, Toy Story 4, Ibiza* and *Joker* chalked up some of the best ratings.

2020 saw the launch of Canal+ Première, a new cinema label dedicated to first-run films in France, specifically intended for Canal+.

In addition to the programs only available to subscribers, Canal+ broadcasts free-to-air programs accessible to all viewers every day. Each evening throughout the week, the premium channel offers the Canal+ news program *L'Info du vrai,* hosted by Yves Calvi. It is followed by *L'Info du vrai, le mag,* a talk show looking at social and cultural news, anchored by Isabelle Moreau, then *Groland,* with Michael Kael, Francis Kuntz, Gustave Kervern and Doully. On Sunday, viewers can watch *Clique,* presented by Mouloud Achour.

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1. *The Secret Garden*
2. *Engrenages* – Season 8

Themed Channels

Alongside the premium channels, Canal+ Group produces about 20 pay-TV themed channels covering the main television genres, such as movies with the Ciné+ channels, discovery with the Planète channels (Planète+, Planète+ Crime Investigation, Planète+ Adventure & Experience and Seasons), sports with Infosport+, and children's programs with Piwi+ and Télétoon+.

In 2017, Canal+ Group launched Polar+, a police drama channel offering the best selection of movies, classic and original series in the genre from around the world. In 2018, in cooperation with Universal Music Group, it created Deutsche Grammophon+, a channel based on the prestigious catalog of the classical music label, with high-resolution sound recordings and, for the first time, Dolby Atmos surround sound. In November 2018, the Group also launched Clique TV, a new-generation general-interest channel offering music, discussion, reporting, video games and comedy shows. Ciné+ digital movie channels have been launched regularly since 2018. There are currently 13 of them on offer, namely Ciné+ 80's, Ciné+ Romance, Ciné+ Asie, Ciné+ British, Ciné+ Comédie, Ciné+ Animé, Ciné+ Horreur, Ciné+ Crime and, all launched in 2020: Ciné+ De Funès, Ciné+ En Musique, Ciné+ 70's, Ciné+ Bergman and Ciné+ Splendid.

November 2019 saw the debut broadcasts of the Hello channel, which offers top original European and international LGBTQ+ creations. It was joined by the Olympia TV channel in January 2020. A guarantee of quality, the Olympia brand offers the best in live performance, with a different theme each evening: contemporary theater, pop/rock concerts, modern circus, magic, musical performances, humor, classical theater, opera or ballet, plus mythical, cult or international concerts.

3.1.2.1.2. Distribution

In addition to its publishing business, Canal+ Group is a leader in the bundling and distribution of pay-TV offerings.

The bundles are marketed in France, with or without minimum subscription periods, and include Canal+ channels, themed channels produced by the Group, and the best of third-party channels and services. Subscribers build their bundles around Canal+, which serves as the gateway for the entire Canal+ range. Depending on their preferences, they can add themed packs, adding more sports, more series and/or more movies.

myCanal brings together all Canal+ content and Canal+ offers in a single application. Films, series, documentaries, entertainment and sport can be found live or on demand, and on all screens.

Canal+ distributes its packages through specific subscriptions delivered via satellite, ADSL, DTT, cable, fiber, mobile devices and the Internet.

They are marketed directly by the group through a network of nearly 3,000 sales outlets operated with retail partners (big-box stores, specialty stores and telecom operator agencies).

Canal+ also markets some of its bundles and themed channels via ISPs, which include them in their own pay-TV or triple-play packages. It has distribution agreements with Free, Orange, SFR and Bouygues.

2020 confirmed Canal+ Group's aim of building a gateway to the world's greatest applications and channels, based on the best of cinema, sports and series:

- Canal+ Group has become the exclusive French distributor of the Disney+ streaming service. The service has been available since April 7 for Canal+ offers, November 19 for Orange offers and December 17 for Free offers;
- as from June 1, and for the next five years, Canal+ Group will be the exclusive French distributor of the beIN Sports channels on all platforms and with all third-party operators in mainland France.

With 8.7 million subscribers in mainland France as of December 31, 2020, Canal+ Group boasts the country's largest portfolio of pay-TV customers. This number includes 3.4 million customers from partnerships with telecom operators.

3.1.2.1.3. Digital Services

Canal+ Group is a pioneer of digital technology and new television services in Europe, led by its myCanal platform and its multi-screen delivery.

myCanal gives subscribers access to content from all Canal+ offers, live or on demand, through a single point of entry. The platform offers direct access to the Group's channels and the 150 themed channels available. It also allows users to watch thousands of programs on demand at any time in French or the original language. myCanal is accessible on a wide variety of devices, including PC, Mac, all smartphones and tablets (iOS, Android, Windows), Apple TV, Android TV, connected TVs and game consoles. In 2020, myCanal stepped up its rollout as a single gateway to content on all types of devices by becoming available on PlayStation 5 and Amazon Fire TV. myCanal allows users to enjoy content on several screens in the same household at the same time, using a single subscription.

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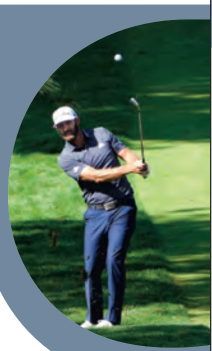

1. *Canal Football Club*
2. Golf, Dustin Johnson Masters d'Augusta

Innovation-driven, this Over-The-Top (OTT) service focuses its developments on new user features together with image and sound quality. The viewer experience is augmented through a range of features such as "Start Over", which lets viewers go back up to eight hours before the broadcast, "Multi-Live", which lets them watch up to four shows at the same time and on the same screen, and "Expert Mode", which enriches the live experience (on sports) with additional camera angles, highlights, statistics and additional information. "Airplay" and "Chromecast" let viewers watch a show on a TV screen, while the "Download" function allows them to watch programs offline. The user interface is now entirely customized, with "Playlist", "Personal recommendation" and "Profiles" functions where everyone can create their own viewing area. myCanal Kids is a space dedicated to children, with parental control features. Ultra-HD is available on the platform, and Dolby 5.1 across an increasing part of the catalog. The quality of the experience offered has earned it an "Editors' Choice" on the Apple Store and high ratings from users on the Apple and Google stores.

2020 was characterized by robust commitments aimed at making myCanal a major eco-responsible platform. They included the creation of "myCanal voit Green", a dedicated digital channel, technological investments and new services to enable subscribers to consume content in a more eco-responsible way (to achieve a 30% reduction in the carbon impact for one hour of consumption in myCanal within three years).

Today, myCanal ranks as the leading online TV/video media platform in the French market, with an average of 2 million unique visitors each day **(1)** and more than 14 million per month **(1)**. In 2020, the number of subscribers using the application grew by 25% and consumption of on-demand programs on myCanal increased by 35%, more than half of which was in OTT format.

3.1.2.2. Free-to-air TV in France

3.1.2.2.1. Free Channel Division

Canal+ Group owns and directly operates three free-to-air channels: C8, CNews and CStar.

C8 is a general-interest channel that appeals to every generation and all types of viewers.

CNews is a 24/7 news channel. It reports the news as it breaks, while capitalizing on the group's strengths, particularly in sports and cultural programming, to stand out in a market where competition continues to intensify. In 2020, CNews achieved its strongest-ever year-on-year growth in audience share for viewers aged 4 and over, as well as in its priority target categories. It now ranks as France's number two news channel, with audience share among the general public averaging 1.4% over the year. The channel has more than doubled its audience in four years.

CStar, France's leading music channel for today's generation, is a showcase for musical artists, where they can fully express their talent.

These three channels, broadcast via DTT, are also included in the TV packages of satellite, ADSL, cable and other television operators. All of their revenue is derived from advertising.

3.1.2.2.2. Advertising Sales Agency

Canal+ Brand Solutions is Canal+ Group's advertising sales agency for 36 media brands, including Canal+, C8, CNews, CStar, Eurosport, Discovery, RTL9, ViceTV, myCanal, UGC and the Grand Rex, and a wholly-owned subsidiary.

It aims to create and offer communication solutions for advertisers through its media (television, digital, cinema) and to strengthen its position in the market by developing innovative offers, including brand content, data and CSR.

Canal+ Brand Solutions aggregates solutions for brands by leveraging the assets of Canal+ Group: creativity, talent, data and a wide range of premium content.

In 2020, the advertising network worked to provide a segmented television services offering to its subscriber base and ISP operators from 2021, and entered into an initial agreement with Bouygues Telecom.

2020 also marked the expansion of communication media with the decision to integrate Bolloré Média Régie from January 2021 to market free press title CNews, France's leading daily newspaper, and to offer advertisers global communication solutions for the CNews brand (across television, digital media, street marketing and print).

(1) Source: Médiamétrie 2020.

3.1.2.3. International Pay-TV

Canal+ Group's pay-TV operations outside France are being expanded via its Canal+ International subsidiary, which has a total of 13.1 million subscribers spread across Africa, Europe, Asia-Pacific, the Caribbean and the Indian Ocean.

Africa

Canal+ Group has operated in Africa for over twenty-five years. It operates in more than 25 countries, through 14 subsidiaries and more than 30 partners and distributors, and through a network of nearly 5,000 outlets. With its Canal+ bundles offering more than 200 channels, radio stations and services, the group is the leading pay-TV operator in French-speaking Africa, with nearly 6 million subscribers at year-end 2020.

Canal+ Group produces 23 channels specifically for Africa (17 premium Canal+ channels and 5 Canal+ Sport channels offering an incomparable range of sports rights, such as the 5 biggest European soccer leagues and the UEFA Champions League) and finances dedicated programs (such as *Invisibles,* the group's first original series launched in 2018 and winner of the prize for the best foreign series at the Festival de La Rochelle, and more recently the *Le Parlement du rire, Talents d'Afrique* and *Le Chœur des femmes* series. It also produces A+ (the African series channel) and its offshoots, A+ Ivoire (a free channel on DTT in Ivory Coast) and Nollywood TV.

Canal+ Group is also rolling out a DTT offer under the Easy TV brand name in several African countries.

In 2019, the group acquired ROK Studios (taking over production activities, content distribution and delivery of the Rok and Nollywood TV channels), positioning itself as a major player in Nollywood, the Nigerian film industry.

In 2020, Canal+ Group acquired a 12% interest in South African company MultiChoice Group Ltd., the leading pay-TV operator in English- and Portuguese-speaking sub-Saharan Africa, becoming its second-largest shareholder.

Poland

Poland is Canal+ Group's second-largest market, with 2.7 million subscribers as of December 31, 2020.

With its 12 premium Canal+ channels and 7 themed channels, it offers the most comprehensive premium television experience in Poland, and one of the most innovative in terms of services, with its 4K set-top box, the launch of Canal+ Group's OTT platform in 2020, as well as multiplatform offerings such as Player+ and coupled TV, Internet and telephony services.

It is particularly well-known for its sports offer, broadcasting major competitions such as the Polish Football Championship, the English Premier League, the Liga, the Bundesliga, the Champions League and the Europa League, together with some of the most popular sports in Poland, such as speedway (motorcycle racing on an oval track), the volleyball Champions League and basket-ball, with exclusive broadcasting rights for NBA matches.

Movies are another core component, with more than 300 first-run films exclusively shown on the Canal+ channels, including exclusive releases from Fox and Universal studios.

Under the agreement signed by Canal+ Group, Canal+ Poland has launched the Netflix offer on its subscriber platform.

The acquisition of the Kino Swiat production studio in 2019 also made Canal+ Group the leading distributor of films in Poland and owner of the largest catalog of Polish films. Canal+ is also involved in local production, with original creations including the hit series *Belfer, Zmijowisko, The Raven* and *The King.*

Asia-Pacific

Canal+ Group operates in Vietnam through K+, a satellite package of local and international channels jointly owned with Vietnamese public television. It has operational control of K+, in which it holds a 49% interest.

The K+ package offers four premium K+ channels produced by the group. It also broadcasts the English Premier League, a soccer championship that is popular with viewers in Vietnam. It is also available via the myK+ OTT app. The K+ packages are supported by a vast retail network comprising more than 1,500 outlets and 45 proprietary K+ Stores.

Since 2018, Canal+ Group has operated in Myanmar, in partnership with the Forever group, a major player in the country's TV industry. Canal+ offers nearly 80 channels covering all themes, including 9 Canal+ channels developed in the Burmese language and showcasing local content (with the original Burmese series *Toxic* and *New Page,* and broadcasting of the lethwei Burmese boxing championship and the major national competitions of the Asian Football Confederation acquired in 2020). It has opened its own Canal+ Stores and works with an extensive network of local distributors.

In 2019, the group accelerated its development in Asia through strategic distribution partnerships with telecom operators, and cable and IPTV networks.

As of December 31, 2020, the group had 1.2 million subscribers in the Asia-Pacific region.

Overseas Territories

The leading pay-TV group in France's overseas departments and territories, Canal+ International subsidiaries operate in the Caribbean (French West Indies, French Guyana and Haiti) and the Indian Ocean (La Réunion, Mayotte and Mauritius). The Canal+ packages comprise the Canal+ channels and more than 200 themed channels, radio stations and services. Canal+ subscribers in the French overseas territories also have access to the Netflix and Disney+ offers included in their packages, giving them all the advantages of a comprehensive offer combining the best OTT content and services. Through its Canal+ Telecom subsidiary, Canal+ International also markets Canalbox, a triple-play ADSL/fiber Internet offer coupled with fixed telephony and television.

M7

In September 2019, Canal+ Group finalized the acquisition of operator M7.

M7 is a bundler and distributor of local and international channels, over satellite and OTT platforms. It operates in Belgium, the Netherlands, Austria, Germany, the Czech Republic, Slovakia, Hungary and Romania. As of December 31, 2020, M7 had 2.4 million subscribers.

The acquisition marks a major acceleration of the group's international expansion, particularly in Europe. In 2020, M7 benefited from the first group synergies in terms of both technical investments and content, via the acquisition of original French or Polish series (such as *Baron noir* and *Illegals*) and the creation of the Canal+ Domo channel in the Czech Republic and Slovakia.

■ 3.1.2.4. Motion Pictures and Series

Studiocanal, Canal+ Group's subsidiary, is the European market leader in the production, acquisition of rights, distribution and international sales of films and TV series. It directly manages theater, video, digital and TV releases in the three largest European markets (France, the United Kingdom and Germany), as well as in Australia and New Zealand.

Committed to producing and distributing films and series with a deep-rooted European identity but also the capacity to appeal to a global audience, Studiocanal works with the industry's biggest talents (such as David Heyman, Benedict Cumberbatch and Idris Elba) and leading production companies (such as Working Title, Blueprint Pictures, The Picture Company, Heyday and Bambú Producciones).

In 2020, film and series shooting and distribution activities were heavily impacted by the pandemic. Despite the circumstances, Studiocanal was the leading distributor for several weeks in each of its geographies, with market share sometimes exceeding 20% and a number of great successes including Tarek Boudali's crime comedy *30 jours max,* Rose Glass's horror film *Saint Maud,* and Marc Munden's magic tale *The Secret Garden,* produced by David Heyman.

2021 will reflect Studiocanal's eclectic editorial line, which is focusing increasingly on the international market through its prestige and family films. This will notably include *Bac Nord,* by Cédric Jimenez, starring Gilles Lellouche and François Civil, *L'Origine du monde,* Laurent Lafitte's directing debut, *Le Loup et le Lion* by Gilles de Maistre, *Le Tour du monde en 80 jours,* the first animated film by Samuel Tourneux, *Boîte noire,* by Yann Gozlan, starring Pierre Niney, the Christmas tale *A Boy Called Christmas,* by Gil Kenan, and romantic comedy *The Last Letter from Your Lover,* by Augustine Frizzell.

Catalog

Studiocanal manages one of the world's largest catalogs, with more than 7,000 titles from over 60 countries, including nearly 6,000 films for which it ensures the preservation, restoration and sale of rights. The catalog spans a hundred years of cinema history, and includes the unmissable *Terminator 2, Rambo, Total Recall, The Deer Hunter,* the classics *Mulholland Drive, The Pianist,* some of the biggest French comedies, including *Les Bronzés, Le Corniaud* and *La Grande Vadrouille,* and more recent hit films such as *Tinker Tailor Soldier Spy, Non Stop, Intouchables* and *Paddington*.

Studiocanal is also carrying out an ambitious restoration program. Each year, it dedicates millions of euros to bringing classic films back to life at major international festivals, re-released on DVD, Blu-ray and UHD (Ultra High Definition) media and broadcast on television channels and digital platforms.

Masterpieces honored in 2021 after 4K restorations are *Basic Instinct,* by Paul Verhoeven, *Le Mandat,* by Ousmane Sembene, and *M. Klein,* by Joseph Losey.

Series

Studiocanal is also a major producer and distributor of television series in Europe. It draws on the expertise and creativity of eight production companies in Europe.

Studiocanal owns 100% of the capital of Germany's Tandem Productions *(Shadowplay* and *Crossing Lines)* and the UK's Red Production Company *(Years and Years* and *Happy Valley),* both major players in their respective countries. It is also the majority shareholder of Bambú Producciones in Spain, a well-known, prize-winning production company *(Cable Girls* and *Gran Hotel)* that is part of Studiocanal Original *(Narvalo and Mouche),* an integrated Canal+ Group production company that works alongside Canal+'s globally-acclaimed *Créations Originales* team.

Studiocanal has also partnered with Scandinavian company Sam Productions (founded by Søren Sveistrup and Adam Price, showrunner of the series *In the Name of the Father)* as well British companies SunnyMarch TV (founded by Benedict Cumberbatch), Guilty Party Pictures and Urban Myth Films (known for *War of the Worlds).*

Studiocanal is supporting these companies in their global expansion, bringing them the expertise of a leading studio in co-production, financing and sales.

It also uses its commercial expertise to help third-party producers in the international promotion of their original creations (such as *Possessions, Paris Police 1900* and *Baron noir),* as well as some of Canal+ France's animated series (including *The Adventures of Paddington)* and documentaries, and Canal+ International's original series from Poland *(The King of Warsaw)* and Africa *(Spinners).*

3.1.2.5. Regulatory Environment

Pursuant to Article 40 of French Law No. 86-1067 of September 30, 1986 on freedom of communication, no more than 20% of the share capital of a company holding a license for a French-language television service can be held, either directly or indirectly, by non-EU entities.

Consequently, Canal+ Group, the wholly-owned Vivendi subsidiary that directly and indirectly holds 100% of Société d'Édition de Canal Plus (SECP), is authorized to broadcast Canal+ and the C8, CNews, CStar and Planète+ channels, which are also wholly-owned by Canal+ Group. The analysis made by Vivendi and its legal advisers of the aforementioned law, and the interpretation of them by the *Conseil d'État* (French Council of State) in its Administrative Notice of June 27, 2002, have led Vivendi to conclude that if the combined interests of non-EU shareholders were to exceed 20% of the share capital or voting rights of Vivendi, which indirectly holds a broadcasting license, this could constitute a breach of the provisions of the aforementioned Article 40.

In addition, a single company may, either directly or indirectly, hold seven licenses for national digital terrestrial television broadcasting services. Canal+ Group has four licenses for pay-TV channels (Canal+ HD, Canal+ Cinéma, Canal+ Sport and Planète+) and three for free channels (C8, CNews and CStar). The CSA has renewed the DTT license until December 6, 2023.

Under its license to broadcast in France, Canal+ Group must comply with specific requirements relating to the broadcasting of programs and investments made in audiovisual and film production. 60% of the audiovisual works and films broadcast by the group's channels that are subject to these obligations must be of European origin, and 40% must be French.

With respect to the obligations governing investments in audiovisual production, the Canal+ channel must dedicate at least 3.6% of its total net revenue for the previous year to "heritage works" (drama, animation, creative documentaries, music videos and actual footage or reenactments of live performances). A portion of this investment (representing at least 3.1% of net revenue) is allocated to the development of independent production.

In the case of motion pictures, the channel must dedicate 12.5% of its annual revenue to acquiring European films, including 9.5% for original French works.

The C8 channel must invest 15% of its net annual revenue from the previous year in the production of European audiovisual works or works originally broadcast in French, of which at least 8.5% must be invested in the production of "heritage works".

Under its obligations to invest in motion pictures, C8 must allocate at least 3.2% of its revenue from the previous year to European works and 2.5% to original French works.

The Canalplay subscription video-on-demand service was closed on November 26, 2019 in favor of a new alternative service known as Canal+ Séries.

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1. *La Flamme,*
a Canal+ *Création Originale*

2. *Paddington*

This offer (pay-per-view video-on-demand and subscription video-on-demand) is also subject to regulations governing on-demand audiovisual media services. A November 2010 decree sets forth specific requirements relating to investments in the production of audiovisual and film works, broadcasting those works, and advertising rules. Among these requirements is also a decision of the French broadcasting regulator, the CSA, dated December 2011 on the protection of young people and the ethics and accessibility of programming.

Pursuant to a new agreement on media scheduling that prohibits the broadcasting of films within a certain period after theater release, entered into on December 21, 2018, signed by Canal+ Group and extended by a decree dated January 25, 2019, broadcasting schedules are as follows:

- for films available via pay-per-view, video-on-demand and on DVD: a minimum of three months after theater release for films with fewer than 100,000 admissions after their fourth week at the box office and a minimum of four months after theater release for films with more than 100,000 admissions after their fourth week at the box office;
- for movie channels having entered into an agreement with film organizations (as is the case for Canal+ and Ciné+):
  - for the first pay screening: a minimum of six months after theater release for films with fewer than 100,000 admissions after their fourth week at the box office and a minimum of eight months after theater release for films with more than 100,000 admissions after their fourth week at the box office,

  - for the second pay screening: a minimum of fifteen months after theater release for films with fewer than 100,000 admissions after their fourth week at the box office and a minimum of seventeen months after theater release for films with more than 100,000 admissions after their fourth week at the box office;
- for free-to-air television channels contributing at least 3.2% of their revenue to film production (as is the case for C8): a minimum of twenty-two months after theater release (or a minimum of nineteen months in the absence of a second pay screening);
- for subscription video-on-demand films: there are three possible scenarios that depend on the level of contribution of the service to film production. The minimum period varies between fifteen to thirty-four months after theater release.

3.1.2.6. Piracy

Canal+ Group actively combats audiovisual piracy. It gives priority to strengthening its technological capabilities and developing cooperative antipiracy partnerships within the industry to protect its commercial interests and those of its licensees.

3.1.2.7. Competition

Canalsat/TPS Merger

On July 23, 2012, the French competition authority issued a new ruling in which it approved the merger between Canalsat and TPS (after it withdrew its approval on September 20, 2011), subject to compliance with 33 injunctions. These injunctions were issued for a five-year period, renewable once.

After reviewing them, in a decision dated June 22, 2017, the Authority chose to extend or lift certain injunctions and revise others.

The injunctions, primarily related to the acquisition of movie rights, pay-TV special-interest channels, and video-on-demand (VOD) and subscription video-on-demand (SVOD), all expired on December 31, 2019.

Acquisition of the Direct 8 and Direct Star Channels

On July 23, 2012, as part of the French competition authority's approval of the acquisition of the Direct 8 and Direct Star channels (renamed C8 and CStar, respectively), and subsequent approval pursuant to its decision of April 2, 2014, Vivendi and Canal+ Group gave certain commitments for a period of five years, renewable once.

In its decision dated June 22, 2017, the French Competition Authority chose to extend or lift certain commitments and revise others.

These injunctions all expired on December 31, 2019.

Competitive Environment in France

The French pay-TV market is highly competitive and is changing rapidly due to:

- the arrival of new players offering premium cinema and sports content on the market. This is the case for Orange (OCS channels), beIN Sports and the Altice group (RCM Sport channels and Altice Studio). In August 2020, Mediapro launched the Téléfoot channel broadcasting Ligue 1, Ligue 2 and Champions League matches; in December 2020, Mediapro announced the termination of the channel;
- the increasing number of distribution platforms and technologies;
- DTT in France, pursuant to which viewers now have 26 free national channels offering the same technologies and associated services as pay-TV channels (e.g., HD and replay);
- the development, unparalleled in Europe, of television through IP (such as triple-play offers by Internet service providers);
- the surging growth in non-linear content. The arrival on the audiovisual markets of global players from the digital sector, such as Netflix, Amazon, Google, Apple and Facebook, has completely upended the competitive playing field with, among other things, the development of innovative media and distribution systems, such as Internet-delivered OTT content. With their global subscriber bases, these companies can in turn invest heavily in exclusive content that gives their offering a competitive edge;
  - the position of gatekeeper occupied by the so-called systemic platforms, which are increasingly acting as gateways to content services and are implementing unfair practices in this regard;
  - the fundamental shift in the behavior of audiovisual content consumers, who prefer the immediate reward of non-linear delivery. Faced with this change in viewing patterns, large content producers such as the Disney group are launching their own global streaming services. In April 2020, the Disney+ streaming service was launched in France;
  - the illegal consumption of content, notably through illicit IPTV and live streaming, which continues to generate a major shortfall for the sector as a whole.

3.1.2.8. Research and Development

Canal+ Group's Research and Development (R&D) policy primarily focuses on innovation in new services, uses and technologies.

The development of an idea or concept from the monitoring phase to the prototyping phase, and then to its final implementation, is controlled by a cross-disciplinary committee composed of the operations directors (Distribution, Programming, Technology and Information Systems).

Some of the projects implemented within this framework receive research tax credits.

3.1.3. COMMUNICATION AND ADVERTISING

€2.14 bn
2020 REVENUES

€0.12 bn
2020 EBITA

18,802
HEADCOUNT

MARKET TRENDS

In 2020, the global advertising market declined by 4.2% **(1)** to $569 billion in a global economic recession. Some markets (United States and China) are proving to be more resilient than others, due to the breadth and resilience of formats delivered on digital media.

The health crisis is profoundly changing the global advertising landscape. Advertisers had to adapt to the significant changes in behavior of ultra-connected consumers in lockdown by accelerating their investments in digital channels and e-commerce. As a result, while growth in digital advertising revenues was admittedly short of the year-on-year performance of roughly 20% seen in recent years, the 8.2% increase seen over the year took the segment's total value to $336 billion, or 58% of total advertising investments. This trend in the digital market is likely to continue in the years to come.

Almost all advertising markets were down in 2020. The world's two largest markets, the United States (-1.3%) and China (+0.2%), were among the most robust, while the other major markets (Japan, United Kingdom, Germany, Canada, Brazil and Australia) were down between 4% and 8%. By region, Latin America suffered the most in 2020 (-11.3%), while Europe/EMEA (-6.4%) and Asia-Pacific, excluding China (-4.9%) fared better.

(1) Source: all data are from the December 2020 Magna Advertising Forecasts.

ACTIVITY

Havas Group is one of the world's largest communications groups. Created in Paris in 1835 by Charles-Louis Havas, the group today has nearly 19,000 employees in over 100 countries.

Havas Group has built a dynamic global network bringing together skills from multiple disciplines, including creative, media, digital, events, public relations and data, with individual agencies in creative hubs known as Havas Villages. By combining all communication expertise under one roof, the teams are better equipped to meet and anticipate customer needs. The group has more than 60 villages worldwide. Although each Havas Village is unique, they all share the same philosophy and the same creative energy.

The group is pursuing its goal of "Making a meaningful difference to brands, businesses and people" by leveraging its exclusive *Meaningful Brands* study, which analyses changing consumer expectations around the world to help brands meet growing demand for meaningful content.

■ 3.1.3.1. Business Units

Havas Group has three main business units covering all communication disciplines:

- Havas Creative is dedicated to creation, a cornerstone of the group's activity. It brings together all the communication expertise needed to deliver tailor-made solutions to brands. It is made up of the Havas Creative global network, Havas Edge, BETC Group, AMO, Arnold, and many of the sector's other leading and innovative agencies, including Boondoggle, Buzzman, Camp + King, Conran Design Group, Host Havas, Havas Riverorchid, One Green Bean, Rosapark and W&Cie.
- Havas Media is the unit dedicated to media buying and planning. It consitsts of two iconic media brands: Havas Media and Arena Media. Operating in over 144 countries, Havas Media offers the best services in each area in which it works, including programmatic purchasing, mobile devices, data, performance marketing, advertising and social networks.
- Havas Health & You is the world's largest health communication network. It brings together a network of leading brands in health and wellness communication focused on "human" as a purpose. Its mission is to create, innovate and respond to the needs of its partners and clients positively impacting people's lives. Its main entities are Havas Life, Health4Brands (H4B), Havas Lynx, HVH and Havas PR, plus dozens of other specialized agencies.

■ 3.1.3.2. New Developments

In 2020, Havas Group continued to expand worldwide, attracting many new clients and working with prestigious brands in creation, media expertise and health communication, both on a local and global level.

Highlights

2020 saw the launch of Havas Positive Impact, an umbrella brand that brings together all of the group's CSR initiatives and actions around the world. The aim is to maximize and enhance the impact of its sustainable development approach. It is built on three main pillars: Environment, People and Meaningful Communication.

In October, the group launched Havas CX, its new international network delivering meaningful experiences across the entire customer journey. The network brings together more than 1,200 experts in digital transformation, e-commerce, CX design and customer engagement from 20 agencies in the Havas Creative network. Havas CX's competitive advantage lies in its ability to combine strong customer experience expertise, now coordinated on a large scale, with deep consumer insight (exclusive *Meaningful Brands* study on 350,000 consumers, *Prosumer* research on "*avant-garde*" consumers and the X Index – an exclusive survey measuring and managing customer experience). This combination allows the network to blend the technological and functional aspects of CX with a brand promise for customers, based on cultural and social trends from consumer research conducted by Havas and BETC.

In December, Havas Media Group launched Havas Market, a comprehensive strategic offering specialized in e-commerce. Havas Market works with customers looking to transform their business approach, either directly with the consumer, through marketplaces and retailers, or in-store. Its role is to help them revisit the buying journey and reach a committed audience in a highly competitive environment. Comprising e-commerce experts from around the world, this comprehensive service offering supports brands in all areas: product knowledge, content experience and sales stimulation (when, where and how) across the entire business ecosystem. The approach is guided by Havas Media's unique Mx process that combines connection, context and content to create the most meaningful experience for the consumer. Currently in place in the United States and France, the offer is to be extended to other key markets in the coming year.

In addition, in response to the social unrest that shook the world in the first half of the year, the group is rolling out the *Commit to Change* initiative in the United States, with the implementation of an action plan to promote greater diversity among teams and managers of the group's agencies in the region. To steer the initiative, Havas Group has set up a Diversity, Equity and Inclusion (DE&I) Committee, which works closely with the Group's Global Chief Talent Officer. The committee members represent the African-American, Hispanic, Asian and LGBTQ+ communities within Havas Group. The *Commit to Change* initiative is being adapted and rolled out in other key markets.

Lastly, after a long process of preparation and a demanding audit, the agencies making up the Puteaux Havas Village, BETC and Ekino were awarded ISO 14001 certification, a guarantee of rigorous, high-quality environmental management.

Acquisitions

In 2020, Havas Group continued its policy of targeted acquisitions in various countries around the world, acquiring majority stakes in:

- Camp + King: an independent US creative agency voted "Small Agency of the Year" four times by market specialists, *Advertising Age*. Camp + King is unique in combining storytelling, digital, social media and content creation for brands including Energizer, Papa John's and Jackson Hewitt;
- Hyland: founded in 2005, Hyland has grown steadily, building its reputation on an ability to create rich, integrated experiences for luxury, cosmetics, tourism and lifestyle brands. Hyland strengthens Havas Media's analytics and performance marketing capabilities, which it provides to clients including COTY, Etihad Airways, Sydney Airport, Deliveroo and Church & Dwight. The deal dovetails with the group's aim of providing a comprehensive and agile service to all customers in the ANZ (Australia and New Zealand) region;
- Cicero: a communications and market research agency specialized in corporate public relations, public affairs and digital communication. From its offices in London, Brussels and Dublin, Cicero designs and executes award-winning campaigns for companies and brands, as well as political and regulatory campaigns across all major industries. The deal fostered close collaboration between Cicero/AMO and Maitland/AMO, one of AMO's founding agencies, to provide full strategic support for public affairs, corporate communications (including research and campaign design), investor relations and media relations in the United Kingdom and the European Union;
- Inbar Merhav G: founded in 1999, this independent Tel Aviv-based advertising agency specialized in marketing strategy, consulting and creation (offline and digital), as well as all media services, will now be known as Havas Inbar Merhav G Ltd.

3.1.3.3. Awards and Honors

In 2020, the group's agencies won numerous awards at various festivals and ceremonies worldwide, despite the complicated health and economic situation.

First, the group is proud to note the stellar performance of certain agencies and networks at a local or international level, such as BETC, which took first place in the Contagious Pioneer 2020 Top 10 ranking and also received the special "Agency of the Year" award at Eurobest, due to two Grand Prix for *Crocodile Inside* for Lacoste and *Underground Première* for 13ème Rue, plus six Gold awards.

Camp + King, the agency acquired by the group in September 2020, came second in the "Small Agency of the Year" ranking by *Advertising Age*, one of the industry's leading magazines.

In the latest Campaign's Brief 2020 Bestads Rankings, Buzzman was ranked twelfth best global agency of the year.

The agencies' creativity was rewarded in a large number of festivals and ceremonies, including D&AD, where the group's agencies won with 17 awards (2 Gold, 5 Silver and 10 Bronze), as well as the first ever "Black Pencil of the Decade", awarded to the *Palau Pledge* campaign by Host/Havas for the Palau Legacy Project.

At the One Show, they took 20 awards, including 6 Gold and 5 Silver, on the back of the BETC Paris *Crocodile Inside* and *Crocodile Free* campaigns for Lacoste, and 2 Arnold Boston campaigns *In Someone Else's Shoes* for Santander Bank and *Run For Life* for the Brazilian Red Cross.

At the Webby Awards, the group's agencies won 17 trophies, capped with 2 first prizes for HOY for its *100 years making history* campaign for Citroën, and Havas New York for its *Adidas Originals Archive Video Series* campaign for Adidas.

The Effies reward the effectiveness of advertising campaigns in every country around the world. In 2020, honors went to Chile, Austria, Argentina, Belgium, Russia, Germany, India, the United States, Poland, Peru, Colombia, Turkey (11 awards including 6 Gold) and France (14 awards including 1 Grand Prix and 5 Gold). At Effies France, Buzzman's *Don't Call Me Jennyfer* campaign for the Jennyfer brand won the Grand Prize in the Effectiveness category, while BETC Paris won the special "Originality" prize for its *3919* campaign for SIG.

The Havas Media network shone at the biggest event in its sector, the Festival of Media Global Awards. The *Waiting Wins* campaign for Canal+ created by all the agencies in the Geneva Village won two Gold prizes, and the *Project Save* campaign for the Government of Valenzuela (Philippines) by Havas Media Ortega and Red Havas won Gold.

The work of the group's teams and talents also earned a great deal of praise. Havas Creative's New Business team was voted New-Business Development Team of the Year by *Campaign* magazine for the second year running. Havas Europe took first place in R3 Worldwide's New Business League for Europe ranking of the best New Business performance of creative networks in 2019 (award received in 2020).

1.

2.

1. Michelin Campaign / BETC Paris

2. 100 years Making History Citröen Campaign /HOY Buenos Aires

■ 3.1.3.4. Regulatory Environment

Havas Group operates in countries that have different regulations applying to the advertising, communication, advertising space sales and media consulting service industries.

The services that Havas Group entities provide to their clients must meet the local and/or sector regulations that govern the advertising and communications industry. New regulations and self-regulation rules are regularly introduced to ban or restrict advertising on certain products or services, or limit the type, content or form of media used. For example, advertising for alcohol, cigarettes and healthcare products is subject to specific regulations in different countries. In some markets where Havas Group is active, especially the United States and the European Union, Havas Group clients and businesses run significant professional liability risks. They may be sued by consumers or consumer organizations, government or regulatory authorities, or by competitors for engaging in misleading business practices or unfair competition, violating rules that restrict access to advertising in some sectors, rules relating to the processing of personal data, rules of professional ethics or breaching intangible rights (e.g., intellectual property rights or personality rights), or infringing on the freedom of the press. Havas Group businesses are generally responsible with respect to their clients for complying with these regulations. To limit these risks, the group has introduced verification procedures on its main markets to ensure that its entities' creative works meet applicable regulations before being released. For instance, legal departments in France, whether internal or centralized, guide teams throughout the creative process. Training programs may also be implemented locally.

The services that Havas Group entities provide to their clients must meet the local and/or sector regulations governing the media consulting sector, the advertising space sales industry and lobbying.

To limit these risks, Havas Group has introduced procedures to ensure that the media consulting services and advertising space sales activities carried out by Havas Group entities comply with the regulations applicable to those activities and above all, for the French market, French Law No. 93-122 of January 29, 1993 (which provides for criminal sanctions). The procedures take the form of verification by the legal services of compliance with this regulation by Havas Group entities.

For its lobbying activities with public officials, the group ensures compliance with the obligations governing the activity of interest representatives set out in French Law No. 2016-1691 of December 9, 2016, relating to transparency, the fight against corruption and the modernization of economic life.

In the course of their business activities, Havas Group entities may also deliver creative products involving works by third parties (e.g., illustrators, graphic designers, photographers, directors, models, artists and composers) to their clients. Their contribution to the end creation may give rise to intellectual property rights (e.g., copyrights, royalties and trademarks) and/or personality rights attributable to them.

Havas Group entities are responsible for ensuring that their creative works do not infringe on these third-party rights and that they have the required transfers of rights and/or authorizations for the planned use of these works by their clients. Agreements signed with clients generally guarantee that no legal action can be taken against them relating to these matters. Most group businesses that deal with this risk have teams specializing in managing, acquiring and checking these rights. These teams work with the group's legal departments or external consulting firms. Training programs may also be implemented locally.

Havas Group is a strong advocate of personal data protection, whether it involves the group's own data or the data managed on behalf of its clients. With this in mind, the group has rolled out a global compliance program serving as a comprehensive framework for all Havas entities to help them comply with regulations on the protection of personal data (Regulation EU no. 2016/679 of April 27, 2016, known as the General Data Protection Regulation – GDPR).

It is broken down into policies, directives, procedures and practical guides to ensure that it is applied effectively by all Havas entities.

■ 3.1.3.5. Piracy

Havas Group firmly believes in protecting its clients' data. Communication strategies, content and advertising campaign metrics may be subject to piracy attacks and theft. Havas Group has implemented systems to prevent data leaks and targeted attacks.

■ 3.1.3.6. Competition

The advertising and communication services industry is highly competitive. The group's main competitors range from major international firms to smaller agencies that only operate in a limited number of local markets, regions or countries.

■ 3.1.3.7. Research and Development

Havas Group is not dependent on any particular patents or licenses to carry out its business activities.

3.1.4. PUBLISHING

€725 M
2020 REVENUES

€38 M
2020 EBITA

2,425
HEADCOUNT

MARKET TRENDS

The French publishing market cleared the hurdles of the pandemic, two periods of lockdown and the closure of bookstores to deliver a resilient performance in 2020. As a safe haven and an essential cultural asset, books made an outstanding comeback. Bookstores, which did exceptional business in the months following the release from each period of lockdown, virtually neutralized drops in their sales. New commercial uses and practices are taking hold, with an emphasis on convenience and small points of sale. Other key developments are click-and-collect formats for bookstores and collection points for e-commerce sites. The singular backdrop of 2020 also had an impact on trends in distribution circuits, reversing those of recent years and driving growth in e-commerce for all sector players (including e-commerce sites of retailers, bookstores and large cultural retailers). Within the various segments, comics and manga continued their growth, with fresh impetus in bookstores, and momentum was good in the extracurricular and youth segments.

ACTIVITY

With 49 publishing houses, Editis is a leader in the French publishing market. It is one of the top operators among publishers, authors, bookstores and all sales outlets, offering stellar support and service for all formats (paper, audio and digital).

Uniting long-established publishing houses and internationally renowned authors, the group's 49 houses publish nearly 4,000 new books each year and have a combined catalog of over 45,000 titles. Editis has a balanced and diverse portfolio including general-interest literature, children's books, non-fiction, illustrated books, educational and reference books.

It operates along the entire publishing value chain. Each publisher maintains fruitful and high-quality partnerships with its authors, helping to manage the rights portfolio and the supply of paperback editions. In marketing and distribution, the combination of logistics expertise and an experienced and committed sales force ensures that the group's in-house and partner publishers provide an efficient service across all distribution channels.

Editis's aim is to be at the forefront of profound change in its sector by offering authors the opportunity to get involved in bringing their works to readers, in a comprehensive approach made possible by its affiliation to Vivendi. Through this integrated approach, Editis seeks to give authors and its in-house and partner publishers access to the full range of Vivendi's expertise in terms of audiovisual production, digital marketing, events organization and communication, in France and internationally.

3.1.4.1. A Diverse Catalog

Editis covers all segments of the publishing market:

- large-format and standard paperback general-interest literature, with 12/21, Belfond, Bouquins, Le cherche midi, Fleuve Éditions, Héloïse d'Ormesson, Julliard, La Découverte, L'Archipel, Les Escales, NiL Éditions, Perrin, Plon, Presses de la Cité (including the Omnibus collection), Presses de la Renaissance, Seghers, Robert Laffont (including the *R*, *La bête noire* and *Pavillons* collections), Séguier, Sonatine, Télémaque and XO;
- paperbacks, with Pocket and 10/18;
- children's books, with 404 Éditions, Gründ, Hemma, L'Agrume, Langue au Chat, Les Livres du Dragon d'Or, PKJ, Poulpe Fictions, Slalom and Syros;
- non-fiction and illustrated books, with First (including the For Dummies collection), Hors Collection, Lonely Planet, Solar and Tana;
- manga and comic books, with Kurokawa and Philéas;
- audiobooks, with Lizzie.

Editis Education and Reference includes Bordas, CLE International, Daesign, Le Robert, MDI, Nathan, Syros, L'Agrume and Retz. This division is active in the field of textbooks, extracurricular works, children's literature, games and educational material, including material for teachers and training for adults. In 2020, despite the health crisis, the Education and Reference division strengthened its development of digital educational offers for students and teachers, and training offers for companies. It contributed to educational continuity by allowing free consultation of all of its textbooks (more than 600 textbooks online) during the eight-week closure of schools, on the website adistance.manuelnumerique.com.

The group is also a key player in marketing and distribution in France, Belgium, Switzerland and Canada, representing more than 200 French-language publishers, including its own and independent houses.

3.1.4.2. Diffusion and Distribution

Interforum Editis has been a key link in the publishing chain for more than forty years, connecting publishers to sales outlets. Its teams market and distribute the catalogs of more than 200 French-language publishers, of the group or independent publishers. Operating in France, Belgium, Switzerland, Canada and nearly 90 other countries worldwide, this Editis subsidiary has more than 1,100 employees.

Diffusion

Broad and qualitative diffusion is a means for Interforum to offer its partner publishers access to all sales outlets, from bookstores to large cultural retailers, hypermarkets, supermarkets, online sales, specialized bookstores and export companies. Interforum has a total of over 15,000 customers.

Distribution

Nearly 120 million books from 220 publishing houses are distributed each year. Automated storage, order preparation and shipping processes make Interforum a leader in distribution in France.

3.1.4.3. New Opportunities

In 2020, Editis continued its development and entered into major partnerships:

- since January 1, 2021, Editis has handled the physical, digital and audio book distribution as well as part of the marketing of the L'Iconoclaste and Les Arènes group (and their subsidiary Rue Jacob diffusion). L'Iconoclaste and Les Arènes are also partnering with Editis for their digital development projects; and

- since January 1, 2021, Editis has been responsible for the distribution and marketing of all the publishing houses of the Trédaniel group. Guy Trédaniel is a forerunner in the field of alternative medicine, with works dating back to 1974. It also publishes the biggest names in spiritual literature.

In 2020, Editis explored new areas and launched fresh initiatives to offer its authors even more opportunities:

- by entering the comic book market with the launch of Philéas, a new house dedicated to the publication of comics and graphic novels, born from the association of Edi8 and Jungle. Philéas mainly offers adaptations of cult works from the rich catalog of the group's companies, but also offers original creations;
- through forays into the audiovisual segment with the launch of two events: "From the Book to the Screen", which facilitates exchanges between authors and producers with live monthly sessions during which authors pitch a book with strong potential for audiovisual adaptation; and "Behind the Screen", a series of master classes that gives audiovisual professionals the floor and allows authors to dialog with them. Editis has also launched an audiovisual rights site for audiovisual professionals. It features the full list of rights available within the various Editis companies;
- by offering its authors new horizons with *Bureau des Auteurs*, an innovative service allowing them to address new audiences and diversify their activities by speaking at events, seminars or corporate meetings; and
- by launching Nimba Éditions, a new 100% Ivorian publishing house, whose aim is to reveal local talents and offer original content.

1.

2.

1. Lena Situations, Michel Bussi, Marc Levy
2. *Le Robert Illustré 2021*

3.1.4.4. Awards and Honors

In 2020, Editis houses took a large number of prestigious literary prizes. The Prix de Flore went to Thibault de Montaigu for his novel *La Grâce,* published by Plon. The Renaudot Poche prize went to Éric Roussel for *Charles de Gaulle,* published by Perrin. The Prix Maison de la Presse went to Caroline Laurent for her novel *Rivage de la colère,* published by Les Escales. The Grand Prix des Lectrices – *Elle* award in the Crime Fiction category went to Tess Sharpe for *Mon territoire (Barbed wire heart),* published by Sonatine Éditions. The "Best Foreign Book" award went to Colum McCann for *Apeirogon,* published by Belfond.

3.1.4.5. Regulatory Environment

Editis's activity is framed largely by two laws on book pricing: the law of August 10, 1981 on the price of printed books and the law of May 26, 2011 on the price of digital books. The publishing group is required to set a single price for the books it markets in France. The French Publisher's Association and the French Association of Bookstores ensure compliance with these laws.

Editis entities also manage the intellectual property rights of third parties, authors and various contributors. They use standard contracts making them the assignees of the necessary publishing rights. Publishing contracts were the subject of major legislative reform in 2014, which caused significant modifications to the French Intellectual Property Code.

Intellectual property rights management specialists are available at all times to assist the teams.

Lastly, Editis attaches great importance to personal data protection and has implemented the appropriate technical and organizational measures in accordance with the requirements of the EU's General Data Protection Regulation.

3.1.4.6. Piracy

Editis works to combat the piracy of literary works whose rights it has been assigned. The group uses a LeakID DMCA takedown solution and conducts targeted legal action in the event of major piracy.

3.1.4.7. Competition

With five players accounting for 60% of revenues, the overall shape of the publishing sector in France was stable over the year. In a turbulent environment where content is having to fight for attention, printed books managed to preserve their positions in 2020, showing genuine resilience. Digital formats, including audio, also enjoyed strong growth driven by the periods of lockdown. This trend confirms the need to build a 360° content strategy around a work and to increase formats.

3.1.4.8. Research and Development

Nathan supports LaPsyDÉ, the Sorbonne University Cognitive Science Lab run by Olivier Houdé and Grégoire Borst, through a sponsorship program.

It is also funding a PhD student on a Cifre training-through-research contract, who is working on the development of educational tools intended to improve pupils' behavioral inhibitions. The work, which follows a ground-breaking approach, is carried out using Nathan's educational social network, Lea.fr, which brings together more than 100,000 elementary school teachers. The network helps provide classroom teachers with experimental systems and deploy the results of the research.

The Adaptiv'Math project, with the combined participation of Nathan, Daesign and Lea, alongside cognitive science (CNRS Paris Descartes and University of Geneva) and artificial intelligence (LIP6 and Inria) research laboratories, was selected to develop an innovative elementary school math learning system as part of the Education component of the Investments for the Future program overseen by the French Ministry for the Economy and Finance. The first phase of the work was completed in 2020, and new systems were tested in classrooms.

3.1.5. VIDEO GAMES

MARKET TRENDS

The pace of growth in the use of mobile apps increased in 2020, largely on the back of lockdown measures.

Market growth was also driven to a large extent by countries in Asia. For instance, in December 2020, six of the market's top ten companies by revenue on Apple and Google stores were located in Asia (source: App Annie, January 2021).

The global mobile games market currently generates $86.3 billion in revenue, driven primarily by casual games, which account for 78% of downloads on the App Store and Google Play combined, and hardcore games, which account for 20% of downloads (source: App Annie).

ACTIVITY

A flagship in video game publishing and development in France, Gameloft is a globally-acclaimed expert in its field, with 190 smartphone games developed in its 18 studios, and an average of 70 million players a month in 2020. The latest installment of its blockbuster franchise, *Asphalt 9: Legends*, received several awards, including the prestigious 2019 Apple Design Award, with the *Switch* version ranking among the Top 20 most widely played games on Nintendo Switch in Europe in 2020.

■ 3.1.5.1. Game Development and Production

Gameloft's performance is underpinned by the boom in smartphone sales, which have radically transformed the mobile gaming market. Due to their touchscreens, powerful processors and motion recognition capabilities, smartphones offer a world of gaming options and substantially improve gamer immersion and gameplay.

At year-end 2020, more than 2,900 Gameloft developers were working on downloadable games. This unique creative force in the gaming industry has allowed the company to create a vast catalog of games spanning all genres: general, action, sports, strategy, adventure, and more.

Its development business covers new game designs, regular catalog updates to extend the life cycle of games, and deployment to adapt each game to all existing platforms and smartphone models.

Game quality is of utmost importance to Gameloft and, as such, is carefully managed throughout the creative process. The 18 internal studios based in the United States, Europe and Asia help consolidate its leadership by localizing the games for each market, and in doing so combining a global vision with local delivery.

The group has a broad portfolio of proprietary brands, with franchises such as *Asphalt* (motor racing), *Dungeon Hunter* (adventure), *Dragon Mania Legends* (simulation) and *Song Pop* (musical quiz), as well as *Modern Combat, Gangstar* and *World at Arms* (action). These franchises cover every genre and are aimed at a wide audience. The acquisitions of FreshPlanet studios in 2018 and The Other Guys in 2020 allowed Gameloft to increase its casual games portfolio.

At the same time, the group is also developing a wide variety of games through partnerships with major rights holders. It works with Disney, Mattel®, Hasbro®, Fox®, Universal, LEGO® and Sega to associate some of its games with the biggest international brands, such as *Disney Magic Kingdoms*, *Minion Rush*, *Disney Getaway Blast,* and *LEGO® Legacy: Heroes Unboxed*.

Inspired by pop culture heroes, these franchises lead to the creation of mobile games with a universe and characters that are familiar to players. *Minion Rush* has been a formidable success for Gameloft, with nearly a billion downloads since 2013.

In 2020, 1.5 million Gameloft games were downloaded every day worldwide and the group had an average daily audience of 8 million players.

■ 3.1.5.2. Mobile Game Marketing

The free-to-play model is the mainstay of Gameloft's business model. Games are downloadable for free, which significantly increases download volumes. They generate revenue both through the sale of in-game virtual goods that enable the player to make faster progress, and through advertising.

Gameloft has set up an internal digital advertising sales agency, Gameloft for Brands, which sells advertising space in its mobile apps, as well as in third-party partner applications, and provides brands with gamified solutions to strengthen the link with their audiences. Gameloft for Brands brought its expertise to Kinder for the development of Applaydu, an app that uses augmented reality to bring toys to life.

Advertising revenues generated by Gameloft for Brands accounted for 12% of the company's revenue in 2020. They supplement revenue from the sale of virtual goods in free games. The global mobile advertising spend totaled $240 billion in 2020 (source: App Annie).

In addition to conventional advertising (banners, interstitials and videos), Gameloft for Brands offers innovative formats such as mini-games and interactive videos that can be used to measure audience engagement. Proprietary ad servers enable the company to offer advertisers a brand-safe environment ensuring that their brand will always be displayed in the right context.

Building on Gameloft's expertise in video game design, Gameloft for Brands has also developed a gamification offer (video game mechanics and signals for non-game applications) allowing brands to communicate in a more engaging way and create a meaningful connection between brands and their audience.

■ 3.1.5.3. Mobile Game Distribution

Gameloft has a wide range of distribution channels.

First, digital stores for smartphones and touch tablets, accessible from mobiles, tablets and PCs, represent a growing share of mobile application sales worldwide. Gameloft uses the Apple (App Store), Google (Google Play), Microsoft (Windows Store), Amazon (Amazon Appstore) and, since 2019, Nintendo Switch (Nintendo Switch eShop) portals. Since 2012, the group has also distributed its games via several Android platforms in China. All of these online stores act as OTT distributors of games, with the resulting revenues shared between the store and the company. In all, OTT services accounted for 74% of Gameloft's revenue in 2020.

Second, Gameloft games are distributed by over 327 telecom operators in 148 countries through its commercial, business and development activity, Gameloft Business Solutions. This far exceeds the distribution network of any of the group's competitors. Telco customers can buy and download Gameloft games either from their phone's home screen when preloaded by the phone manufacturer (Gameloft Business Solutions works with Nokia, Samsung, LG, ZTE, Motorola, RIM and Huawei, among others) or from the telco's online store. Invoicing is generally managed by the telco, with the cost of the game charged to the customer's telephone bill or invoiced via text. In this case, the telcos act as distributors of Gameloft games and the revenues are shared between the telco and the company. These agreements with telecom operators and phone manufacturers accounted for 14% of Gameloft's revenue in 2020.

The company is also well placed at the center of change in the video game industry, where it draws on its expertise to support the emergence of subscription-based distribution models for games. Gameloft Business Solutions is developing subscription-based game distribution applications for telcos TIM and SFR, and, in 2020, launched Blacknut by Gameloft, the first subscription-based on-demand game service leveraging Blacknut's cloud gaming technology. The company has also developed *Ballistic Baseball*, a game included in Apple Arcade, Apple's subscription offering.

■ 3.1.5.4. Regulatory Environment

Like any video game publisher, Gameloft must comply with many complex and rapidly shifting national laws and regulations covering such areas as game content, consumer protection (particularly for minors), personal data processing and general business conduct. The company maintains a permanent watch on regulatory developments in the various countries where it operates and takes care to comply with the prevailing rules and practices. Changes in current regulations and the emergence of new regulations are liable to have a significant impact on Gameloft, particularly with regard to game content and features, monetization, time spent playing games and related promotional operations.

To that end, Gameloft has introduced appropriate procedures to comply with local consumer rights legislation and regulations, with a focus on informing consumers about game content and rules of use, by referring to age ratings and alerting players on launch that the game may offer in-app purchases. For age ratings, the apps and games distributed on mobile platforms show the appropriate age range for the app concerned (variable from one region to another).

Gameloft is also a firm advocate of compliance with regulations on the collection, use, conservation and transfer of personal data, which are constantly changing. It takes care to comply with data protection laws, in particular Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data (the General Data Protection Regulation or GDPR, which came into effect on May 25, 2018).

1.

2.

1. *Asphalt 9: Legends*

2. *Dragon Mania Legends*

The company also pays particular attention to the protection of minors in its privacy policies. Gameloft children's games, for example, comply with the Children's Online Privacy Protection Act (COPPA) guidelines covering the collection, use or disclosure of personal information from children under 13 living in the United States, the principles specified by the Office of Fair Trading (OFT) in the United Kingdom and, more generally, the recommendations issued following studies conducted by the European Commission. Gameloft also integrates a Consent Management Platform (CMP) into its games for European players, allowing it to request, receive and store players' consent to the processing of their personal data. The CMP also ensures that consent is provided to all partners who use the collected data and for whom the request for authorization has been submitted.

In general, Gameloft only collects the information strictly necessary for its activity, and the company takes care to offer a protected environment to all players by guaranteeing responsible use of the personal data collected.

3.1.5.5. Piracy

Piracy is a very harmful practice for the mobile video game industry. It can have a dramatic impact on sales, given that video games are traditionally one of the biggest revenue generators in the Apple, Google, and Microsoft app stores. The freemium business model remains the most successful defense against piracy.

Gameloft has a team of lawyers dedicated to defending and protecting its rights to combat all forms of counterfeiting and piracy as effectively as possible. To that end, Gameloft has deployed a permanent surveillance system enabling it to respond quickly as soon as illegal copies are uploaded.

3.1.5.6. Competition

The level of competition in the mobile gaming industry has increased sharply in recent years, in the wake of the increase in financing rounds, IPOs and M&A activity. Hundreds of new games are submitted to Apple and uploaded to the App Store every day. Gameloft's ability to consolidate its current position as a market leader will drive the growth of its business.

Streaming, cloud gaming and subscription-based gaming services are industry trends on which Gameloft is positioning itself, and which, with the arrival of new consoles, should continue to drive the video game market in the years to come.

3.1.5.7. Research and Development

Gameloft allocates all of the human resources and infrastructure needed to develop its games and provides various development teams with telephony hardware to interact with the production teams in its subsidiaries more quickly.

For several years, the costs of developing mobile phone games have been expensed as incurred. Every year, the company develops and uploads to telco sites several thousand versions of its games to cover the hundreds of different mobile phone models and thousands of different smartphone models currently on the market, all in 17 languages.

This extreme fragmentation, the uncertainty of both the launch of a game – despite the completion of its development – and its future success, and the more comprehensive nature of the sales data received from distributor partners mean that Gameloft cannot accurately measure its mobile game development costs and the future economic benefits of each version, from either a technical or commercial point of view. On this basis, given that these costs do not meet all the criteria for being recognized as an intangible asset as defined in IAS 38, they are treated as an expense for the financial year in which they were incurred.

3.1.6. LIVE PERFORMANCE, TICKETING, TALENT COACHING, FRANCHISING AND BRAND MARKETING ACTIVITIES

MARKET TRENDS

Vivendi is developing a set of activities linked to live performances to complement its main businesses. United under Vivendi Village, they include the production of shows and festivals, artist booking, ticketing, and the management of concert halls and movie theaters.

After a very good start early in the year, the lockdown measures imposed progressively in Europe and Africa, as well as the bans on gatherings for cultural events, weighed heavily on Vivendi Village's business in 2020.

The year was nonetheless put to good use designing new formats for concerts and shows that can be accessed remotely by the public and that use different forms of monetization. These new formats could prove to be a natural and sustainable complement to in-person live performance activities and generate additional revenues. Numerous initiatives have also been taken to maintain the link between artists and their audiences, and to preserve the popularity of well-established brands, particularly those of festivals owned by the group.

At the same time, substantial cost-cutting measures were implemented, along with restructuring programs and more efficient organizational structures.

This work was carried out while ensuring that organizations will be able to rebound very quickly once the health restrictions currently imposed are lifted.

Vivendi Village believes that the live performance industry will rebound strongly once the pandemic has been brought under control – an opinion that is supported by a number of studies. At the same time, the sector is also implementing solutions to get audiences back into concerts, shows and festivals under the safest possible health conditions.

ACTIVITY

3.1.6.1. Festivals, Concerts and Artists

With all but a few exceptions, summer music festivals in France and the United Kingdom were canceled due to the pandemic in 2020. The four festivals held by Olympia Production in France (Garorock – in its usual format – Les Déferlantes, Live au Campo and Brive Festival), as well as those it co-produces or for which it provides executive production (ODP Talence, Felyn Stadium Festival and the Moroccan festival Mawazine), could not be held. Similarly, U Live had to postpone the six festivals it owns in the United Kingdom (The Long Road, Love Supreme, Nocturne, Sundown, Junction 2 and Kite Festival) until 2021.

Numerous initiatives were taken to maintain links with the festival-goers, notably via social media. Authorized for a single day and with capacity capped at 4,000 people, Garorock fête sa rentrée! was organized in September and featured numerous artists and a socially-distanced audience. In tandem, new forms of concert and event transmission were invented and implemented in 2020.

Olympia Production, which, in addition to its festival activity, assists more than 70 music and comedy artists in managing their careers, co-produced 2 large live concerts, without an audience, and broadcast via a paid streaming platform offering a choice of shots plus bonuses. The success of the first test runs with French artists M. Pokora and Jenifer demonstrated fans' genuine appetite for this kind of access, which in the future could be offered to people unable to make it to the venue. Both concerts were also broadcast on the Canal+ Group channels.

With J2v ("v" for virtual) in July and Junction 2: Connections in early January 2021, U Live tested the extension of its Junction 2 electronic music festival with free concerts on multiple streaming platforms and on Gameloft's *Asphalt 8* and *Asphalt 9* video game channels. Funding for these virtual events is provided by commercial partnerships. While Junction 2 is used to attracting several thousand festival-goers in London each summer, the first edition of J2v registered 3 million views and brought together connected fans from hundreds of countries.

U Live is also embarking on the development of a virtual venue that is to host a series of streamed electronic music concerts starting in April 2021.

Simultaneously, U Live is launching a new camping concept, Camp Elwood, to be held in the summer of 2021 on England's Norfolk coast. Aimed at people with a nomadic spirit wanting to escape the city, Camp Elwood will recreate a retro American vibe with workshops, adventure games, entertainment and street food.

3.1.6.2. Performance Venues

In France, the authorities' March 9, 2020 decision to prohibit all gatherings of more than 1,000 people forced l'Olympia to close its doors for 200 consecutive days in 2020 after a particularly promising start to the year.

A handful of shows and prestigious events (the Unis pour le Liban concert for Lebanon on October 1 and the annual Psychodon evening) managed to go ahead in September and October, before France's second period of lockdown. The extreme uncertainty as to when halls and theaters will be able to reopen their doors has prompted many producers to postpone their shows until 2021. The role of an experienced "venue host" like l'Olympia will be to assist them in preparing for a return to normal.

In fact, despite being unable to welcome a live audience, l'Olympia brought in around 20 leading artists for several days in May to record a star-studded music and solidarity evening, *Ensemble à l'Olympia,* which was broadcast the following month on Canal+'s C8 and CStar channels. This initiative would not have been possible without the work of several Vivendi companies, in particular Olympia Production for executive production, Flab Prod for television production and Canal+ Group for broadcasting.

The Théâtre de l'Œuvre, which has a much smaller capacity than l'Olympia, was also subject to strict health constraints and was forced to close its doors, significantly reducing the number of its shows in 2020 and canceling a stellar program.

Le Petit Olympia, the bar and restaurant next door to l'Olympia, also suffered greatly from the health measures.

■ 3.1.6.3. Movie Theaters in Africa

CanalOlympia, Africa's leading network of movie and entertainment venues, expanded with the opening of two additional entities in 2020, one in Nigeria in November, its first in English-speaking Africa, and the other in Rwanda in December. In total, CanalOlympia, which began its commercial rollout in French-speaking Africa in 2018, had 16 theaters in 12 countries by the end of 2020. While most of them were forced to close for several months due to health restrictions specific to each country, virtually all of them were operational again by the end of December.

CanalOlympia theaters are becoming true cultural and entertainment hubs. They offer a diversified program of African and international films. Many of them can be transformed into vast musical venues, welcoming thousands of spectators outside. Escape games have been created, notably in Rwanda, where sports fields, playgrounds, a restaurant area and a mini-golf course will round out the existing offer in 2021.

■ 3.1.6.4. Ticketing

Operating in nine countries, See Tickets is a major player in the ticketing industry in Europe, with a presence in the United States. In 2020, it reaped the benefits of the decision taken in 2019 to unite all of its activities around a single brand, pooling its technical platforms, solutions, services and extensive know-how for the benefit of its entire network.

See Tickets has greatly expanded the range of solutions and services it offers to its customers. In addition to its activities in traditional ticketing and legal resale of tickets, it offers fully integrated customer relationship management (CRM), access control and marketing solutions. Against the backdrop of a pandemic that has imposed strict health restrictions, See Tickets markets a range of counting tools to manage public flows and "contactless" access controls (tools integrated into its ticketing and CRM systems). It has also developed offers that help customers manage seating plans in compliance with government-imposed social-distancing rules.

The company continues to diversify its portfolio of customers, adding services for museums, theaters, fairs, exhibitions, other one-off events and sporting events to its core business of concerts, shows and festivals.

1.

2.

1. New Live Experience
2. Spectacle Paul Mirabel

Its customers include Glastonbury Festival, the UK Parliament, English Heritage, the Society of London Theatres and the Royal Botanic Gardens, Kew in the United Kingdom; Les Vieilles Charrues, Solidays, l'Olympia, Garorock, the Chateau de Versailles and the Fondation Louis Vuitton in France, Tomorrowland and ID&T in the Benelux countries, and *the Queen Mary,* Troubadour, the Pitchfork Music Festival and the North American International Auto Show in the United States.

■ 3.1.6.5. The Copyrights Group, Upstream and Downstream of the Entertainment Value Chain

Paddington is the flagship brand of The Copyrights Group, which specializes in the acquisition and monetization of intellectual property. The animated series aimed at preschoolers and produced by Studiocanal has continued to be a success on countless television channels around the world since its debut on Nickelodeon in the United States in January 2020, winning the prestigious "Best Preschool Series" category at the British Animation Awards in March. An e-commerce strategy was also implemented in 2020, with dedicated pages opened on the Amazon platform in the United States and eBay in the United Kingdom, and a dedicated e-commerce website that went live in October, primarily for customers in the United Kingdom.

The business partnership signed in 2019 to develop *Mush Mush and the Mushables* is paying off. Recompensed by several specialized international festivals, this animated series for children, co-financed by Canal+, began airing on television in late October.

3.1.7. NEW INITIATIVES

3.1.7.1. Content Bundling

MARKET TRENDS

Digital video consumption surged **(1)** as a result of the pandemic in 2020. It is expected to continue to do so in 2021, with an average time of approximately two hours per day per Internet user and an increase in the consumption of long formats, confirming the lasting presence of digital video in consumer habits.

Other emerging trends include the predominance of live video formats for both B2C and B2B markets, stricter user privacy requirements (with the strong comeback of contextualized ads as predicted) and the development of e-commerce on video-on-demand platforms.

Over-The-Top (OTT) streaming and connected TV are also set to see significant growth in 2021, increasing their appeal to advertisers, which are expected to continue investing their media budgets in these digital alternatives and will continue to require better quality, more traceability and more performance for their campaigns. They will also encourage video players to develop better measurement, targeting and attribution tools.

ACTIVITY

The Dailymotion ecosystem consists of a video hosting platform (dailymotion.com), a state-of-the-art video player, an international network of partner publishers and a programmatic video monetization platform. The complementary nature of its activities gives Dailymotion the capacity to enable publishers and advertisers to increase their revenues and the impact of their marketing campaigns by reaching a strategic audience (18-49 years old) in a premium environment.

Video Hosting Platform

Dailymotion is the online video discovery platform that connects more than 350 million Internet users worldwide to high-interest news, entertainment, music and sports content each month. It stands out from its competitors by mainly offering videos produced by professional editors in an environment that respects the user experience.

Dailymotion is now the leading French video player in terms of audience, with more than 7 out of 10 Internet users consuming videos via the Dailymotion player in France in 2020 **(2).**

(1) Source: eMarketer, April 2020.

(2) Source: Médiamétrie, Global Internet audience measurement, November 2020.

Video Player

The performance of Dailymotion's video player ensures an optimal streaming experience for publishers wanting to deliver their content online. Lean and fast to load, it was developed entirely by Dailymotion's engineering teams in HTML5 and is constantly optimized to allow the smooth streaming of live and high definition videos on all devices. Free and customizable, the Dailymotion player also offers numerous audience loyalty features (including playlists and playback effects) to generate engagement on the publisher sites that integrate it and to improve video monetization on all platforms.

Publisher Network

Dailymotion currently boasts a network of more than 7,000 professional publishers around the world, including the Le Monde Group, Major League Baseball (MLB), NHL, Nascar, the Hearst group, Meredith, Webedia, Konbini and L'Équipe. Each year, it extends its network in new countries including Indonesia, Taiwan and Mexico – where the platform is experiencing strong growth – in 2020.

Monetization Platform

At the end of 2018, Dailymotion launched its own programmatic platform, which is now connected with the market's leading programmatic (demand-side) platforms, including Adobe, Google DV360 and The Trade Desk. This integrated monetization solution allows advertisers to run their marketing campaigns with the assurance of being effective (innovative and engaging ad formats) while protecting their brand reputation (quality video context).

Responsible Platform

To bring greater transparency and visibility to its partners, Dailymotion has made profound changes to its reporting system to effectively protect its audiences against potential illegal or harmful content and improve the detection of fraudulent traffic. To this end, Dailymotion was the first European platform to sign the European Code of Conduct on countering illegal hate speech online in 2018 and to integrate the Christchurch Call to Action to eliminate terrorist and violent extremist content online in 2019. At the same time, the platform signed new partnerships in 2020 with major brand safety players including MOAT, TAG and WhiteOps.

Moreover, to ensure the protection and confidentiality of its users' personal data, the platform is compliant with the General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA).

3.1.7.2. Internet Service Provider

MARKET TRENDS

Groupe Vivendi Africa (GVA), the Vivendi group subsidiary that provides ultra-high-speed Internet access in Africa, anticipates very strong growth in the continent's ultra-high-speed broadband market in the coming years and, with Vivendi's financial and corporate support, will continue to extend its Fiber to the Home (FTTH) networks in several African cities.

ACTIVITY

GVA currently operates in Libreville (Gabon), Lomé (Togo), Pointe-Noire and Brazzaville (Republic of Congo), Abidjan (Ivory Coast) and Kigali (Rwanda), where more than 500,000 homes and businesses are eligible for its FTTH services. It has more than 400 employees in the five countries in which it operates.

GVA's general public and business offers, under the Canalbox and Canalbox Pro brands, respectively, are revolutionizing Internet access and usage in Africa by offering the best quality of service, the best speeds, unlimited use and the most affordable rates.

3.2. Investments in Affiliates

3.2.1. TELECOM ITALIA

On June 24, 2015, Vivendi became the core shareholder of Telecom Italia, Italy's leading fixed-line and mobile operator, which also operates in Brazil.

As of December 31, 2020, the group's interest in Telecom Italia was 23.75% based on the total number of ordinary shares with voting rights, representing 17.04% of Telecom Italia's share capital.

3.2.2. MEDIASET

On April 8, 2016, Vivendi announced that it had entered into a strategic and industrial partnership with Italian media group Mediaset for the acquisition of a 3.5% interest in the company and 100% of the share capital of pay-TV channel Mediaset Premium in exchange for 3.5% of Vivendi's share capital. This agreement is the subject of litigation.

As of December 31, 2016, Vivendi held 340,246 thousand Mediaset shares, representing 28.80% of its share capital and 29.94% of its voting rights. On April 6, 2018, in accordance with the commitments given to the Italian communications regulator, AGCOM, Vivendi transferred the portion of its Mediaset voting rights in excess of 10% to an independent Italian trustee **(1)**. The AGCOM decision was overturned on December 23, 2020 (a decision contested by Mediaset).

As of December 31, 2020, Vivendi held 28.80% of Mediaset's share capital and 9.98% of the voting rights.

(1) See Note 25 to the consolidated financial statements for the year ended December 31, 2020 in Chapter 5.

3.2.3. LAGARDÈRE SCA

On April 21, 2020, Vivendi announced the acquisition of 10.6% of Lagardère SCA, a group specializing in travel retail (Lagardère Travel Retail), publishing (Lagardère Publishing), media *(Paris Match, Le Journal du Dimanche,* Europe 1, etc.) and entertainment venues.

As of December 31, 2020, Vivendi held a 29.20% interest in the share capital of Lagardère SCA.

3.2.4. BANIJAY GROUP HOLDING

On July 3, 2020, Banijay Group Holding completed the acquisition of 100% of Endemol Shine.

This transaction creates the world leader in the production and distribution of audiovisual content, with annual revenues of approximately €2.7 billion (pro forma 2019). The new entity, operating in 22 countries, has a unique portfolio of non-scripted (including *Big Brother, Master Chef* and *The Wall)* and scripted (such as *Black Mirror, Humans* and *Tin Star)* programs, in addition to an unrivaled distribution network.

As of December 31, 2020, Vivendi held a 32.90% interest in the share capital of Banijay Group Holding.

3.3. Financial Communication

3.3.1. FINANCIAL COMMUNICATION

3.3.1.1. Objectives of Vivendi's Financial Communication

Vivendi's financial communication is based on the core principle of providing fair and accurate information on the group's position to all shareholders, analysts and investors. The group ensures that it complies with all laws, standards and procedures applicable in France, including the French Financial Security Act, the French Monetary and Financial Code, the International Financial Reporting Standards (IFRS), the benchmarks set out in the report published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and the recommendations of the French securities regulator, the AMF.

Vivendi's Investor Relations Department maintains close and ongoing dialog with the analysts of brokerage firms and investment funds and provides a continuous stream of information and updates in the "Investors/Analysts" section of the www.vivendi.com website, which is aimed primarily at institutional investors.

Vivendi also provides financial information to institutional investors through face-to-face or videoconference meetings organized in the main global financial markets and through the participation of group executives and the heads of its businesses at investor conferences.

The Financing and Treasury Department is also in regular contact with the agencies that rate the group's debt.

In 2020, a total of 243 events (including roadshows, investor conferences and analyst and investor meetings) were organized in Europe and the United States, providing an opportunity for the group and subsidiary management teams to meet with representatives from 122 financial institutions and shareholders to present the group's activity, results and outlook.

3.3.1.2. Communication with Individual Shareholders

Vivendi has a specific team dedicated to individual shareholder communications that manages the Shareholders' Club, the Shareholders' Committee, the Individual Shareholders' section on the group's website and a Twitter account.

Vivendi's 200,000 individual shareholders can call the toll-free number 0805 050 050 for any questions or suggestions they may have. It can be reached during normal business hours, Monday through Friday. The department can also be contacted by e-mail (actionnaires@vivendi.com) or by post (Vivendi – Individual Shareholders' Information Department – 42, avenue de Friedland – 75380 Paris Cedex 08).

This service also manages the Shareholders' Club. Created in 2010, the Club organizes events and meetings for shareholders to keep them informed of Vivendi's activities, strategy and financial results. A program of the different events being held is sent to members twice a year (and can also be downloaded from the www.vivendi.com website).

The Shareholders' Club is committed to offering all of its shareholders access to meetings and shows, regardless of where they live. In 2020, due to the health crisis, it only held three meetings (themed meetings "*Jeudi, c'est Vivendi*" and "*Mardi de la musique*", e-meetings with the *École de la Bourse* and financial meetings) and ten events, from previews of films produced or distributed by Studiocanal to opera retransmissions, performances by partner associations of the Create Joy group solidarity fund, artists' evenings produced by Olympia Production and visits to l'Olympia. Digital meetings, streamed via the Vivendi website and accessible to all shareholders regardless of where they live, were also organized.

In 2009, the group set up a Shareholders' Committee made up of 10 members. The committee meets three times a year and at the General Shareholders' Meeting and acts as a bridge between Vivendi's individual shareholders and its management. It focuses, in particular, on communication with shareholders.

The Individual Shareholders' Department has also strengthened its digital communication. In addition to the *"Individual Shareholders"* section of the group's website and e-meetings, it manages a Twitter account. The *"Individual Shareholders"* section provides information on the General Shareholders' Meeting, the Shareholders' Club and the Shareholders' Committee, as well as access to Vivendi's press releases, a Shareholders' Booklet and a video archive. Meanwhile, the Twitter account keeps shareholders informed of the latest news on the group and the financial markets, as well as of the events held by the Shareholders' Club.

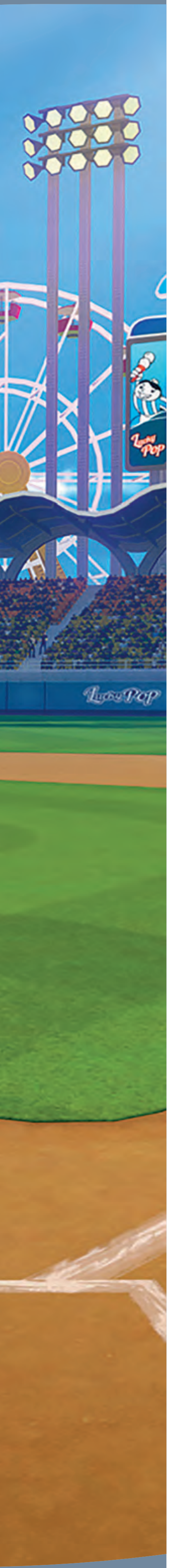
3.3.1.3. Integration of ESG into Financial Communication

2020 was marked by the acceleration of the integration of Environmental, Social and Governance (ESG) criteria into Vivendi's financial communication. This process, driven by Yannick Bolloré, the Chairman of the Supervisory Board, at the Shareholders' Meeting of April 20, 2020, is characterized by the ramp-up in collaboration between the various internal working groups and more extensive dialog with ESG investors and analysts.

Internally, the Investor Relations Department coordinates the centralization of existing non-financial information in order to meet increasing demand. A Sustainability Team has been formed, bringing together the Corporate Social Responsibility, Legal, Human Resources, Compliance, Audit, Communication and Finance departments to promote the sharing of information and exchanges on these multi-dimensional issues.

Externally, the Investor Relations Department organized a consultation with the main French and international ESG institutional investors present in Vivendi's capital to better understand their methodologies, their expectations and their ESG perception of the group. Their weight in Vivendi's capital has almost doubled in two years, illustrating both their interest in the group and the growing importance of ESG criteria in investment decisions.

Once this work has been completed, the new ESG approach will be implemented throughout 2021 with the formalization of specific materials and dedicated meetings.



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Chapter 2

SECTION 1. NON-FINANCIAL PERFORMANCE AT THE HEART OF STRATEGY

1.1. CSR strategy

Having worked to define the corporate social responsibility (CSR) issues that are specific to its core business since 2003, Vivendi redefined its CSR program in 2020, *Creation for the Future,* a natural offshoot of its raison d'être, *"Creation Unlimited:* unleashing creation by revealing all talent, valuing all ideas and cultures and sharing them with as many people as possible."

This chapter presents an overview of all the key factors in this new approach: program strategy and governance, main non-financial risks, initiatives already underway, and the ethics and principles on which the group's Compliance Program is built.

By strengthening its commitments, Vivendi's aim is to use the power of creation to combine energies to build more open, inclusive and responsible societies.

1.1.1. A LONG-STANDING COMMITMENT

Below are key milestones in the CSR strategy and policy that Vivendi has developed and nurtured for nearly 20 years:

2003

Definition of three strategic CSR commitments covering the production and distribution of content (promoting cultural diversity, empowering and protecting young people and sharing knowledge).

Setting up of sustainable development committees, composed of subsidiary representatives and members of civil society.

2004

Development of a protocol for reporting non-financial indicators.

Definition of specific indicators related to Vivendi's three strategic CSR commitments.

2005

Investor survey to achieve a deeper understanding of their expectations for the group's CSR policy.

Participation in the Tunis World Summit on the Information Society.

2006

First CSR investor roadshows organized by the Investor Relations and CSR departments.

2007

Integration of CSR issues into the agenda of the Risk Committee.

2008

Signing of the United Nations Global Compact and integration of the three strategic CSR commitments into the principles relating to human rights.

Verification of CSR information by the Statutory Auditors.

Launch of the Vivendi Create Joy solidarity program.

2009

Founding member of the media sector working group of the Global Reporting Initiative (GRI).

EMAS environmental certification awarded to Vivendi's headquarters for the first time.

2010

Integration of CSR goals in the variable compensation of senior executives, based on the three strategic CSR commitments.

2011

Founding member of the CEO Coalition to Make the Internet a Better Place for Kids, a European Commission initiative.

First winner of the prize awarded by the Forum for Responsible Investment.

2012

Introduction of a CSR chapter in the Registration Document, after review by the Statutory Auditors.

2013

Development of the integrated reporting pilot project.

Signing by Vivendi of the Diversity Charter promoted by the Les Entreprises pour la Cité network.

First examination by Vivendi of women's role in music and cinema in Europe (study in partnership with Laboratoire de l'égalité).

2014

Consultation with stakeholders on Vivendi's CSR position following the shift in focus to media and entertainment activities.

Expansion of the integrated reporting process to cover the group's international scope.

2015

Inclusion of personal data protection in the CSR criteria for senior executive variable compensation.

Vivendi partners the 10th anniversary celebrations of the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions.

2016

Integration of CSR issues into the agenda of the Supervisory Board's Audit Committee.

First work on the environmental impact of the digital distribution of group content.

2017

Creation of a CSR Committee within the Supervisory Board.

Implementation of a compliance program at group level.

Vivendi becomes a founding member of the European Commission's initiative, Alliance to Better Protect Minors Online.

2018

Analysis of CSR risks for the non-financial performance statement.

Publication of the Anti-Corruption Code.

First year of partnership with the European Disability Employment Week.

2019

Integrated reporting: completion of the global performance model for all group business lines.

Signing of the French Business Climate Pledge by Vivendi.

2020

Development of the group's raison d'être *Creation Unlimited* and *Creation for the Future* program.

Application of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

Increased weighting of CSR criteria in senior executive variable compensation (from 5% to 12%).

1.1.2. A NEW CSR PROGRAM: *CREATION FOR THE FUTURE*

2020 saw Vivendi redeploy its CSR roadmap to focus on priorities that better reflect the group's strategic positioning and its contributing value to all stakeholders, at a time when society's expectations of companies have never been higher.

To improve in consistency, increase its ability to make an impact and act as a driving force for its businesses and its employees who have already been active in the field for many years, Vivendi has decided to translate its commitments into a CSR program that sets out a first milestone for the entire group for 2025.

This new strategic program, called *Creation for the Future,* is directly tied to Vivendi's raison d'être, *Creation Unlimited,* which aims to unleash creation by revealing all talent, valuing all ideas and cultures and sharing them with as many people as possible. It broadens the scope of public interest that the group endeavors to serve, as well as a supportive and unified framework for action that directs all of its activities towards building a sustainable future.

A program that draws on three pillars

The strategic program consists of three core pillars that form a framework for Vivendi's CSR policy:

- ***Creation for the Planet,*** "Innovating to protect the planet", which structures the group's commitment to action in response to the climate emergency and to protecting the environment;
- ***Creation for Society,*** "Imagining tomorrow's society", which captures the group's particular responsibility to society via the content it produces or distributes;
- ***Creation with All,*** "Building a more responsible world together", which sets the group's goal to engage its internal and external stake-holders in building a more inclusive and more responsible world.

Each of these pillars is built around commitments, targets to meet those commitments, and priority actions to be completed by 2025. Every year, Vivendi will report on its progress in reaching these targets, which is measured through performance indicators.

The new CSR strategy resonates with current social issues and new concerns as the world evolves towards models that are more respectful of the environment and more inclusive, something which has been particularly important during the current health crisis. These social issues have a fundamental role to play in shaping Vivendi's businesses, with the content it produces and distributes providing a voice and a means of expression for a multitude of ideas, cultures and sensibilities.

With its *Creation for the Future* program, Vivendi is also contributing to the global effort to achieve sustainable prosperity by 2030, as defined by the United Nations Sustainable Development Goals (SDGs). Vivendi directly and indirectly contributes to many SDGs in various ways, but its CSR program focuses on eight specific goals for which the group either has a particular responsibility or is able to make a difference: SDG 4 (quality education), SDG 5 (gender equality), SDG 8 (employment and training for young people), SDG 10 (reduced inequalities), SDG 11 (protection of cultural heritage), SDG 12 (sustainable production and awareness of environmental issues), SDG 13 (climate action) and SDG 15 (sustainable management of forests).

A program developed alongside the group's business lines

Vivendi's new strategic program establishes a group positioning that not only ensures that business lines work together more effectively on certain priority CSR issues, but also allows them to take the initiative in other areas based on the sectors and the regions in which they operate. The program was built out of a process of internal dialog involving the group's executives and CSR managers. Some twenty meetings and workshops were organized with Vivendi's General Management, executives and CSR managers from business lines to assess the roll-out of the CSR policy within the group, determine its relevance in relation to business strategy, and share new expectations from employees, consumers, governments and other stakeholders. The program also takes into account the findings from the analysis of the main non-financial risks conducted in 2018 in developing the non-financial performance statement (see Section 2 of this chapter). It was approved by the Supervisory Board's CSR Committee in November 2020.

The process of building environmental, societal and social roadmaps will continue and complete in 2021. The non-financial risk analysis will be updated, and discussions held with external stakeholders to better integrate their expectations. This advancement will provide deeper and stronger insight in fine-tuning priorities and areas of action to meet the targets set for 2025.

vivendi CREATION FOR THE FUTURE

vivendi CREATION FOR THE PLANET

Innovating to protect the planet

Our priority

Become Net Zero Carbon at group level by 2025

We aim to achieve environmental operational excellence, contribute to fighting climate change and, together with all our customers and communities, continue to do more to protect the planet.

Our commitments

- reduce the carbon footprint of our activities in line with the Paris Climate Agreement targets
- fight against climate change and offset residual emissions
- increase awareness on the climate emergency

Our contribution

- 12 Responsible consumption and production
- 13 Climate action
- 15 Life on land

vivendi CREATION FOR SOCIETY

Imagining tomorrow's society

Our priority

Make culture and education more accessible

We strive to help build open and emancipated societies by providing access to a diverse and inventive range of content for as many people as possible, enabling them to grow, maintain an open mind and help respond to the challenges of the 21st century.

Our commitments

- promote and protect all cultures and sensitivities
- promote access to culture and education for all
- foster the emergence of positive impact content

Our contribution

- 4 Quality education
- 5 Gender equality
- 10 Reduced inequalities
- 11 Sustainable cities and communities

vivendi CREATION WITH ALL

Building a more responsible world together

Our priority

Contribute to a more inclusive world

We aim to promote, both within and outside the group, a more inclusive world in which everyone participates in building a desirable and responsible future.

Our commitments

- promote diversity, inclusion and well-being among our staff
- allow as many people as possible to join our businesses
- act together to enable everyone to have a positive impact

Our contribution

- 5 Gender equality
- 8 Decent work and economic growth
- 10 Reduced inequalities

1.1.3. THE VIVENDI CREATE JOY SOLIDARITY PROGRAM

Founded nearly thirteen years ago, Vivendi's solidarity program, Vivendi Create Joy, works to develop individual and collective talent in young people between the ages of 11 to 25 through projects in music, film, content creation, video games, live entertainment (e.g., comedy and stand-up), writing and journalism.

The Vivendi Create Joy program aligns perfectly with the group's CSR strategy, particularly its goals to provide broader access to culture and education, and promote equal opportunity in the creative industries.

Vivendi Create Joy covers two types of projects: social personal fulfillment projects that help reveal an individual's talent, make them aware of their own value and develop their self-esteem; and vocational training projects that allow young adults lacking professional networks to discover and achieve their potential in a profession and a passion that the group shares.

Group employees contribute to the success of projects and to the development of associations supported by Vivendi Create Joy, primarily by volunteering their skills. A digital skills sharing platform has been connecting employee volunteers with partner associations since 2019. Group employees who live in France can now dedicate one workday per year (split into half days or even hours) to one or more volunteer assignments with participating associations. In this way, Vivendi is able to lend its partners greater support and leverage the skills of group employees while at the same time responding to their desire to help others and share their expertise.

Since it was founded, the Vivendi Create Joy program, rolled out in France, the United Kingdom and several African countries, has supported nearly 90 associations that provide basic and professional training in areas covered by the group's businesses for young people from poor or marginalized communities, or who have health issues or disabilities. In 2020, 13,000 young people benefited from training or initiatives to provide access to culture supported by the program.

The new *Creation for the Future* program will bring the group's CSR targets even more in line with the solidarity and partnership approach taken by Vivendi Create Joy. Fine-tuning the measurement of the impact of initiatives that it supports and broadening the employee engagement program are some of the ways that the group plans to maximize its positive contribution to society by 2025.

1.2. Governance and organizational structure

1.2.1. EFFECTIVE CSR GOVERNANCE

Vivendi's CSR policy is a central focus of the group's governance. It is supported by the Supervisory Board and Management Board, its governance bodies.

Vivendi's CSR Department reports to the Group General Counsel, who is a member of the Management Board. The Supervisory Board is also directly involved in the governance of the group's non-financial performance. In line with its Internal Regulations, it regularly monitors the group's CSR policy, and is sent a progress report on its deployment by the Management Board each quarter.

A CSR Committee was also set up within the Supervisory Board in 2017. This committee prepares the Board's decisions, makes recommendations and issues opinions on the group's social and environmental challenges, social dialog, employee engagement and societal projects. The committee also sets out areas of improvement for the group on corporate responsibility issues. Two-thirds of its members are Vivendi employees (see Section 1.1.1.14 of Chapter 4). The CSR Committee met twice in 2020, primarily focusing on non-financial reporting, environmental strategy and the group's new CSR program.

The Audit Committee also examines CSR and Compliance Program twice a year. In 2020, it mainly reviewed the deployment of the anti-corruption program within the group.

Since 2010, the Supervisory Board has included CSR criteria associated with the three strategic commitments shared by all subsidiaries (which are directly linked to their area of business) in determining part of the variable compensation of Management Board members. The criteria were revised in 2020 at the recommendation of the Corporate Governance, Nominations and Remuneration Committee to bring them in line with the changing environmental, social and governance (ESG) challenges that the group faces: reduce the group's environmental footprint, promote talent and diversity, and implement the Compliance Program. In addition, the weighting of ESG criteria applied when determining performance-based pay was raised from 5% to 12% (see the Compensation policy for the Chairman and members of the Management Board presented in Section 2.1.2 of Chapter 4 of this Annual Report – Universal Registration Document). On this occasion, the ESG criteria and objectives set for corporate officers have been implemented into the variable compensation of the head office managers of Vivendi SE, at the same level of 12%.

1.2.2. CROSS-MOBILIZATION

Vivendi's CSR Department defines the strategic focus and objectives of the group's CSR policy, coordinates associated action plans and is responsible for raising the awareness and driving the engagement of all employees on CSR issues. It oversees non-financial reporting and global performance analysis and development under the supervision of the Management Board and in collaboration with experts from different business lines (see Global Performance presented in Section 2.3 of Chapter 1).

The CSR Department also assists Vivendi's businesses in implementing the group's CSR strategy, supporting their commitments, providing them with human resources and methodologies, and leveraging their progress. It serves as a catalyst, either reinforcing the actions led individually by each subsidiary or bringing them together when it makes sense in light of the group's diverse businesses and geographic reach for maximum overall impact. Led by the Senior Vice President, Group Head of Legal Affairs, CSR and Compliance, the CSR Department carries out cross-functional assignments through a network of CSR managers from the group's business lines and working in close collaboration with functional departments group-wide (e.g., Legal, Finance, Human Resources, Communication and Purchasing). To reinforce the group's commitments, in 2020, the corporate CSR team appointed a Director of CSR Development in charge of boosting the impact and internal and external visibility of actions and projects deployed as part of the new strategic program.

1.2.3. MONITORING NON-FINANCIAL PERFORMANCE

Vivendi has implemented a non-financial reporting process that enables its stakeholders to better assess the group's positioning, opportunities and non-financial risks more accurately. The incorporation of indicators linked to strategic commitments is an innovative approach in the media sector.

To meet the requirements of the European directive on non-financial reporting, Vivendi's annual update of its environmental, social and societal data reporting protocol in 2020 was brought more in line with the group's responsibilities and an increasingly precise set of indicators used to evaluate the actions taken. This update to the protocol was an opportunity for dialog with the group's subsidiaries to ensure that non-financial data contributors properly understand the indicators, and to adapt to changes in the group's activities.

To implement the protocol, the CSR Department worked with a network of correspondents appointed to coordinate non-financial reporting in each of the subsidiaries and collect data provided by over 450 contributors using a group-wide reporting system.

The ongoing work to increase the objectivity of non-financial performance, with the introduction of indicators to monitor the implementation of action plans defined as part of the *Creation for the Future* program, is one of Vivendi's priority focus areas for 2021. Defining these shared indicators will make CSR strategy more consistent and improve its coordination in meeting the targets set for 2025.

1.2.4. DIALOG WITH GROUP STAKEHOLDERS

Vivendi is committed to taking stakeholder expectations into account. The group maintains regular dialog with the financial and non-financial communities, as well as with individual shareholders. It discusses issues with non-profit and academic organizations. It also engages in continuous, constructive dialog with employees and their representatives by promoting shared information and consultation at all levels (see Section 4.3.3.2 of this chapter).

Relations with the financial community

Vivendi communicates with analysts and investors to address the growing interest from the financial community in environmental, social and governance (ESG) issues. In 2020, Vivendi's Investor Relations Department consulted with the main French and international ESG institutional investors in Vivendi's capital to gain a better understanding of their perception of the group and their expectations (see Section 3.3.1.3 of Chapter 1).

The group has ongoing dialog with several non-financial rating agencies to better determine its positioning and perform a more informed assessment of its areas for improvement. In 2020, Vivendi was once again included in the following indices: FTSE4Good Developed and FTSE4Good Europe (FTSE Russell), Ethibel Excellence Investment Register, Ethibel Sustainability Index Excellence Global and Ethibel Sustainability Index Excellence Europe, and Euronext Vigeo Eurozone 120 and Euronext Vigeo Europe 120. It was awarded a rating of AA (on a scale from CCC to AAA) in the MSCI ESG Ratings for 2020, and a score of 63/100 from V.E rating agency (formerly Vigeo Eiris). It also took part in the annual CDP Climate Change questionnaire, improving its score in 2020.

On March 22, 2021, Vivendi joined the CAC 40® ESG, Euronext's first national ESG index. This index aims to identify the 40 companies of the CAC® Large 60 (CAC 40 + Next 20) index with the best ESG practices.

Multi-partner initiatives

Vivendi works with several multi-partner initiatives to continuously improve the analysis of its impact on society.

As a founding member of LINCC, an innovation platform dedicated to the cultural and creative industries led by the Paris agency for economic development and innovation, Paris&Co, Vivendi works with all of the members of its ecosystem (startups, institutional organizations and large companies) in defining and developing responsible innovation. The group is particularly focused on projects that promote cultural diversity and the role of women in digital entrepreneurship. Conscious of the need to constantly adjust to the different challenges that are specific to its business activities, in 2017, Vivendi formed a partnership with the master's program in communications, media and creative industries at French university, Sciences Po. Every year, it delivers an award to non-European students with the most original ideas on a theme linked to the role of creative content for the common good. Vivendi is a member of the Les Entreprises pour la Cité business network committed to social innovation. The group provides specific support to the network and is also a long-term signatory of the Diversity Charter launched in 2004.

In addition, Vivendi is a member of several organizations and initiatives that aim to meet specific responsibility issues. For example, in 2020, as well as taking part in research with the French environmental organization Entreprises pour l'environnement, Vivendi joined the Planet Tech'Care initiative, which brings together a network of partners (professional organizations, schools, competition clusters, non-profits, foundations and think tanks) to support companies willing to integrate digital technology in their low-carbon strategy. In the same vein, Vivendi has been a founding member of the European Commission's Alliance to Better Protect Minors Online initiative since 2017. This initiative brings together media and telecom companies and child protection NGOs. Lastly, since 2019, the group has been a member of the scientific committee of the Université du Réseau des Référents Handicap of AGEFIPH, a fund management organization for the professional integration of people with disabilities, alongside figures from the business world, the social and solidarity economy, academics, and representatives from national bodies that oversee inclusion issues.

This dialog-based approach establishes a general framework that each of the group's subsidiaries can draw on and adapt with its own stakeholders. The examples below show this dialog in action and the resources in place by the subsidiaries.

Universal Music Group

Universal Music Group (UMG) communicates regularly with a wide range of outside stakeholders, including but not limited to: artists and their managers; songwriters; retailers and digital music services; performers' rights organizations; local, provincial and national officials in countries in which the company operates; trade associations; and ad-hoc working groups or coalitions (such as the Digital Creators Coalition and the US Alliance for Music). Other dialog, such as that related to public policy, is also conducted through, or along with, global and national music industry associations, including the IFPI (International Federation of the Phonographic Industry) and its national affiliates, and the ICMP (International Confederation of Music Publishers). In addition, UMG executives participate as directors of a wide range of industry bodies, such as SoundExchange, IFPI, RIAA and NMPA.

Canal+ Group

Canal+ Group collaborates with a large number of stakeholders in all regions where it operates including: professionals from the audiovisual and cinema industry; streaming platforms; television channels; movie theaters; subscribers; and regulatory authorities. It takes part in working groups and is a member of professional audiovisual organizations, notably for the prevention of audiovisual piracy with the Audiovisual Anti-Piracy Alliance (AAPA) in France and Convergence in Africa. Studiocanal is also a member of professional organizations, including the French Federation of Heritage Film Catalogues (SCFP). To promote content production methods with a lower environmental impact, Canal+ Group joined the collective initiative Ecoprod in 2019 (see Section 4.1.2.1 of this chapter).

As part of its dialog with subscribers, in France, the group works with the Federation of E-commerce and Distance Selling (Fevad), to which it has belonged for many years and which acts as a mediator within the sector.

Havas Group

Havas Group agencies belong to numerous professional associations and bodies providing a forum for consultations with industry stakeholders including peers, customers, suppliers, regulators and consumers.

These include the French Association of Advertising Agencies (AACC), the French Study Center for Corporate Social Responsibility (ORSE) and the advertising and lifestyles working group of the Entreprises pour l'environnement organization in France, as well as the American Association of Advertising Agencies (4A's) and The 3% Movement in the United States.

Editis

Editis is actively involved in interprofessional collaboration and maintains continuous dialog with many external stakeholders, notably customers, suppliers, the French Ministries of Education and Culture, digital ecosystem contributors and institutions promoting the French language. To strengthen its CSR policy, under which it appointed a group CSR Director, in 2020, Editis drew up a map of all of its stakeholders to better assess its current relations and identify future opportunities for joint action.

Gameloft

In 2017, Gameloft identified its major external stakeholders, which include gaming communities, brands, media agencies and public and non-profit organizations. Among other things, the process has resulted in a structuring of relationships with NGOs. For example, Gameloft participates in events with Women in Games, a global professional body advocating gender diversity in the video game industry. In 2020, Gameloft Australia's Art Director spoke out on the organization's social media to mark International Women's Day and was a speaker at the Women in Games Global Conference.

Vivendi Village

At Vivendi Village, dialog with industry professionals takes place through the professional associations to which the entities belong. For example, l'Olympia is a member of Prodiss, the French union of producers and entertainment venues; and See Tickets in the United Kingdom is a member of the Society of Ticket Agents and Retailers (STAR) and complies with its Code of Conduct. This code lays down standards in terms of ethics, transparency and payment systems security that operators must guarantee in their relationships with consumers and establishes a procedure for reporting complaints.

Dailymotion

To address Internet users' growing concern about hate speech online, in 2018, Dailymotion signed the European Code of Conduct on countering illegal online hate speech for digital businesses. In 2020, it went on to become an active member of the online hate speech monitoring unit hosted by the French broadcast media regulator (CSA), which is tasked with analyzing the phenomenon and working on the most appropriate technological standards for handling it.

1.3. Vivendi in action in response to the pandemic

The health crisis caused by the Covid-19 pandemic has created an unprecedented situation that has revealed, more than ever before, the essential role of culture and entertainment in personal fulfillment and maintaining social relationships. The study *Entertainment in a New World* conducted by Vivendi Brand Marketing in 2020 reported that 77% of the population **(1)** saw entertainment as a priority in coping with lockdown. Since late February 2021, bookstores and music shops in France have been included as essential retailers, i.e., they are allowed to stay open in the event of a lockdown.

All in all, the events of 2020 have strengthened the group's commitment to creation in all its forms, a commitment that has been possible due to the hard work of Vivendi's employees every day.

(1) Study conducted in April 2020 of the population in nine countries worldwide, including France, the United Kingdom, the United States, China and India.

Protecting employees

Faced with the health crisis, Vivendi's first response was to guarantee the well-being of its staff worldwide by rethinking work methods to ensure business continuity in a safe environment.

The pandemic has created two major challenges for the group. First, Vivendi operates in regions that went through the pandemic and lockdowns at different times. Second, the group is active in cultural and creative industries that were affected by the health context in different ways. That is why, for reasons of efficiency, the group decided to implement a two-tier governance system. A unit implemented at the level of the Management Board worked with units set up at different business entities to manage the crisis at a more local level. This decentralized, agile organization enabled businesses to quickly and directly implement the measures needed in line with the recommendations or requirements imposed by governments in each country.

The digital transformation of businesses, already underway before the pandemic, accelerated with the integration of new work methods and tools that were still in practice in many countries and entities at the end of 2020. The health and labor measures, as well as the operational and organizational impact of the health crisis, have led to continuous social dialog with employee representatives.

To support employees through this period, close, regular communication was implemented at the level of both the group and its business lines to keep Vivendi teams informed of the health situation, promote new measures and support the widespread implementation of working from home, while enabling employees to stay in contact with one another and with the company (see details on the main measures relating to occupational well-being, health and safety in Section 4.3.3.2 of this chapter).

These new ways of working made it possible to ensure business continuity and helped keep people in their jobs, which remains a key concern for Vivendi. Most positions were maintained at all businesses and throughout virtually all regions. The headcount at December 31, 2020, presented in Sections 5.1 and 5.2 of this chapter, takes into account hiring restrictions due to the crisis, and the situation for businesses on which the crisis will have a more lasting impact, primarily in Latin America. In France, Vivendi reaffirmed its commitment to support the employment of young people despite the crisis, mainly via work-study programs, in an article co-signed by the Executive Vice President, Group Human Resources, published in the French daily financial newspaper, *Les Échos*. Although it is difficult to forecast what will happen in 2021, the group is not planning any large-scale layoffs due to the pandemic.

Supporting the ecosystem

The group is also attentive to the effects of the health crisis on its ecosystem of suppliers, subcontractors and retailers. The main measures taken to mitigate the impacts of the crisis during the first lockdown in France included support for bookstores (immediate loans and loan deferments totaling €40 million, along with payment terms extended from 60 to 120 days) and music stores, as well as the closer monitoring of supplier and subcontractor payment processes to remain attentive to those that are the most vulnerable. The group's business lines also made efforts to assist artists and creators with financial measures (such as prompt payment to rights holders by Universal Music Group or dues paid to the French National Center for Cinema and Motion Pictures by Canal+ Group, in France) and donations to non-profit organizations (including the MusiCares Covid-19 Relief Fund and Help Musicians UK supported by UMG). Lastly, during the pandemic, at a time when sources of funding shriveled for some structures, Vivendi Create Joy chose to maintain its support for all of its partner organizations.

Innovating to stay in touch with audiences

The group also sought to support artists on new formats for distribution and expression that allow them to stay in contact with their audiences despite the cancellation of in-person events. The J2v festival, a virtual version of the Junction 2 electronic music festival managed by U Live (Vivendi Village), is a perfect illustration of the group's agility in creating new channels for interaction and in meeting a genuine need among artists and their audiences. In concrete terms, the concerts organized by the festival – available on multiple streaming platforms and Gameloft's gaming channels *Asphalt 8* and *Asphalt 9* – drew three million live connections in the space of one evening, bringing together fans from around 100 countries. In 2020, UMG produced more than 100 live performances by artists worldwide, which it streamed on more than a dozen platforms. The Deutsche Grammophon label took a particularly innovative approach during the year, launching DG Stage – The Classical Concert Hall, which gives access to a broad range of classical concert streams, from piano recitals and chamber music sessions to orchestra and opera performances. Meanwhile, Canal+ provided its subscribers with access to movies that were not released in theaters by airing them on myCanal, VOD or as part of its programming under a new label, Canal+ Première, launched in October 2020 in France.

Contributing to solidarity efforts

In 2020, these new forms of event transmission were often part of solidarity initiatives to support health care workers and help the most vulnerable individuals. Several initiatives were launched in record time within the group and with the help of artists, including headline events such as *Ensemble à l'Olympia,* the first major music program aired after the end of the first lockdown in France. Orchestrated by Canal+ Group, l'Olympia, Olympia Production and Flab Prod, the show was unable to welcome a live audience but brought around twenty of France's leading artists back on stage to record a music and solidarity show at l'Olympia to raise money in support of French charity, Emmaüs France. In the same spirit, the *Africa at Home* project organized by Canal+ Group and Universal Music Africa united over 70 musicians, comedians and popular stage presenters from Africa to convey the recommendations of the World Health Organization (WHO) and the call for donations to its Covid-19 Solidarity Response Fund to as wide a public as possible.

Other major virtual concerts, such as *One World: Together at Home* and *Global Goal: Unite for our Future* (organized by Global Citizen to support the WHO and advocate for broader access to medical care in treating Covid-19) were aired by Canal+ Group channels in 30 and 50 countries, respectively. UMG also partnered with Global Citizen by compiling the performances from the *One World: Together at Home* event into an album distributed across multiple streaming services. Proceeds went to the organization to support the WHO. UMG also teamed up with artists for the initiative We've Got You Covered led by UMG's merchandising subsidiary Bravado. The project involved the release of a collection of reusable cloth face masks designed in partnership with UMG's artists to raise funds for organizations that help the music community. In the same spirit, during France's first lockdown, Editis published *Des mots par la fenêtre,* a collection of 64 texts, each by a different author from its publishing houses. Proceeds were donated to the Fondation Hôpitaux de Paris-Hôpitaux de France.

The importance of the group's products and services in people's daily lives during the health crisis has only strengthened Vivendi's commitment to providing the broadest possible access to its entertainment and educational content. Alongside their efforts to offer new formats for distribution and interaction with artists, several of the group's businesses took the initiative to provide free access to some of their content. For example, the Canal+ channel featured free-to-air broadcasting in the first phases of the pandemic in France. Gameloft offered free content in 35 games from its catalog. Editis provided free access to a selection of ebooks on current events and released a new children's novel, shared in sections every day on social media by its author, Vincent Villeminot. As the health crisis in France forced schools to shut for several weeks, Editis immediately acted to support home learning by offering free access to digital versions of hundreds of textbooks covering a broad range of subjects, which remained available online for several months after schools reopened. Teachers and families were also supported through a wide range of digital resources, including a selection of children's novels featuring educational content, curricular and extracurricular activity kits for different age groups and support resources for parents such as the website *Grandir avec Nathan.*

The group's commitment to ongoing access to education for the children of its employees is just as strong. That is why Vivendi turned to Editis to roll out *Campus Parentalité,* an ambitious program that gave all group employees based in France a subscription to a 100% digital platform providing home tutoring services for children from preschool to high school, which they could share with five other children, and, in doing so, contribute to their academic success and their personal development.

As the world evolves to adapt to the consequences of the health crisis, Vivendi will continue these efforts to meet the needs for escape, inspiration and access to education and culture for as many audiences as possible and to develop a narrative that help rethink the present and build a better future.

SECTION 2. MAIN NON-FINANCIAL RISKS

2.1. Non-financial risk analysis

Pursuant to Executive Order no. 2017-1180 of July 19, 2017 amending the legislative framework on the publication of non-financial information, Vivendi established a risk map of the main non-financial risks related to its activities in 2018 and in 2019 following the consolidation of Editis.

Risks already included in Vivendi's overall risk mapping were not relisted. In addition, corruption risks and areas for vigilance in the group's supply chain were analyzed separately as part of the Compliance Program described in Section 3 of this chapter.

The risk map led to a list, presented below in no order of priority, of nine "gross" risks that were deemed material and applicable to all subsidiaries, with some only applicable to certain subsidiaries, as well as corruption risks and areas for vigilance in the supply chain.

All parameters likely to have an impact on the group were analyzed and weighted, taking into account potential effects on the group's reputation, customers or operations, financial consequences, and the likelihood of risks.

This list was presented to the CSR Committee and approved by the Supervisory Board's Audit Committee. Three new risks were identified (risks relating to occupational health and safety, to consumer health and safety, and to resource management and respect for the environment), more specifically after Editis was included in the non-financial reporting scope in 2020.

These risks are the subject of action plans which include mitigation measures that could reduce their impact or likelihood. Further details on these risks are provided in Section 4 of this chapter, or, for some of them (security and data protection risks, corruption risks and areas for vigilance in the supply chain) in Section 3.

The risk mapping process will be updated and completed in 2021 to ensure that the analysis of non-financial risks is in line with changes in the group's businesses.

Non-financial risks	Action plans
Risks related to attracting and retaining external talent Loss of income (from customers and advertisers) and a decrease in audience numbers in the event of the departure of external creative talent from the group – e.g., artists, authors, songwriters, actors, presenters, directors, producers and journalists that participate in creating the music, films, audiovisual content, literary works and entertainment programs that Vivendi offers its customers.	See Section 4.2.2.1 of this chapter, "Fostering a diversity of cultures and supporting creativity"
Risks related to attracting and retaining internal talent Loss of income (from customers and advertisers) and a decrease in audience numbers in the event of the departure of internal talent employed by the group (particularly people in top management positions or with key business skills).	See Section 4.3.3 of this chapter "Supporting and promoting talent within the business"
Risks associated with responsible content Loss in audience and income (from customers and advertisers) depending on how responsible the group's content is (particularly with regard to protecting young audiences), on ethical controversies and on the extent to which content can be monitored in an environment where information spreads quickly. Additional costs arising from penalties or disputes with supervisory bodies or with governments in general.	See Section 4.2.5 of this chapter "Being vigilant about the impact of content in the digital age"
Risks associated with social dialog Risks of additional operating costs in the event of a decrease in employee engagement, strikes or employee disputes (management, compensation) at a time of market consolidation and technological transition in media and entertainment.	See Section 4.3.3.2 of this chapter "Creating an attractive work environment"
Occupational health and safety risks Additional operating costs in the event of the absence of key and non-key employees due to a high accident rate (administrative management/compensation, cost of replacing employees, loss of expertise, impacts on production/productivity), loss of employees' trust in the company (e.g., departures and medical leave), or deterioration in employee relations (strikes).	See Section 4.3.3.2 of this chapter "Creating an attractive work environment"
Consumer health and safety risks Reputation risk involving products designed for children (e.g., games and early learning material, other learning material and textbooks) or additional costs arising from legal sanctions and/or product recalls.	See Section 4.2.5 of this chapter "Being vigilant about the impact of content in the digital age"

Non-financial risks (continued)	Action plans
Risks associated with human rights and fundamental freedoms Reputation risks or risk of penalties in the event of a direct infringement of the human rights or fundamental freedoms of group employees or a failure to implement measures to protect human rights in the business, particularly in cases of harassment (outside of the supply chain).	See Section 4.3.3.2 of this chapter "Creating an attractive work environment"
Risks associated with resource management and respect for the environment Reputation risks in the event of unreasonable use of natural resources, a deterioration in biodiversity (with special vigilance in emerging countries where recycling is less developed), or the use of substances and raw materials based on resources that are limited or difficult to recycle.	See Section 4.1 of this chapter *"Creation for the Planet:* Innovating to protect the planet"
Risks associated with the businesses' carbon intensity Reputation risks linked to the increasing responsibilities of media companies, particularly in terms of Green IT (i.e., sustainable data communication and storage) for user terminals (use of products), data centers and Internet and mobile networks.	See Section 4.1 of this chapter *"Creation for the Planet:* Innovating to protect the planet"
Risks associated with data security and protection Risks of losses or additional costs due to shortcomings in the security of infrastructure, information systems and service platforms, to disputes or penalties in the event of non-compliance with applicable regulations and to customer data access constraints. Reputation risks in the event of a failure to meet confidentiality or personal data protection standards or a failure to maintain the privacy of employees, advertisers, and people in the public eye.	See Section 3.2.3 of this chapter "Personal data protection"
Risks associated with corruption Risks related to acts of corruption or influence peddling.	See Section 3.2.1 of this chapter "Anti-corruption policy"
Areas for vigilance in the supply chain Areas for vigilance related to the activities of suppliers and subcontractors with which the group has an established business relationship.	See Section 3.2.2 of this chapter "Vigilance policy"

For a description of the group's policies and measures to combat tax evasion, see Section 3.3 "Tax policy" of this chapter.

2.1.1. RISKS DEEMED IRRELEVANT WITH REGARD TO THE GROUP'S BUSINESSES

Given the nature of its businesses, the following topics were not deemed relevant to Vivendi's risk mapping process:

- the fight against food waste;
- the fight against food insecurity; and
- respect for animal well-being and responsible, fair and sustainable food.

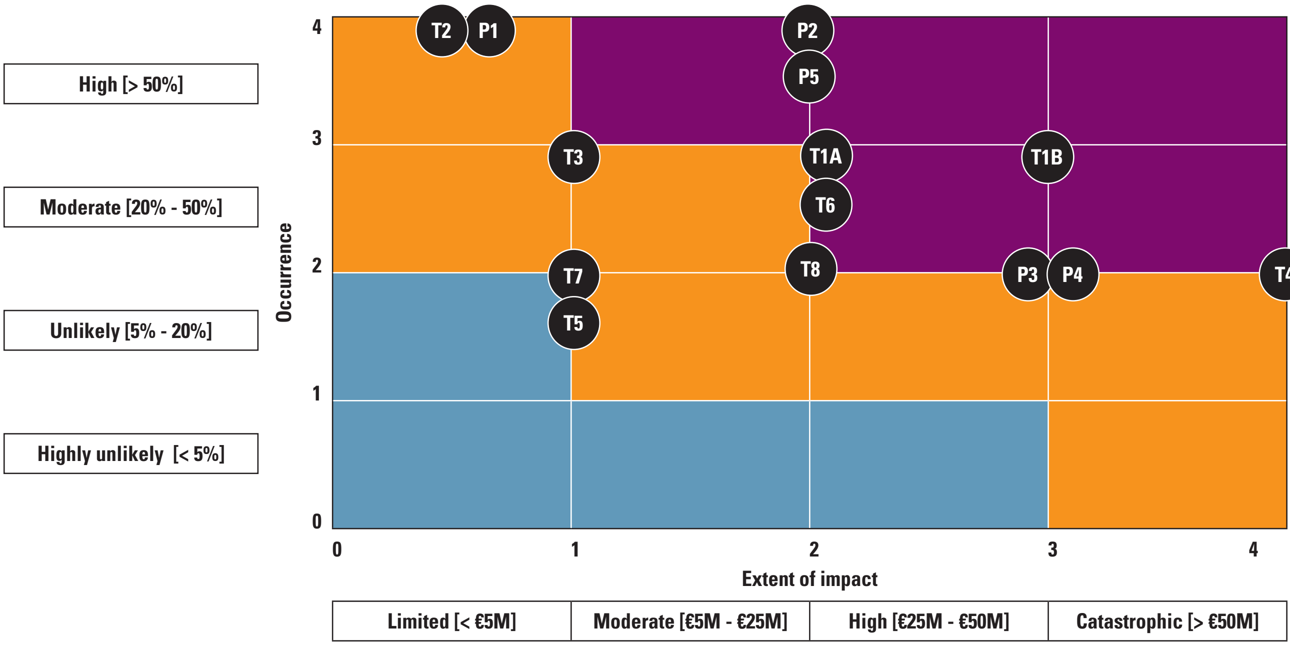
2.2. Main climate change risks

A study was led in 2020 with a consulting firm to assess climate-related risks and opportunities that could impact the group. In line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), the study covered both transition risks (political, legal, technological and market) and physical risks (chronic risks, such as rainfall, temperatures, drought and sea level rise). It is based on scenarios RCP2.6 and RCP8.5 of the Intergovernmental Panel on Climate Change (IPCC) with different time horizons: current risk, short term (0 to 2 years), medium term (2 to 5 years) and long term (beyond 2025).

The methodology for measuring physical risks is based on an assessment of nearly 80% of the group's sites to determine a final score of physical vulnerability. The methodology for measuring transition risks is based on local studies and data collected from group entities.

This initial study gave Vivendi a preliminary overview of the future climate-related risks and opportunities involving its businesses so that the group can determine the best plan of action to address these issues. The findings of this study are presented in the following section.

2.2.1. PRESENTATION OF THE MAIN CLIMATE-RELATED RISKS



Physical risks

P1 - Increase in average temperature, resulting in higher energy consumption at critical facilities
P2 - Significant loss in worker productivity due to recurring heat waves
P3 - Risk of hurricanes on coastlines damaging critical assets
P4 - Risk of flooding along coastlines and rivers damaging critical fixed assets
P5 - Forest fires in California

Transition risks

T1A - Increase in sensitivity to carbon prices due to growth in digital businesses
T1B - Increase in electricity consumption and purchases due to growth in digital businesses
T2 - Increase in compliance costs
T3 - Increase in disputes in the information and communications technology (ICT) industry
T4 - Inability to meet market expectations on climate change in the entertainment, media, communication and education industries
T5 - Risk of severe shortage in strategic metals
T6 - Increased investment in low-carbon technology (e.g., data centers)
T7 - Fluctuations in paper prices related to climate change
T8 - Tighter regulations on advertising due to environmental issues

Transition risk #1: T1B – Increase in electricity consumption and purchases due to growth in digital businesses

The digital transformation of the entertainment, media and communications industries generates growing data flows for data centers and network infrastructure. The study led by Vivendi showed that electricity consumption of data centers could increase from three times (best case scenario) to eight times (worst case scenario) between 2019 and 2030. This trend could eventually drive up electricity purchases by group entities.

Likelihood of occurrence:	Estimated time horizon:	Extent of impact:
Moderate [20%-50%]	Medium term [2 to 5 years]	High [€25 M - €50 M]

Physical risk #1: P3 – Risk of hurricanes on coastlines damaging critical assets

Extreme weather events, especially hurricanes, can damage critical assets for the group, halt production, disrupt sales and lead to additional investments. These events could also damage customer equipment (e.g., satellite dishes), causing service disruptions and losses in income.

Likelihood of occurrence:	Estimated time horizon:	Extent of impact:
Unlikely [5%-20%]	Long term [beyond 2025]	High [€25 M - €50 M]

Transition risk #2: T4 – Inability to meet market expectations on climate change in the entertainment, media, communication and education industries

Market expectations in the sectors where Vivendi operates (music, television and movies, communications, advertising, publishing, video games) mirror growing demand for climate action. As a result, the carbon impact caused by content production (e.g., television shoots, concert tours, video streaming and online video games) is increasingly criticized. Any inaction to this developing trend could lower demand for the group's products and services.

Likelihood of occurrence:	Estimated time horizon:	Extent of impact:
Moderate [20%-50%]	Medium term [2 to 5 years]	Moderate [€5 M- €25 M]

Physical risk #2: P2 – Significant loss in worker productivity due to recurring heat waves

Heat waves considerably reduce productivity and the quality of working conditions. According to the paper from the International Labour Office, "Working on a Warmer Planet", temperatures above 24 °C-26 °C are associated with reduced labor productivity. At 33 °C-34 °C, a worker operating at moderate work intensity loses 50% of his or her work capacity. Substantial investment and renovation in new types of air conditioning systems should be planned to maintain good working conditions. A breakdown in the air conditioning system at certain key sites (such as recording studios and television studios) could force the site to close.

Likelihood of occurrence:	Estimated time horizon:	Extent of impact:
High [>50%]	Medium term [0 to 2 years]	Moderate [€5 M - €25 M]

Physical risk #3: P5 – Forest fires in California

California is experiencing more frequent and more severe forest fires due to higher temperatures, drought, wind and poor maintenance of power lines that could accidentally trigger fires. These events could lead to significant business disruptions for Havas Group and Universal Music Group, as California is a strategic location for these entities (especially for UMG).

Likelihood of occurrence:	Estimated time horizon:	Extent of impact:
High [>50%]	Current	Moderate [€5 M - €25 M]

Transition risk #3: T1A – Increase in sensitivity to carbon prices due to growth in digital businesses

The digital transformation of the entertainment, media and communications industries generates growing data flows for data centers and network infrastructure. In addition to transition risk #1, this trend could increase the company's indirect carbon footprint and its sensitivity to carbon prices and related costs if carbon tax mechanisms are implemented for the information and communications technology industry.

Likelihood of occurrence:	Estimated time horizon:	Extent of impact:
Moderate [20%- 50%]	Medium term [2 to 5 years]	Moderate [€5 M - €25 M]

Physical risk #4: P4 – Risk of flooding along coastlines and rivers damaging critical fixed assets

Flooding along coastlines and rivers can damage critical fixed assets, especially in France with strategic facilities along the Seine River, as well as in the supply chain, for example at the production facilities operated by strategic suppliers.

Likelihood of occurrence:	Estimated time horizon:	Extent of impact:
Unlikely [5%-20%]	Long term [beyond 2025]	High [€25 M - €50 M]

Transition risk #4: T8 – Tighter regulations on advertising due to environmental issues		
Public opinion increasingly condemns the role of advertising in encouraging consumption. For example, several NGOs in France have recently taken action calling for tighter regulations on advertising, to eventually ban the promotion of carbon-intensive goods (e.g., cars and travel) and limit the use of advertising in public spaces. These demands were taken up in France's Citizens' Convention and included in the 149 proposals put forward to the French Government. If these recommendations are transposed into regulations, they could have a strong impact on the group's entities, as its revenues depend heavily on advertising.		
Likelihood of occurrence: Unlikely [5%-20%]	**Estimated time horizon:** Medium term [2 to 5 years]	**Extent of impact:** Moderate [€5 M - €25 M]

Physical risk #5: P1 – Increase in average temperature, resulting in higher energy consumption at critical facilities		
A chronic rise in temperatures could increase expenses on cooling systems at Vivendi facilities, such as offices and data centers, whether owned or outsourced. According to the International Energy Agency report "The Future of Cooling" (2018), using air conditioners and electric fans to stay cool accounts for nearly 20% of the total electricity used in buildings around the world today. Without action to address energy efficiency, energy demand for space cooling will more than triple by 2050 – consuming as much electricity as all of China and India today.		
Likelihood of occurrence: High [>50%]	**Estimated time horizon:** Medium term [2 to 5 years]	**Extent of impact:** Limited [<€5 M]

Transition risk #5: T3 – Increase in disputes in the information and communications technology (ICT) industry		
Failure to comply with new regulations on emissions control and energy efficiency could result in fines and legal fees, especially in the ICT industry, which is increasingly decried for its fast and constantly growing carbon impact.		
Likelihood of occurrence: Moderate [20%-50%]	**Estimated time horizon:** Medium term [2 to 5 years]	**Extent of impact:** Limited [<€5 M]

Transition risk #6: T6 – Increased investment in low-carbon technology (e.g., data centers)		
Regulations on emissions control and energy efficiency could require higher capital expenditures and equipment upgrades to reduce emissions and energy consumption, in particular for data centers owned or used by the group (in the latter case leading to a potential rise in indirect costs).		
Likelihood of occurrence: Moderate [20%-50%]	**Estimated time horizon:** Medium term [2 to 5 years]	**Extent of impact:** Moderate [€5 M - €25 M]

Physical risk #6: T7 – Fluctuations in paper prices related to climate change		
The publishing industry relies heavily on the supply of paper. Over the next few years, pulp and paper prices could fluctuate due to two climate-related trends. First, climate events, such as droughts, mild winters and forest fires could have an impact on pulp and paper production, especially in countries such as Russia and Brazil. This could cause momentary supply setbacks and price spikes. Furthermore, policy makers are expected to promote emissions reduction efforts in the industry by adopting mandatory regulations with carbon pricing mechanisms (e.g., the EU's Emissions Trading System). These price variations would be passed on to the publishing industry, leading to potentially higher supply costs.		
Likelihood of occurrence: Unlikely [5%-20%]	**Estimated time horizon:** Long term [beyond 2025]	**Extent of impact:** Limited [<€5 M]

Transition risk #7: T2 – Increase in compliance costs		
More stringent regulations in countries where Vivendi operates could generate higher financial and human resources costs.		
Likelihood of occurrence: High [>50%]	**Estimated time horizon:** Medium term [0 to 2 years]	**Extent of impact:** Limited [<€5 M]

Transition risk #8: T5 – Risk of severe shortage in strategic metals		
The growing complexity of equipment and increased demand for high-tech products could result in a severe shortage of strategic metals. Higher demand for metals could create significant price sensitivity (e.g., impact on the manufacture of Canal+ Group set-top boxes).		
Likelihood of occurrence: Unlikely [5%-20%]	**Estimated time horizon:** Long term [beyond 2025]	**Extent of impact:** Limited [<€5 M]

2.2.2. MAIN CLIMATE-RELATED OPPORTUNITIES

The study conducted by Vivendi in 2020 also highlighted the following four opportunities:

- **Becoming a leader in the response to climate change and digital austerity in the entertainment, media and communications industries:** customers in the culture, media and ICT industries increasingly take into account climate performance in their choices. As a top industry player worldwide, Vivendi is in a unique position to become a leader in the digital austerity movement and use its influence to encourage climate action in society. The development of innovative low-carbon products and services (movie sets, performance tours) could increase revenue and strengthen Vivendi's brand image. Advertising revenue could also grow because more brands want to advertise their environmentally friendly products.
- **Developing renewable energy supply:** the energy sector is undergoing major regulatory, commercial and technological changes. Opportunities involving renewable energy supply (Power Purchase Agreements or PPAs, renewable energy certificates or RECs) should be seized to reduce Scopes 1 and 2 emissions. More specifically, buying long-term PPAs from renewable electricity producers can provide fixed pricing over the long term (more than ten years). This would protect against any hikes in electricity costs resulting from carbon taxes or transition costs. Also, on certain markets, the current strike price of PPAs is lower than the prices on traditional national grid networks.
- **Developing energy efficiency:** a solid energy efficiency strategy as part of a broader aim to reduce energy and carbon emissions (e.g., Science-Based Targets, ISO certifications) could result in lower energy consumption over the long term, reduce related operating costs, improve air quality as well as the comfort and well-being of occupants on group sites.
- **Ensuring resilience in the face of growing climate risks:** as climate-related risks grow (especially forest fires in California, storms in tropical regions, and flooding), Vivendi could carve out an advantage by being better prepared than its competitors in handling extreme events and operating in difficult conditions caused by climate change.

SECTION 3. ETHICS AND COMPLIANCE

Vivendi carries out its business activities in compliance with local and international regulations, and bases its business conduct and its relations with third parties on ethical standards. These standards guide its business development, help maintain the group's relationships of trust with its business partners and customers, and support its global performance. They are enshrined in a Compliance Program, aimed at raising the awareness of group employees about ethical behavior and at proactively preventing and dealing with any risk situation that may arise within the context of its business operations.

Supported by Vivendi's top management, this program is built around commitments and an organizational structure responsible for deploying and coordinating the group's compliance systems. Its Compliance Program is in keeping with the guiding principles of the United Nations Global Compact. In renewing its support for the Global Compact, in 2020, Vivendi reiterated its pledge to respect and promote fundamental human rights and labor standards in its business activities, within its sphere of influence, and in its contribution to respecting the environment and combating corruption.

One of the essential aims of the group's Compliance Program in 2020 was to develop more robust risk management systems. By focusing on completing corruption risk maps and defining third-party assessment policies, the group consolidated anti-corruption measures across all businesses. The vigilance policy played a key role in structuring the process for handling alerts on vigilance issues, reviewing the risk mapping approach, and improving the transparency of the group's responsible purchasing commitments. In other compliance areas, personal data protection measures continued to be optimized, and business units re-assessed tax policy.

In 2021, the group intends to continue updating and rolling out its Compliance Programs, which includes finalizing its third-party assessment procedures and further developing its vigilance policy.

3.1. Ethics and compliance organizational structure

Governance in place at the management level of the group and businesses oversees the implementation of systems designed to apply the Compliance Program.

3.1.1. COMMITTEES

3.1.1.1. Compliance Committee

As part of the roll-out of the Compliance Program, the Management Board set up a Compliance Committee responsible for ensuring that risk identification and prevention measures are applied, as required by Law No. 2016-1691 of December 9, 2016 ("Sapin II act"), Law No. 2017-399 of March 27, 2017 on the duty of vigilance, and EU General Data Protection Regulation no. 2016/679 ("GDPR"). The Compliance Committee supervises the roll-out of the Compliance Program as a whole and submits recommendations to the Management Board on managing compliance risks. The Committee is chaired by the group's Chief Compliance Officer and meets twice a year. In 2020, its work notably consisted of a review of the risk maps implemented at the group's entities and the findings of audits conducted by the Audit Compliance team.

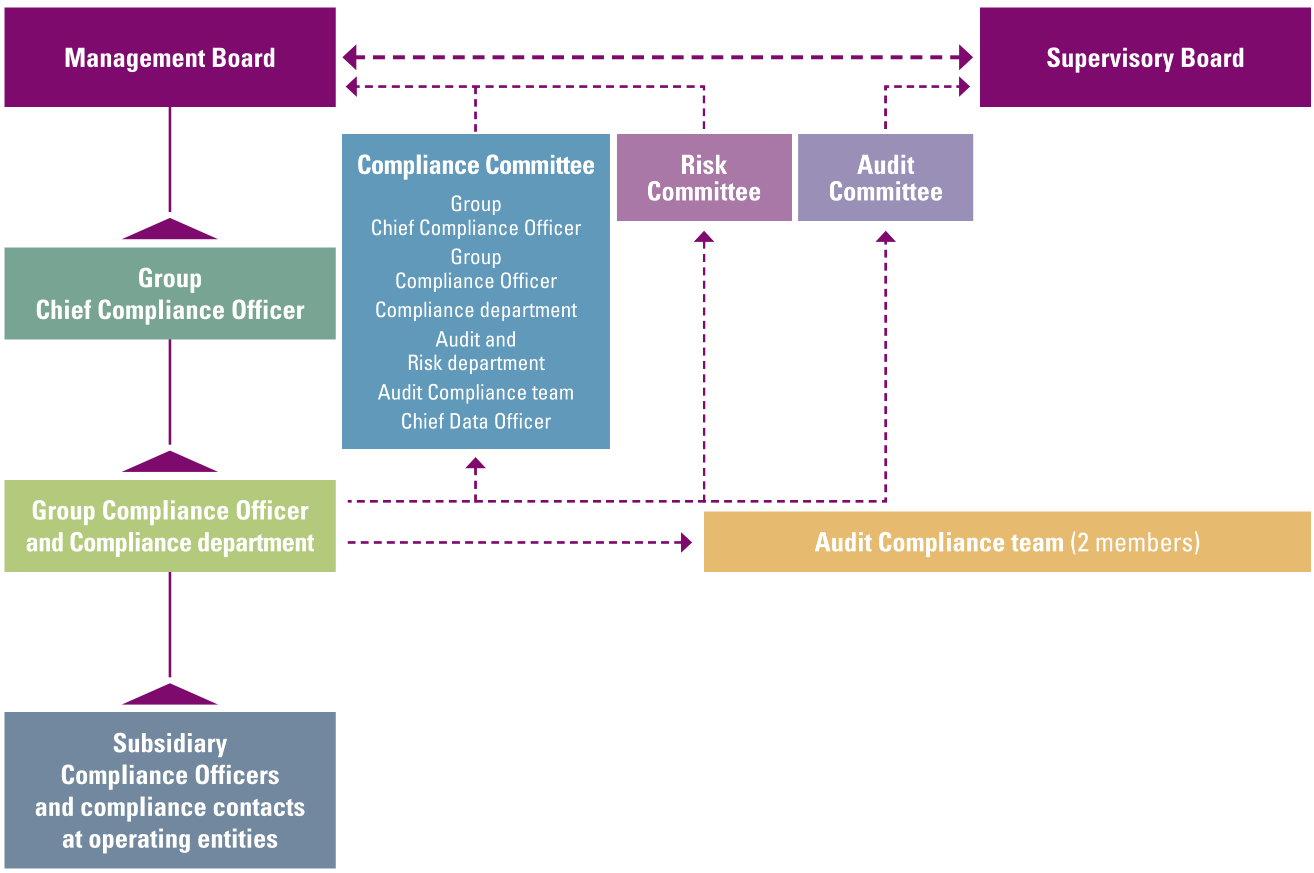
3.1.1.2. Risk Committee and Audit Committee

The Risk Committee, chaired by the Chairman of Vivendi's Management Board, and the Supervisory Board's Audit Committee are involved in implementing the Compliance Program, to ensure that the measures taken adequately address the risks identified and that they are properly applied with respect to various stakeholders. This approach gives members of the Supervisory Board and General Management a better handle on ethics and compliance risks. Progress on the roll-out of the corruption risk maps and on third-party assessment procedures, along with the work of the Compliance Committee was reported to the Risk Committee and the Audit Committee in November 2020.

3.1.2. OPERATIONAL MANAGEMENT

The group's operational structure is designed to prevent and manage ethics and compliance risks:

- the group's Compliance Department defines and coordinates the implementation of anti-corruption and vigilance measures within business units, reporting to the General Counsel and working alongside Compliance Officers and their compliance contacts. The Compliance Department also collaborates with the group's Finance Department, which coordinates the assessment of accounting control procedures;
- a Chief Data Officer, reporting to the General Counsel, implements personal data protection measures in close collaboration and continuous dialog with the Data Protection Officers (DPO) from each business unit; and
- the Audit Compliance team, which reports to the group's Audit Department, checks that measures set out in the Compliance Program are properly applied, and recommends appropriate corrective actions (see Sections 3.2.1.7 and 3.2.2.5).



3.2. Implementing ethics and compliance

3.2.1. ANTI-CORRUPTION POLICY

3.2.1.1. Anti-Corruption Code

As the foundation of the group's anti-corruption policy, the Anti-Corruption Code sets out the group's commitments to ethics in its business conduct. These rules apply to all employees in every country where the group operates. The Anti-Corruption Code has been translated into 24 languages so that each individual can understand the prevention measures it contains.

Vivendi's Anti-Corruption Code addresses situations identified during the risk mapping process and sets out a Code of Conduct. It takes into account applicable local rules and regulations in countries where the group is present, particularly the Foreign Corrupt Practices Act (FCPA) in the United States and the UK Bribery Act. Universal Music Group's Code of Conduct, which covers anti-corruption measures specific to US regulations, continues to be used by its UMG subsidiaries and has been amended to incorporate the requirements of France's Sapin II Act.

In case of questions pertaining to a specific situation, for example to know what to do in the event of unsolicited requests, individual employees are asked to refer to their direct superiors or notify the Compliance Officer.

3.2.1.2. Operating procedures

To help group employees and partners better understand situations that could present a risk, several procedures have been defined to round out the implementation of the Anti-Corruption Code. For example, procedures for handling gifts and invitations were adapted to all group entities in 2020. This policy outlines what to do with regard to giving and receiving gifts and invitations and value thresholds beyond which the gift or invitation must be reported or approved. Conflict of interest procedures and due diligence in the acquisition process will be added to the policy in 2021.

3.2.1.3. Risk maps

In 2020, the 17 risk maps prepared by Compliance Officers and operational officers at subsidiaries and headquarters produced a detailed analysis of the potential corruption risks within the group's businesses. Each map is associated with an action plan designed to strengthen the controls needed to protect against risks.

The risk analyses were presented to the Compliance Committee and the Risk Committee. In 2021, additional risk analyses will be performed that are associated with businesses recently integrated into the group, as well as a progress report on the implementation of action plans based on existing risk maps.

The group's Management pays special attention to risk analysis and has included the implementation of risk maps as one of the criteria used to determine the variable compensation of Vivendi's Management Board members and managers at Vivendi SE.

3.2.1.4. Whistleblowing system

Designed for reporting potential internal misconduct, the whistleblowing system features a platform that is available to all group entities. Originally designed to encourage employees to report situations that violated the group's anti-corruption policy, which were restricted to cases of corruption as defined by France's Sapin II act, the system was developed in 2020 to encompass the requirements imposed by the French duty of vigilance law (see Section 3.2.2.3). Its procedures are in line with the recommendations of France's data protection authority (Cnil) for whistleblowing systems and strengthen its compliance with the recommendations of the French National Cybersecurity Agency (ANSSI) for information system security.

Reports are handled based on a detailed procedure to determine their seriousness and severity, and whether further investigation is needed. This procedure is currently being reviewed to include changes in the online system.

3.2.1.5. Employee training

An online training module dedicated to anti-corruption issues helps employees gain a better understanding of at-risk behavior and of anti-corruption policy rules. New employees are encouraged to take this training in the onboarding handbook distributed when they join the group. In 2020, 75% of employees had completed the module. To highlight the commitment of group Management to raise employee awareness about corruption and corruption risks, training is one of the criteria used to determine the variable compensation of Vivendi's Management Board members and managers at Vivendi SE.

In 2021, emphasis will be placed on classroom training for the group's General Management and the implementation of targeted training courses for employees working in businesses most exposed to corruption risks.

3.2.1.6. Assessment procedures

In 2020, control procedures continued to be rolled out for financial processes and third parties that the group works with.

Group businesses, including recently acquired operating units, continued their thorough review of accounting control and key audit procedures. The analysis of existing procedures and documentation was completed by the Finance departments, coordinated by the designated financial compliance contacts. An action plan to consolidate and assess the control processes was implemented.

The third-party assessment process, which covers suppliers, subcontractors, customers and intermediaries, consists in assessing the specific risk involved in maintaining the current or potential relationship with a business partner. The group's businesses each analyzed its risks in detail. These analyses were used to create a third party map based on these specific risk criteria (e.g., third party category, revenue generated from the business relationship and location) and determine which type of third-party assessment should be applied based on the level of risk. Policies were then drawn up based on the specific nature of the business. At the same time, the group opted for an analysis tool that is compatible with existing indexing tools. In 2021, efforts will focus on rolling out these assessment policies at an operational level in the group's businesses.

3.2.1.7. Controls on anti-corruption policy measures

The Audit Compliance team, which reports to the group Audit Department, performed both cross-functional and vertical controls as part of its 2020 audit plan.

The cross-functional controls at group level enabled the Audit Compliance team to ensure that the components of the anti-corruption policy are properly implemented. The elements covered by these controls set priority on the distribution of the Anti-Corruption Code to employees, accessibility of the whistleblowing system and employee awareness of anti-corruption measures.

Vertical controls were also carried out at the level of the business units to review risk maps, ethics assessments of business partners, and operational and accounting control procedures.

The findings from these controls were presented to the Compliance Committee in December 2020.

3.2.2. VIGILANCE POLICY

The set of rules implemented by Vivendi under its Vigilance program was entirely reviewed to account for the duty of vigilance obligations on parent companies and principal contractors. These new rules form the Code of Business Conduct, which will be available to group businesses in 2021. It will be based on a set of reasonable measures aimed at identifying and preventing serious risks and infringements on human rights, fundamental freedoms, health and safety, and the environment in the activities of Vivendi, its suppliers and its subcontractors.

3.2.2.1. Identification of risks and areas for vigilance

Identification of the risks resulting from the group's activities

Vivendi analyzes risks linked to its activities based on the map of non-financial risks, which shows risks associated with consumer health and safety, the environment, labor law and human rights (see Section 2 of this chapter). While covering violations of personal rights and freedoms, the group's human rights policy also encompasses its commitment with regard to its content production and distribution business. Supporting creativity, publishing, undertaking to act as a responsible cultural player and promoting diversity and inclusion fall within the realm of human rights, as described in many documents promulgated by European and international bodies.

To gain a clearer understanding of potential violations of human rights and fundamental freedoms, health, safety and the environment associated with its businesses, in 2021, Vivendi will draw up a map of risks relating to these issues. The map will also include supply chain risks.

Identification of areas for vigilance resulting from the activities of suppliers and subcontractors

In 2018, the supplier and subcontractor chain was reviewed alongside the subsidiaries' purchasing departments, giving rise to an assessment of areas for vigilance relating to the group's purchasing policy. The review focused on the scope and purchasing processes, the analysis and assessment of the data collected, and the definition of action plans. It highlighted the need to include compliance clauses in purchasing and service agreements.

The review will be updated in 2021 to study changes in existing practices within the supply chain. A campaign will also be led to raise awareness throughout the supply chain as to Vivendi's expectations in terms of responsible purchasing.

3.2.2.2. Responsible purchasing charter

The update of principles applicable to purchasing practices and the supply chain led to the creation of a responsible purchasing charter. Built on the development of ethical and sustainable business relationships and the objective of maintaining constructive dialog, it captures the group's ethics, social and environmental expectations. Compliance with this charter represents a substantial condition in the business relationship for any Vivendi contractor. The group asks its suppliers to make a formal commitment to apply high standards of ethics themselves and ensure that human rights are protected.

3.2.2.3. Whistleblowing system

In 2020, the whistleblowing platform was developed further to include the option of reporting situations of non-compliance with the group's commitments to human rights and fundamental freedoms, health and safety, and the environment. This additional option strengthened the initial whistleblowing system. The process for dealing with reports was also improved, with a unit dedicated to reviewing situations relating to vigilance set up alongside the unit focused on situations involving corruption. These units combine several areas of expertise with the purpose of conducting investigations as required by reports submitted.

Group employees will be informed of the changes to the whistleblowing system in early 2021.

3.2.2.4. Training on vigilance issues

To ensure that all employees understand Vivendi's vigilance commitments, in 2021 the group will focus on educating them about potential violations of human rights and fundamental freedoms and of health, safety and environmental laws and regulations that could result from operations of business units and suppliers and subcontractors. Training will include information on measures to address these issues.

As part of the Group's responsible purchasing program, the purchasing departments of business lines will also work to raise awareness throughout the supply chain and support its supply chain partners.

Monitoring of the vigilance program

In 2020, the Audit Compliance team continued its review to study, inform and support the business lines on intercompany payment times. The main areas of focus in 2021 will be to check that contractual documents contain clauses to prevent vigilance risks, and that third-party assessments are taken into consideration as part of the business relationship.

3.2.3. PERSONAL DATA PROTECTION

Managing personal data is a key issue in the Vivendi group's businesses. Fully recognizing the sensitivity and importance of this issue for the group, Vivendi, along with all of its business lines, takes careful steps to ensure that personal data protection rules and principles are applied to secure the trust it has built with all of its customers, prospects, partners and suppliers. Compliance with these rules is also one of the indicators used to determine the variable compensation of Vivendi's Management Board members and managers at Vivendi SE.

Vivendi introduced a personal data protection charter in 2008 to improve transparency. In its ongoing efforts to comply with EU General Data Protection Regulation no. 2016/679 (GDPR) of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, Vivendi drafted a new version of this charter to provide all data subjects with the necessary information on the manner in which Vivendi processes their personal data in its business operations.

Since 2017, Vivendi has engaged all its subsidiaries in a global and collaborative GDPR Compliance Program, coordinated by its Chief Data Officer, under the supervision of the group's Chief Compliance Officer. The action plans initiated as part of this program have been implemented according to the group's guidelines.

Actions specifically include providing information, obtaining consent, planning around the exercise of personal data rights, updating contract terms, ensuring the appropriate legal qualification of co-contractors, determining appropriate data retention periods, and overseeing compliance with guidelines such as data minimization and accuracy.

Data protection resources and personal data confidentiality and security have been reinforced at both technical and organizational levels, with the appointment of Data Protection Officers and representatives at each entity. E-learning platforms with training modules on personal data protection have also been implemented to raise large-scale awareness among the group's employees.

Vivendi has also increased the effectiveness of its data protection measures, for example, by improving its audit procedures and updating its personal data protection and cookie management policies in line with applicable regulations. It has also routinely incorporated its "privacy by design" and "privacy by default" approaches into all personal data projects.

Under this program, the group has adopted actions and measures to take into account and implement relevant recommendations issued by the competent data protection authorities.

3.3. Tax policy

The tax policy applies to all types of taxes at every jurisdiction level (local, regional and national).

Appropriate structures are implemented at group level to ensure that group companies prepare and file tax returns correctly, that appropriate accounting principles (including transfer pricing policies) are identified and followed, and that all taxes owed by group companies are properly calculated and paid in all relevant territories.

When the group works with external advisors, steps are taken to ensure that they have the requisite qualifications and reputation.

In the event that any company or part of the group is subjected to a tax audit, all appropriate resources are assigned to the matter so as to ensure the proper conduct of the process and its conclusion in the best possible conditions.

The group has very low tolerance to tax risk and notably does not shelter profits in or transfer them to tax havens. Any activity in low tax countries is justified by a legitimate commercial presence in the local market.

In compliance with applicable rules, the group engages in legitimate tax planning to make the most efficient use of tax reliefs that may be authorized by tax law. When permitted under local legislation and customs, the group remains committed to establishing and maintaining a constructive and transparent relationship with the tax authorities in all countries in which it operates. The group considers that such arrangements provide long-term benefits for both the group and the local authorities.

SECTION 4. CSR COMMITMENTS

Vivendi redefined its CSR program in 2020, setting out an initial plan for the entire group to be implemented by 2025. This new program, *Creation for the Future,* is divided into three pillars: *Creation for the Planet,* "Innovating to protect the planet"; *Creation for Society,* "Imagining the society of tomorrow"; *Creation With All,* "Building a more responsible world together" (see Section 1.1.2 of this chapter for more details).

4.1. *Creation for the Planet:* Innovating to protect the planet

4.1.1. OUR PRIORITY: REACH NET ZERO CARBON BY 2025

Compounded with the human tragedy and consequences on nature and biodiversity, climate change generates a financial cost that continues to rise. A case in point: the ten costliest weather disasters in 2020 totaled nearly $150 billion in insured damage worldwide. That figure reflects the growing impact of climate change.

Although the negative externalities caused by Vivendi's businesses are relatively low – at year-end 2019, Vivendi represented 0.01% of all greenhouse gas emissions from companies listed in France's CAC 40 stock market index **(1)** – environmental protection and the fight against climate change have long been a major focus of Vivendi's corporate social responsibility policy.

As part of its *Creation for the Planet* program, Vivendi decided in 2020 to redouble its efforts to reduce its greenhouse gas emissions by formulating a climate strategy for 2020-2035 consistent with the 2015 Paris Agreement (to limit the rise in global temperatures to below 2 °C, or ideally 1.5 °C, by 2100).

With this strategy in mind, in October 2020, Vivendi signed up to the Science-Based Targets initiative, which calls on companies to set emissions reduction targets derived through climate science. The group will submit its low-carbon pathway to meet the targets set forth in the Paris Agreement to the Science-Based Targets initiative for validation in 2021.

Vivendi has taken its commitment to the next level by aiming to achieve carbon neutrality (net zero carbon emissions) as of 2025, bearing in mind that some group entities, including the Vivendi and Canal+ France headquarters, are already carbon neutral.

To that end, Vivendi has decided to implement a two-phase approach. First, the group will focus on intrinsically reducing its greenhouse gas emissions via four pathways of action driven by each business line (described in Section 4.1.2.1). Then, as of 2025, the group plans to offset its residual emissions through eco-friendly projects, some of which also aim to meet social objectives.

Throughout this period, the group will continue to raise public awareness about climate issues and solutions to help reshape behavior. Vivendi will also implement, or with its ecosystem participate in, collective initiatives to define a more sustainable model for a healthy environment.

(1) Figure calculated based on aggregate Scope 1 and Scope 2 data published in the 2019 Universal Registration Documents of CAC 40 companies. Overall, 2020 data is considered less relevant due to the Covid-19 pandemic.

4.1.2. REDUCTION OF THE DIRECT AND INDIRECT CARBON FOOTPRINT OF OUR ACTIVITIES

The first phase in Vivendi's environmental strategy entails finding ways to reduce the group's internal emissions.

To support this strategy, Vivendi has improved its environmental reporting system. In 2020, the reporting scope covered over 90% of the group's workforce and comprised a network of more than 300 contributors in 73 countries.

The group monitors the following indicators to measure its performance and the efforts made to manage climate-related risks:

- Scope 1 and 2 greenhouse gas (GHG) emissions (including consumption of fuel, electricity and heating);
- Scope 3 GHG emissions (including GHG emissions from raw materials acquisition, employee travel and waste); and
- Share of energy consumption from renewable energy sources.

In December 2020, Vivendi contributed to the recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD). The TCFD was created in line with the Financial Stability Board of the G20 during the COP21. It provides guidance on estimating and quantifying climate-related risk, and incorporating this into the company's strategic decisions, while promoting a more informed and more efficient capital allocation, thus facilitating the transition to a lower-carbon economy.

This initiative reflects the group's commitment to building a more resilient financial system and protecting itself against climate-related risk by disclosing more accurate and relevant financial information (see also the list of the main climate-related risks in Section 2.2 of this chapter and the TCFD concordance table in Section 6.2).

4.1.2.1. Our pathways of action

Business travel

Vivendi's various businesses involve a great amount of business travel, often essential for establishing and maintaining effective and productive relationships with the group's artists, clients and business partners. In 2019, business travel accounted for nearly 50% of the group's greenhouse gas emissions (2020 data is considered less relevant as it was heavily impacted by the Covid-19 pandemic).

The group plans to ramp up its efforts in 2021 to significantly reduce its CO_2 emissions from business travel. This will entail enforcing a more restrictive travel policy and using more digital solutions such as messaging, audio and video conferencing, and remote collaborative brainstorming tools.

In parallel, the Purchasing Department will work with the business divisions to continue reducing the carbon footprint of the group's company cars. These efforts began several years ago as vehicles in use were gradually replaced with models that pollute less. For example, 29% of the models available in the catalog of company cars in France are hybrid and electric vehicles, and diesel models are no longer included.

Lastly, other solutions will continue to be rolled out to limit business travel that causes pollution. Some of these solutions have already been implemented at certain entities. For instance, Editis introduced a carpooling system at its headquarters in Paris to facilitate employee commutes. BETC agencies operating out of the Magasins Généraux building have a fleet of self-service scooters, enabling people to get to nearby metro stations more quickly. To encourage people to use bicycles, Canal+ organized a bike repair workshop at its Eiffel and Lumière sites in partnership with the organization Solicycle.

Resource use and the circular economy

For Vivendi, optimizing the use of natural resources is a key factor in protecting the environment. The main types of raw materials used at group subsidiaries (in volume) are plastic (for Canal+ set-top boxes, UMG's CDs and educational material at Editis) and paper (for Editis books, advertising materials and administrative activities).

The group has been taking action for several years to improve the use of resources and promote the circular economy. Vivendi entities systematically ensure the treatment of waste in compliance with the local environmental standards in force.

Paper, the group's most widely used resource

Paper is the most widely used resource in the group (over 35,000 tons was used in 2020). It is used for office tasks, external communication materials (brochures, flyers, CD and DVD sleeves), and predominantly to print books at Editis.

Whenever possible, the group sources paper with PEFC (Programme for the Endorsement of Forest Certification) or FSC® (Forest Stewardship Council) certification. These independent certification systems guarantee that forests are sustainably managed.

In France, Editis is currently the only publisher that is a member of the FSC®. All the stationery providers used by the group are European (producing 20% of their paper in France) and all the paper used by Editis and its subsidiaries is FSC® certified.

Other resources and circular economy initiatives

Streaming remains the most popular way of listening to music these days (generating nearly half of the revenue in the music industry worldwide), but sales of physical formats, such as CDs and vinyl records, have been rising in recent years. As they use plastic and packaging, their production has an impact on the environment. To reduce these impacts, Universal Music France launched the Green Packaging initiative, which guarantees that packaging is made with paper and cardboard from sustainably managed forests and responsible sources. The inks used in printing are plant-based with no added mineral oil. The cellophane used is in polyethylene, made from biosourced ethanol, of which over 40% is derived from sugar cane, and is recyclable. As it is lighter in weight than plastic cases, Green Packaging also reduces the amount of CO_2 released from transport. Since the summer of 2020, over 830,000 Green Packaging CDs have replaced traditional products.

Canal+ Group applies eco-design principles in manufacturing its next-generation set-top boxes. Its 4K set-top box (G9 model) launched in 2018 is smaller and more lightweight, requiring less plastic than the previous version. In addition to limiting the amount of materials used, the new version of the box reduces the CO_2 emissions from shipping. The cardboard packaging and documents shipped with set-top boxes are FSC® or PEFC certified. Any equipment returned by subscribers is tested and reconditioned. If it meets the group's technical requirements, it is shipped back out for use, thereby optimizing the product life cycle. If equipment cannot be reconditioned for further use, Canal+ Group collects and processes end-of-life equipment returned by its customers, calling on qualified external partners or collective networks when possible. In France, all discarded equipment is treated by an ISO 14001 certified service provider, which recycles the raw materials. In Benin, Gabon and Togo, Canal+ Group works with a company that recycles waste electronics. Through this partnership, almost 20,000 set-top boxes have been recycled since 2018, representing 10 tons of material collected.

At Editis, the educational furniture designed and marketed by Nathan has been tested by laboratories that meet French and European standards (EN 1729, EN16121, EN 1021-1 and 2). It is designed for classrooms and therefore for intensive group use. When the furniture needs replacing, it is recycled in line with the Extended Producer Responsibility (EPR) strategy. In 2019, over 250 tons of waste was collected through the eco-friendly organization Valdélia, which Nathan has joined. In addition to initiatives specific to each business line, a growing number of group entities are finding ways to remove single-use plastics from everyday life and, more generally, eliminate the use of raw materials. These actions include discontinuing the use of plastic water bottles by replacing them with reusable alternatives, giving employees cups to reduce the use of disposable ones, converting documents into digital format, and adopting purchasing policies that promote eco-friendly products (e.g., envelopes, paper and cleaning products).

Managing and reducing energy consumption

Energy consumption is another key source of Vivendi's greenhouse gas emissions. This consumption is due to the buildings that the group owns or rents to accommodate employees and customers (e.g., office space, warehouses, stores and performance venues).

That is why the group firmly believes in the importance of obtaining environmental management certification for its buildings, as certification helps to more accurately assess the environmental impact of an operating site and how to reduce that impact. In 2020, over 27% of the group's workforce was covered by environmental certification (environmental management certification, such as ISO 14001, or sustainable construction certification, e.g., HQE® or LEED®).

Over 70 Havas Group agencies, thus covering 30% of Havas employees, are ISO 14001 certified, which is the most widely recognized environmental management system worldwide. In addition to guaranteeing a continuous improvement approach to environmental performance, this certification increases the group's visibility when bidding on contracts and helps the group meet customer expectations. Over the next few years, certification will be extended to more agencies. In 2020, Vivendi's head office in Paris renewed its EMAS (Eco-Management and Audit Scheme) certification for the eleventh consecutive year and its ISO 50001 certification for the fifth year running. In continuity with this approach, the head office will be audited in 2021 as part of the process to obtain ISO 14001 certification.

Several group sites have earned other types of certifications, such as environmental assessments for buildings or certifications and labels (e.g., generalist, sector-based and local) including an environmental component. For instance, the new Editis head office in Paris, the UMG site in Brussels, the M7 (Canal+ Group) location in Luxembourg, and the Havas office in Warsaw have been awarded BREEAM® (Building Research Establishment Environmental Assessment Method) certification. Havas has offices in San Francisco and Mumbai that are in LEED® (Leadership in Energy and Environmental Design) certified buildings. The offices of Havas London and Havas Lemz in Amsterdam have B-Corp certification.

In addition to certifications and labels, various solutions have been implemented to reduce building energy consumption and the carbon impact of the energy mix. Several entities have upgraded their lighting systems by installing more energy efficient LED solutions (Vivendi head office) or presence detectors in the common areas of buildings (UMG in France and Germany, Gameloft in Mexico, and elsewhere). This type of action has divided electricity consumption from lighting in common areas and meeting rooms at the group's head office by four (excluding the impact of the health crisis on building occupancy rates). Building technical management (GTB, GTC) and automation systems that schedule the shutdown of computer and temperature control systems (UMG in London, Canal+ in Poland, Gameloft in Vietnam) also contribute to reducing the energy consumption of sites.

The use of low-carbon energy provides an efficient way of combating the greenhouse effect and the release of CO_2 emissions into the atmosphere. Several group sites use renewable energy to supply electricity, especially in Austria, Canada, Spain, Sweden, Switzerland and the United Kingdom. In the Democratic Republic of the Congo, Canal+ RDC implemented a project to switch all of its stores to solar energy supply. At year-end 2020, 11 of its 14 stores had installed photovoltaic systems.

> *In 2020, over* ***16% of the electricity*** *used by the group was generated using renewable energy sources*

The environmental impact of content

With over 18% of emissions for the entire audiovisual and film industry caused directly by content production, Vivendi is aware of the environmental footprint of its creative works and pledges to take proactive steps to reduce their environmental impact.

Canal+ Group

In December 2019, Canal+ joined Ecoprod (a collective bringing together public and private broadcasters, production support structures, government experts and other stakeholders), which aims to encourage the audiovisual sector to take its environmental footprint into account.

For example, the following measures were taken to reduce the environmental impact of production on the Studiocanal series *Neuf meufs* (planned for release in 2021): it is to be only set in Paris without disposable props, waste sorting, reusable dishware, no electric generators, limited travel, etc. This resulted in a CO_2 impact of about 450 kg/minute of production, and measures were taken to offset CO_2 emissions. For the series *OVNI(s)*, shot in Belgium, carbon offsetting measures were taken for all travel in partnership with GoodPlanet.

Canal+ Group's support for Ecoprod has also been reflected in the past several months through awareness workshops held internally for production crews. Ten workshops were organized in 2020, and more are to come in 2021.

Havas Group

In partnership with the consulting firm EcoAct, the Havas Group's Media division developed a system in 2020 to measure the impact of its clients' campaigns across all formats (press, television, radio, advertising and digital). As such, Havas Media can inform the latter about the carbon footprint of each campaign and offer corrective actions to reduce their impact, for instance by using media solutions that pollute less.

As part of its ISO 14001 certification process, Havas introduced a set of internal guidelines in 2020 for the creation and traceability of eco-friendly creative and media campaigns. An eco-friendly campaign is a responsible campaign in which the impact on the environment is minimized and CSR considerations are incorporated into the brief. This involves defining a number of minimum criteria that must be met with regard to the use of digital technology, shoots, and print campaigns.

Lastly, Havas Events has undertaken to build its approach to organizing events according to a management system that meets ISO 20121 requirements. This standard is recognized worldwide for event activities and aims to promote sustainability management for events organized by event venues, charity organizations and consulting firms. Havas Events will have its management system certified by an independent organization in 2021.

Editis

Primarily focusing on environmental issues, Tana Editions, one of the 49 publishers in the Editis group, produces books in line with the principles of its content. Each aspect of the production process is analyzed including: standardized formats to leverage paper purchases and inventories; FSC® certified paper; optimal distance between stationers and printers; Imprim'Vert labeled printers that use plant-based ink; reasonable total ink coverage rates, no foil, laminating or UV coating; warehouse delivery in cardboard packaging without plastic film.

Bearing in mind that all products have an environmental impact, and taking steps to remain consistent with the educational content that it offers consumers, Nathan creates sustainable, eco-designed and environmentally friendly products. Its products are manufactured by maximizing the use of eco-friendly materials, such as wood sourced from sustainably managed forests and water-based paint, whenever possible. As part of its responsible purchasing policy, Nathan also prioritizes manufacturers with an environmental program.

■ 4.1.2.2. The environmental challenges of digital content

Driving social and economic development, the digital transition is perceived as a means of reducing energy consumption, but the direct and indirect negative environmental externalities are often underestimated. According to the report from the think tank The Shift Project, "Climate Crisis: The Unsustainable Use of Online Video" (2019), online videos alone generate almost 60% of the world's data traffic and over 300 million tons of CO_2 per year.

Within the group, the technical and digital teams are developing ambitious solutions to limit the consumption of bandwidth and increase the energy efficiency of equipment and network infrastructure.

One example of this is myCanal, which displays the CO_2 equivalent of the different data quality options that subscribers can choose from. The player displays the equivalence in grams of CO_2 per hour of video for each resolution setting, i.e., 4K, 1080 or 720p (a resolution of 720p uses 35% less CO_2 than the maximum resolution). In addition, the Canal+ technical teams in France partnered with Greenspector, a startup specializing in software eco-design, to determine how to program the myCanal application to be more energy efficient based on the type of device it is installed on.

Greenspector also worked with UMG France to estimate the CO_2 impact of listening to music on five streaming platforms. This study aimed to better understand the environmental impact of streaming based on quantitative measures to then determine what actions to implement with UMG's partners.

Dailymotion joined the movement to reduce the bandwidth available for videos on its website for several weeks at the beginning of the Covid-19 pandemic. During this period, when online video consumption increased dramatically, the videos available in UHD (4K), Full HD (1080p) and HD (720p) were automatically streamed in standard definition (SD).

4.1.3. USING OUR INFLUENCE TO RAISE AWARENESS ABOUT THE CLIMATE EMERGENCY

As an entertainment leader, whose creative works reach millions of people worldwide, Vivendi has a responsibility to use its voice to contribute to building a more sustainable world.

Canal+ launched two major initiatives in 2020. First, a new collection of short films, "We Adapt", focused on the social and ecological transition. The objective was to try to imagine what our societies will be like in 10, 20 or 30 years based on our current knowledge grounded in natural and social science. A call for projects drew a response of over 250 scenarios, of which ten were selected by a panel of judges from the movie industry and scientific professions. The short films are currently in production and will be aired by Canal+ in 2021. In 2020, myCanal also opened its "myCanal sees green" space for films, documentaries and series dedicated to the environment.

In addition, Canal+ Group rolled out the "Superheroes for the Planet" program on its children's channels, featuring shows that educate young children on the environment, sustainable development and recycling in fun, entertaining ways. The show *C'était caché,* for example, demonstrates how little habits and everyday items can cause pollution, in a light-hearted, informative way.

The publishing businesses are also active in educating people about the climate emergency. In 2020, over 80 books (novels, essays, children's books) on the environment were released by Editis's publishing houses (compared with 68 in 2019). The science fiction novel *Nous sommes l'étincelle* by Vincent Villeminot, published by Pocket Jeunesse (Editis), won the best environmental novel award in 2020. Created in 2018, this annual award aims to raise awareness about ecology and is presented to a French-language author. Furthermore, the publisher First (Editis) teamed up with the #onestprêt collective – well known for its environmental and climate action, and supported by many YouTubers – to publish *#Onestprêt: Cahier de vacances écolo,* a fun, easy-to-understand travel journal to understand and learn about environmental issues (e;g., biodiversity, natural medicine, the ocean and food).

Sharing this same drive to teach children about the environment, Vivendi, in collaboration with Unicef, worked with Ricky Kej, an Indian-American singer-songwriter, music producer, 2015 Grammy Award winner, and creator of the My Earth Concert for Kids project. The concert was streamed worldwide for World Music Day in June 2020 with the participation of the Havas Group and Dailymotion. Artists from around the world performed for children with catchy tunes and simple terms on environmental protection and sustainable development. The songs will be translated into several languages and sent to schools across the world with the help of Unicef.

The group has also been a partner of the Deauville Green Awards Festival since 2018 through Universal Music France subsidiary Kapagama. This festival aims to bring together audiovisual companies concerned about the environment and sustainable development to promote all initiatives taken to raise awareness about environmental protection, the climate change challenge and the well-being of future generations. In 2020, over 500 films produced in 35 countries were in competition. UMG also supported Greta Thunberg's Face the Climate campaign, with several of the company's artists, such as HAIM, Sigrid, Mike Skinner, Ben Howard, Sam Fender and Annie Lennox, taking part.

In 2020, Havas Group carried out several campaigns on behalf of its clients to raise awareness about the climate emergency or on protecting the environment and biodiversity. Among its key operations, Havas Hamburg and Havas Düsseldorf launched a campaign for Reckitt Benckiser to educate citizens about using water responsibly. The campaign involved gathering a group of scientists to conduct a study with Reckitt Benckiser on water use in Germany. Top experts were also interviewed to draw attention to the issue. As another example, BETC developed a campaign for the E. Leclerc hypermarket chain about the challenges of changing consumer habits. It urged consumers to buy more local and more organic products, to sort waste, and to read labels in order to eat a healthier diet, protect their health, the health of their children and the environment.

4.1.4. WORKING WITH OUR ECOSYSTEM TO BUILD A MORE SUSTAINABLE MODEL

With its subsidiaries, Vivendi also seeks to get involved in collective initiatives, by engaging its employees, customers, peers in their sectors and other players within their respective ecosystems, to build a more sustainable model for the environment.

4.1.4.1. Employee awareness and engagement

Vivendi entities implement initiatives to make sure that their employees have the information they need about the environmental impacts of their activities and actions taken to reduce those impacts.

Dedicated structures

Many group entities have created internal structures made up of employees from different departments to draw up action plans addressing issues such as energy savings, reducing environmental impacts and raising awareness of eco-behaviors in the workplace. In 2020, over 80 group entities had a structural unit or function in charge of coordinating their environmental initiatives.

Canal+ Group has set up several environmental steering bodies (e.g., the *Wb your planet?* committee in France, Green Canal+ in Poland, Thema Green at Thema and Canal+ Green Team in Myanmar) with a shared goal: to unite their efforts to accelerate the transition towards even more eco-friendly internal practices.

At Editis, in addition to creating the new CSR Director position in 2020, a CSR committee of about ten members from several group entities meets once a month to discuss environmental projects.

At UMG UK, Team Green meets every quarter to define action plans that lead the company towards operating in more responsible ways. In 2020, areas of action focused on divesting companies involved in the extraction of fossil fuels from UMG's pension funds and on developing a sustainable sourcing policy.

Havas Group also has Green Teams in seven countries, covering some 50 agencies.

A Green Team was set up at Vivendi's head office over ten years ago. Lastly, a multi-business Planet Task Force is being formed to implement the *Creation for the Planet* roadmap.

Awareness initiatives

Worldwide, Vivendi employees receive training and are encouraged to implement environmentally friendly behavior (e.g., using electronic documents and water fountains, or discontinuing the use of plastic cups) to help reduce the environmental footprint of operating sites through information meetings, internal newsletters, and e-mail and poster campaigns.

To raise awareness further, an e-learning module was created specifically on the environmental impact of digital technology. It will be rolled out to all group employees in 2021. The module covers key concepts on environmental issues and highlights good practices that people can adopt to become more responsible digital citizens, along with examples of initiatives taken by group entities to produce content in more environmentally-friendly ways or implement actions to fight climate change.

The group's businesses round out these initiatives at their level. For European Sustainable Development Week in 2020, Canal+ in France held several conferences aimed at employees on environmental issues, the role of the media, pollution, digital ecology and daily habits to reduce waste. Hosted by well-known personalities (Anne-Sophie Novel, Philippe Bihouix, Inès Leonarduzzi, Fanny Moritz), these talks also provided employees with the opportunity to discuss these topics, which remain poorly understood. UMG UK's Team Green also organized a series of talks for London Climate Action Week on areas such as understanding the climate emergency and sustainable fashion. In July 2020, Havas Poland launched the *#LessIsMoreChallenge*. For one month, employees were challenged not to buy new clothes, in order to raise awareness about water consumption and the environmental impacts of the textile industry. By the end of the campaign, employees had saved the equivalent of nearly 270,000 liters of water.

■ 4.1.4.2. Getting customers involved

Customers of group entities are also involved in efforts to fight climate change.

Through its *Climate Solidarity* initiative, the Havas Group (Havas Paris, Havas Events and BETC) created a system in which clients can offset CO_2 emissions from campaigns designed for them. With the client's agreement, the carbon cost of each production (technical expenses only) is added to the cost of the production and invested in agroforestry projects in Peru and France managed by the operator PUR Projet, which is then authorized to issue a carbon certificate that the agencies send to their clients. In 2020, 87 clients committed to the initiative, offsetting over 3,200 tons of CO_2.

■ 4.1.4.3. Collaboration with peers

The Vivendi group also works with its peers in analyzing the broader implications of the environmental impact of the creative industries.

In 2020, Vivendi joined the Planet Tech'Care initiative, which assists companies working to integrate digital technology into their environmental strategy and supports training organizations in developing expertise in the responsible use of digital technology, as well as the French environmental organization EpE (Entreprises pour l'environnement). Vivendi also actively contributed to the conversation initiated by LINCC, an innovation platform dedicated to cultural and creative industries of which the group is a founding member (see Section 1.2.4 of this chapter), to rethink innovation and support the entire ecosystem (startups, large groups, institutions) in changing practices as part of the ecological transition.

Group businesses in turn adapt this approach to the ecosystem in their respective industries.

As part of its commitment to the Ecoprod collective (see Section 4.1.2.1), Canal+ Group established an eco-production charter and urges partner production companies to apply its recommendations to help reduce the environmental impact of television production.

UMG UK is a signatory of Music Declares Emergency, a movement that calls on music professionals to reduce the environmental impact of the music industry and informs the opinion of the general public and governments to these issues. In Germany, UMG joined the Leaders for Climate Action initiative, a community of entrepreneurs united for climate action.

In France, BETC (Havas Group) teamed up with the French Association of Advertising Agencies (AACC) and France's Environmental and Energy Management Agency (Ademe) to develop a free online course on responsible communication, produced in association with the French advertising self-regulatory organization (ARPP). The aim of the course is to teach students from communications, advertising and marketing schools and communications agency professionals about eco-design in advertising and marketing.

■ 4.1.4.4. Collaboration with partners

The Vivendi group develops partnerships with organizations and companies to support efforts to protect the environment.

In Africa (Democratic Republic of the Congo and Togo), Canal+ Group signed a partnership agreement with energy financing specialist Bboxx. This deal will make it possible to give populations off the traditional electric power grid access to paid television content and solar energy.

In 2020, the publisher 10/18 (Editis) and organization Planète Urgence launched a solidarity initiative to restore Madagascar's ecosystem. For the purchase of two 10/18 books, Planète Urgence would plant a tapia, a tree species endemic to Madagascar and main food supply of the wild silkworm. The TAPIA project aims to rebuild tapia forests, which have been ravaged by human activity, and restore Madagascar's ecosystem while supporting the development of the wild silk industry.

4.2. *Creation for Society:* Imagining the society of tomorrow

4.2.1. OUR PRIORITY: MAKE CULTURE AND EDUCATION MORE ACCESSIBLE

The very nature of Vivendi's business requires the group to take critical responsibilities. Culture is both a cornerstone of life in society and an important way of empowering people at an individual level. The current health crisis has emphasized the key role that the group's businesses play in people's daily lives. These are times in which Vivendi's responsibility, in terms of the stories and events it produces and broadcasts, has never been so essential.

With its growing investment in content (€4 billion in 2020), Vivendi believes in supporting ambitious, multi-faceted creative content. Promoting all cultures and sensibilities, providing quality entertainment and education, and responding to the major challenges of the 21st century are all ways, expressed through its core business, in which the group contributes to building more open, emancipated societies.

Vivendi is moving forward on this pathway with its *Creation for Society* program. As the world adapts to the consequences of the crisis, the group strives to reach specific goals by 2025 including ramping up its action to make culture and education more accessible and supporting the emergence of stories that help imagine and build the societies of tomorrow.

4.2.2. PROMOTING AND PROTECTING ALL CULTURES AND SENSIBILITIES

■ 4.2.2.1. Fostering a diversity of cultures and supporting creativity

Identifying and attracting talent worldwide

Discovering and investing in new talents, by guaranteeing that their promotion potential will be maximized, creates value in two ways: for Vivendi's business model and for renewing the cultural landscape of the countries where it operates. Vivendi entities that go about this by drawing on external talent use the tools and channels specific to their business.

At UMG, the goal of the A&R (Artists & Repertoire) teams is to sign talented artists around the world who will contribute to the enduring value of the group's music catalog. The first stops in spotting new talent are the usual channels, from live events to social media and more.

Discovering talent is equally essential in the audiovisual business as it is in publishing. Its short-form content *(Cher Journal, Clotilde fait un film)* gives Canal+ France the chance to assess the artists it identifies by having them collaborate on other projects. Canal+ Group rounds out this approach by supporting festivals in France (Cannes, Clermont-Ferrand) and attending events worldwide every year to find new talent. For example, Canal+'s film purchasing teams sit on judging panels in several competitions and film prizes that seek to promote emerging talent (Grand Prix du scénario – formerly the Sopadin Prize, Emergence, and more).

Managing one of the world's largest catalogs and offering quality films for international audiences, Studiocanal boasts unique appeal. Every year, groups of experts in film and series production review proposals received (averaging 600 projects per year) to subsequently present a shortlist to the investment committee.

Internationally, Canal+ Group signs talent through calls for projects, competitions featuring young talent, castings, meetings, development agreements, orders of pilot series, and so on. The group's employees share a list of identified talent that is updated almost daily.

Detecting talent also often means identifying untapped potential and helping it mature. Canal+ Group supports young filmmakers, screenwriters and songwriters in their creative endeavors through a variety of training formats, including residence-based writing workshops such as Talent Unlimited (an ambitious project of international residence-based screenwriting workshops for feature films and television series implemented in 2018 by Vivendi and Canal+ Group in collaboration with the Canneseries festival), writing and television series production workshops (organized by Canal+ Africa in partnership with CFI, the French media cooperation agency) and talent incubator programs (So Film, Jeune Public Folimage).

Editis's 49 publishing houses receive a large number of manuscripts, which represent an initial talent base. They also lead a talent watch on their contribution platforms (journals, blogs on the Nouvelle Revue Pédagogique and Lea.fr working groups), on social media, at conferences and industry trade shows in France and around the world. Editis uses literary scouts outside France, especially in the United States and United Kingdom, to gain early access to the rights to promising novels. Publishing houses themselves train teachers on the specifics of writing textbooks.

In order to break down potential barriers, cast a wider net when it comes to recruiting new talent and adapt practices to today's digital world, Vivendi's entities are also stepping up their use of less traditional initiatives and platforms to seek out new artists. This is the main role of UMG's distribution platform, Spinnup, which offers a space for independent artists to express themselves and be seen and heard. Spinnup had its best year yet in 2020, helping the group sign 24 artists in various countries (Denmark, France, Germany, Japan, New Zealand, Singapore, Sweden, the United Kingdom and the United States).

Similarly, Editis attracts new, unpublished talent via industry-specific tools and channels, such as partnerships with top schools (École de l'image Gobelins for Nathan, École nationale des chartes for Perrin) and online platforms for self-publishing, writing and sharing. The group has developed an entire ecosystem for detecting talent, also by working with a writing competition platform to find new writers and connect with its community (404 Factory). It uses a platform for spotting self-published talent (Librinova) and a manuscript flow management tool (Storylab) to make the process more efficient and to orient rejected works towards self-publishing channels. Every year, the opus by the winner of the 404 Factory Grand Prize is published by 404 the following year in both paper and digital format. Editis works with other media to transform existing works into other formats (e.g., Canal+ movies and Majelan podcasts).

Lastly, excellence is one of the group's best channels for attracting talent. Many artists who work with group entities are celebrated with honors from respected leaders within their respective industries (for an overview of the awards delivered to them in 2020, please refer to Section 3.1 in Chapter 1).

Retaining talent

Once artists have signed, the relationship moving forward must be built on trust, which is established differently in each business. Because every artist has their own vision of creation and career management, UMG offers a range of deal types. Every deal differs, and is individually negotiated, so there is a wide range of options available to artists to fit their unique needs. Thanks to the broad spectrum of UMG's businesses, from recorded music and music publishing to audio and visual content licensing, merchandising, live performances, audiovisual and film production, data analysis, digital innovation, distribution, marketing, communication advisory services, and branding, the group offers artists an ecosystem of support that places them at the heart of its activities.

Canal+ France's Artistic Talent Department, which operates under the Broadcasting and Content Department, is tasked with ensuring the long-term collaboration between the channel and its talent. Jamel Debbouze, who hosted the *Gala du Jamel Comedy Club* on Canal+ in 2020, is a prime example of long-standing collaboration with the group. Canal+ hopes to develop this type of relationship, which can be adapted to other content formats, with all its talent. The Artistic Talent Department puts forward recommendations on which talent to involve in the editorial proposals of existing programs and new formats. The Department sits on talent review committees with Studiocanal and other Vivendi group entities, such as Editis and Olympia Prod, to enable artists to diversify their work and maintain a continuous stream of project offers. Outside France, Canal+ Group retains its talent by creating long-term content (e.g., the series *Les coups de la vie* on the pan-African channel A+ features over 100 episodes per season; the series *Oasis* will return with the same talent for two additional seasons on Canal+ in Africa).

Editis builds strong relationships with its authors by widening the reach of their books and adapting them in various formats (paperback, audio, audiovisual content), and by developing partnerships with other Vivendi entities (conferences at group venues such as l'Olympia, or television and music collaborations). To guide its authors in branching out into new areas of expression, Editis has launched several initiatives such as *Bureau des Auteurs*, an innovative service allowing 200 writers from its publishing houses to address new audiences by speaking at events, seminars and meetings on nearly 400 original topics.

Promoting local content and talent

Supporting local talent is an essential vector for Vivendi's development. Through the vast diversity of its genres, origins and languages, the content that the group produces and broadcasts is an instrument for showcasing and promoting local cultures.

Group content is available ***in 63 languages***

UMG's extensive catalog spans all music genres. Local artists account for 60% of its revenues, which highlights the company's ongoing commitment to investing in local talent, infrastructure and skills. UMG's growth stems from its ability to develop its roster of artists with international reach, but also to spot and promote local artists, from young and emerging to best-selling acts.

Canal+ Group also invests in local creation. As a leader in movie and TV production in France and Europe, the group also plays a significant role in the countries where its subsidiary Canal+ International operates, investing in local content and providing access to international exposure.

In 2020, Canal+ financed ***113 French-language films*** *totaling* ***€96 million****, i.e.,* ***39%*** *of the films approved by the CNC*

In 2020, Canal+ actively supported the French filmmaking industry by prefinancing 124 films for €101 million, including 113 French-language films, for €96 million. Canal+ Group's youth channels are also major players in the production of animated series in France. In 2020, they financed 17 prepurchased or co-produced French animation series, totaling nearly €8.5 million. This doubled the amount invested in the previous year. Despite the monumental challenges that filmmakers faced in 2020, Studiocanal released 23 new feature-length films from 12 countries by directors of 10 nationalities in five of its regions. The company also operated 12 series from five countries. The production company recently acquired by Canal+ Group in Poland, Kino Swiat (one of the main distributors and producers of independent films operating in the country for nearly 20 years), financed 55 films and two series for over €5 million, distributed 18 films from 11 countries in Poland, and worked with 55 directors of 13 nationalities. Canal+ Poland also supported local creations by investing in the production and co-production of 141 Polish programs, including documentaries, films, series and immediate broadcast programs.

In Africa, Canal+ Group offers more and more original content every year. Working with 60 local producers, it has financed or co-financed over 2,000 contents (76 programs), for a total of more than €14 million. Its momentum re-energizes the audiovisual industry in Africa and consolidates the Canal+ Group's leading position. Canal+ Group has formally defined specifications for African producers. Through its co-productions and broadcast of three long-term fiction series *(Agent, Cacao, Hantés),* Canal+ Africa has been able to identify and retain more talent and therefore enhance their skills and expertise in developing and producing new long-term fiction works. The success of its content also promotes local cultures among audiences, as shown with the pan-African comedy program *Le Parlement du rire* (90% awareness, according to the Africa satisfaction survey, CSA 2020).

Protecting and promoting cultural heritage

Protecting and promoting the heritage of film, music, literary and game works is Vivendi's core business. These actions help safeguard the wealth of creative content and pass it on to current and future audiences.

With over 6,000 titles, Studiocanal acts as the vanguard for a tremendous film heritage. The films are stored in optimal conditions, modernized and promoted to reach a wide range of audiences through various channels. The company allocated a budget of over €2 million in 2020 to restoring, digitizing and promoting films from its catalog. In all, 132 films were restored or digitized over the year, including *Flash Gordon* for its 40-year anniversary. The film was re-released in theaters to mark the occasion, as were two other key assets from the catalog, *À Bout de Souffle* (60 years) and *La Haine* (25 years).

UMG actively promotes musical heritage through its rich and diverse catalog, with targeted local projects and strategic global campaigns. In 2020, over €10 million was spent on the conservation and digitization of UMG's archives, €1 million more than in 2019.

In line with UMG's overall approach to musical heritage, Universal Music Enterprises – the group's subsidiary in charge of music catalog – has signed an agreement with SOFA Entertainment Inc. for the global digital rights to the library of *The Ed Sullivan Show*, a primetime US entertainment program that ran from 1948 until 1971 and broadcast musical performances of legendary artists such as Marvin Gaye, The Supremes, The Beach Boys, The Jackson 5 and Diana Ross. This library contains roughly 10,000 clips from the show, covering all music genres. In 2020, the Deutsche Grammophon label partnered with Google Arts & Culture to continue its ambitious project to restore and digitize 78 rpm discs of remarkable works produced between 1900 and 1948. The audio documents now available online include previously lost recordings from Pietro Mascagni and Louis Armstrong, and readings by Leo Tolstoy.

To list, protect and promote the literary catalog assets of its publishing houses, Editis appointed an Asset and Digitization Director in 2020. To celebrate its 20th anniversary, Gameloft provided players with access to 30 of its iconic games bundled into an app available for free on Android, Gameloft Classics.

■ 4.2.2.2. Promoting balanced, non-stereotypical representation of diversity

In 2020, people around the world showed their support for the fight against both discrimination and the invisibility of certain communities in the media and its various content. Aware of the influence it yields as a global media and entertainment group, Vivendi is determined to represent the audiences it addresses in all their diversity.

Providing an environment conducive to diverse, inclusive creation

Various bodies, processes and commitments have been put in place within the Vivendi group to ensure a balanced representation of diversity in the content it produces and distributes.

In 2020, Canal+ Group reaffirmed the key role played by its *Wb your sister?* and *Wb your brother?* committees created in 2019. Bringing together representatives from all group business lines, as well as the Chairman of the Management Board and the Deputy Chief Executive Officer in charge of Finance, Strategy and CSR, these committees meet quarterly to discuss and improve gender equality and diversity representation in content, both internally and externally, across the group and its business partners. The Broadcasting Diversity Committee, on the other hand, meets three or four times a year. Led by Canal+ Group's diversity correspondent with French broadcast media regulator CSA, the committee notably brings together the directors of the channels concerned (Canal+, CNews, C8, CStar), as well as the Director of *Créations Originales*, the group's Head of Documentaries and the Talent Director. Every year, it makes commitments to the CSA about diversity on the group's channels and prepares an annual review for the report submitted by the CSA to the French Parliament. In addition, in all its prepurchase contracts, Canal+ Group includes a charter on gender equality and the representation of diversity without stereotypes. In late 2019, it was also one of the first broadcasters to sign the CSA's charter on the representation of disabilities and people with disabilities in audiovisual media.

Havas Group has also made the issue of representing diversity in advertising central to its commitments. In its internal guide on responsible communication, distributed to all agencies, Havas Group points out the group's responsibility in this domain and encourages its agencies to join industry initiatives that are driving change. An example is the global Free the Bid initiative, which encourages advertising companies to include at least one woman in the list of directors they propose to clients for each campaign. The need to enhance diversity in creative positions in order to develop non-stereotyped campaigns is also taken into account in *#CommitToChange,* an ambitious diversity and inclusion action plan launched by Havas Group in July 2020 (see Section 4.3.2.1 of this chapter).

In addition, to address growing concern among Internet users, and in line with its signature in 2018 of the European Code of Conduct on countering illegal online hate speech for digital businesses, Dailymotion became an active member in 2020 of the online hate speech monitoring unit hosted by the CSA.

The portrayal of women and gender issues

Vivendi particularly wants its content to convey an inspiring and non-stereotyped image of women.

The film industry has recently been the subject of rising criticism about the "male gaze", which refers to the way images are skewed and dominated by the perspective of men. In 2020, 26% of the Studiocanal films released in theaters were directed by women and 25% of series were directed by at least one woman. Among these films was *Radioactive,* which tells the story of Marie Curie and her struggle as a female scientist in a man's world at the end of the 19th century. Thanks to a socially engaged approach by director Marjane Satrapi, the film showcases strong women both on and off the camera. A special prerelease screening was held on March 8, 2020 in the United Kingdom to mark International Women's Day. In 2020, Canal+ Group's channels supported films featuring independent and inspiring women who find fulfillment in areas such as the martial arts and political activism *(Kung Fu Zohra, Annie, La Brigade).* They also broadcast a number of series where women play roles as the French President, the director of a spy agency and a police captain *(Baron noir, Le Bureau des légendes, Engrenages, Possessions).* Canal+ Group is also supporting women in Africa: 60% of the films and 19% of the series financed by Canal+ Afrique in 2020 were directed by women. In addition, Canal+ Elles is a channel dedicated entirely to women.

At Editis, publishing house Poulpe Fictions publishes books that break down stereotypes about women, such as *La Revanche des Princesses,* a collection of short stories written by female authors that deconstruct the conventional image of a princess. In 2020, for Mother's Day, Editis also showcased 20 inspiring works that celebrate women and the contributions they have made through the ages. The list includes biographies and other works about famous women like Marie Antoinette and Alexandria Ocasio-Cortez, as well as essays written by female authors. Aware of the role played by textbooks in the construction of gender representations, Retz forged an innovative partnership with French gender equality organization Centre Hubertine-Auclert for the elaboration of the Calimots reading method.

Havas Group also makes every effort to ensure the balanced representation of women in its advertising campaigns. The 2020 commercial made by BETC for Sephora's "The Unlimited Power of Beauty" campaign, for example, tells the story of a woman, from infancy to an advanced age, who reflects on the meaning of beauty over time and across the generations. The ad sends a positive message, free from stereotypes.

Lastly, Gameloft's catalog includes 37 games featuring female protagonists.

Stories that mirror the diversity of its audiences

In addition to tackling gender issues, Vivendi is also committed to reflecting the diversity of its audiences.

To mark the 57th anniversary of The Great March on Washington and celebrate the heritage of the Civil Rights Movement, in 2020, Motown Records issued the first digital release of the historic recording, including Martin Luther King's iconic "I Have A Dream" speech. Motown also launched several other digital initiatives in tribute to this historic event, including a March on Washington playlist featuring tracks by seminal black creators such as 13-time Grammy Award winner (and Pulitzer Prize winner) Kendrick Lamar.

Canal+ Group distributes content featuring the elderly *(À nos âges, Une vie d'écart),* enhances the visibility of people with disabilities *(ZeroZeroZero, SOS Solidarité Opération rénovation)* and, since late 2019, offers a space dedicated to LGBTQIA+ creations thanks to the Hello channel. It also broadcasts content that showcases people from diverse backgrounds *(Kem's, Le Show de Noël must go on, Entre les vagues).* With hit series *Validé,* which had more than 20 million views on myCanal within two months of its release, Canal+ Group offers audiences a drama set for the first time ever in the world of French rap, with a young, diverse cast of actors. Underneath a light and comical but realistic tone, Création Décalée series *Narvalo* has a significant social dimension. It portrays the suburbs in a positive light and gives voice to characters from a range of communities that are generally underrepresented in fiction or stereotyped. Canal+ Group also offers content, in the form of dramas and documentaries, that helps raise public awareness of important modern-day issues such as transgender culture *(Un Homme heureux),* sexual consent *(Les Choses humaines),* the integration of immigrants *(Pour la France),* abortion *(L'événement)* and mental health *(La Science des émotions).*

At Editis, school book publishers also ensure the balanced representation of different demographics in their textbooks and Le Robert dictionaries provide a balanced representation of feminine and masculine words. In literature, a diverse range of topics are covered in fiction and non-fiction, including transsexuality, beauty and aging, immigration, sexism and gender stereotypes. Education specialist Nathan takes particular care to represent all types of families and has redesigned its website *Grandir avec Nathan*, which helps parents support their children's education, to reflect this.

Inspiring young audiences

Through the stories told and the messages conveyed, the group's content can help younger generations develop an open mind.

The children's book publishers at Editis (e.g., Nathan, PKJ, R, Hemma, Gründ, Langue au chat, Dragon d'or, Slalom, Poulpe fictions and 404) take care to propose books that provide infants and children with a diverse, modern and high-quality representation of the world, both in terms of text and illustrations. Slalom has adjusted its editorial strategy to focus on children's books about issues like anorexia *(Je ne voulais pas vous faire pleurer),* obesity *(Jemima Small),* racism *(Black Kids),* women's rights *(Celle que je suis)* and emotional dependency *(Passionnément, à la folie, à la folie).* Efforts are also being made to ensure the balanced representation of diversity in textbooks, covering such areas as visible minorities, children and adults with disabilities, important but unacknowledged women in history and the balanced representation of male and female anatomies. Certain textbooks, such as those published by Bordas and Nathan for Civics and Philosophy, also include pages dedicated to combating stereotypes.

The Canal+ children's channels also educate younger audiences about delicate issues like school bullying *(Marc en peluche),* serious illnesses *(Jenny),* sexism and diversity *(Mustangs FC),* sexual and street harassment *(Yolove)* and the duty to remember *(Une Vie nous sépare).*

In a similar way, Gameloft has partnered with Unicef and Vayner Media London to create an online game that enables players to view refugees in a different light. *Unlock Their Potential* was inspired by the real-life stories of three refugee children, Nora, Pouya and Sama. As the game's characters, the children are transformed into heroes, defying stereotypes, overcoming adversity and inspiring others. Gameloft teams worked with the three children to include them in the creative process.

4.2.3. FACILITATING ACCESS TO EDUCATION AND CULTURE

Vivendi leverages its diverse business lines to create, produce and distribute enriching content. It also undertakes initiatives and forges partnerships that facilitate access to education and culture for as many people as possible and more particularly for the younger generation.

4.2.3.1. Promoting access to high-quality education

Through its Education division and particularly Nathan, its publishing house dedicated to education for over 130 years, Editis provides support for teachers and families from preschool to workforce. Given the nature of its core business, the publishing group makes a key contribution to Vivendi's commitment to education.

School book publishers at Editis share documented, qualified knowledge that is aligned with the educational programs designed by France's Ministry of Education. Several years ago, the group's Education division initiated a program known as *Du labo à la classe©*, which aims to use research results to drive innovation in the classroom for the benefit of students.

This goal is also behind the design and creation of educational social network Lea.fr, which brings together a community of more than 130,000 teachers and provides a forum for the discussion and experimentation of new ideas. It is also the reason why Nathan has been working closely, since 2017, with neuroscience lab LaPsyDé to contribute to the development of cognitive science research in education and fuel its own educational and editorial strategies. In particular, Nathan supports the Neuro-education and creativity chair and funds a research training contract for action research on the brain's inhibitory system with the Lea.fr community. Alongside LaPsyDé, Nathan has also developed the Flexigame collection of games, based on the latest research on how children's brains function. Nathan has also forged a partnership to support the educational use of artificial intelligence in primary school math lessons, with a math teachers' association (APMEP), start-ups and specialists in user interfaces and artificial intelligence.

Since the transmission of knowledge is not limited to the classroom, Editis also covers children's literature, creative initiatives (e.g., writing competitions, word creation and reading challenges) and games. In fact, a new board game publisher – 404 on Board – was founded in 2020. Its aim is to develop board games based notably on best-selling books (like *Lord of the Rings,* the first work to be adapted) and prestigious partnerships (Louvre Museum, Mont-Saint-Michel and Château de Versailles).

Audiovisual content is also a source of learning. In Poland, Canal+ Group is developing an educational program based on films distributed by Kino Swiat, meticulously selected with the help of education experts certified by the Polish Ministry of Education. These programs are distributed in more than 14,000 primary schools and 8,500 middle schools across Poland.

The Canal+ children's channels help to broaden children's horizons and teach them about important issues through diverse, educational content such as *La Minute d'Ernest et Rebecca,* a program developed in 2020 to explain the Covid-19 pandemic, and the animated short film *Kiko et les animaux,* which raises awareness about human domination of animals. For children aged seven to ten, Canal+ Group also provides content that stimulates their curiosity, hones their thinking skills and fosters a sense of team spirit. In *La Cabane à histoires,* a group of friends get together to read classic children's books. The pages of each book come to life on screen and often help the show's child protagonists deal with their everyday concerns. The program won an International Emmy Kids Award in 2018. In *Dans le studio,* children meet their favorite musicians and get the lowdown on how they wrote the lyrics of a particular song or what happened in the recording studio. The children's channels also offer content that raises awareness about foreign languages *(My little songs)* and sign language *(Au pays des signes).*

In 2020, Gameloft also created an edutainment experience via its Applaydu app developed for Ferrero, encouraging moments of complicity between children and their parents and providing opportunities to learn while having fun. The app was designed with input from Oxford University's Education Science Department with the aim of developing a game that uses and enhances cognitive skills such as mathematics, motor skills, reading, writing and memory.

4.2.3.2. Offering increased access to culture and entertainment by supporting local organizations

The health crisis has highlighted the need to broaden access to culture and entertainment, with a particular focus on people living with financial difficulties or from disadvantaged backgrounds.

Through its Vivendi Create Joy solidarity program, Vivendi has already been taking action for over a decade to facilitate access to culture among young people. The program works alongside non-profit organizations who help underprivileged teenagers and young adults realize their potential in cultural projects that relate to the group's artistic universe, such as orchestral training *(Orchestre à l'école* project) and writing workshops *(Le Labo des histoires* project). In 2020, around 6,000 young people benefited from initiatives supported by the program to enhance access to culture. Since 2018, Vivendi has also been a major sponsor of the Demos program run by the Philharmonie de Paris. This program aims to facilitate access to a musical education and orchestral training for children who come from disadvantaged urban communities or from rural areas with insufficient cultural resources.

Taking a similar approach, Editis supports non-profit organizations and funds that promote reading. One example is Biblionef, a non-governmental organization recognized by Unicef and the Council of Europe and placed under the patronage of the French National Commission for Unesco, which Nathan has partnered since its creation in 1992. Biblionef aims to facilitate access to books and reading in the French language for disadvantaged children and teenagers all over the world by setting up or supplying libraries.

In the United Kingdom, UMG supports London-based positive lifestyle charity, XLP, which works to encourage young people from underprivileged neighborhoods to finish their studies. XLP has developed the X-Mobile Project, a mobile studio touring disadvantaged areas of London designed to help young people use music not only to express the behavioral, learning and emotional challenges they face, but also to find positive pathways to success. Similarly, in Australia, UMG has supported Musicians Making a Difference (MMAD), a charity that helps young people through hard times, for six years now. In 2020, employees from UMG Australia mentored a group of 10 young people from MMAD to help them build a powerful campaign celebrating the power of music on well-being and mental health. The "Music Saved Me" campaign theme led with a track written by the MMAD kids, with guidance from the songwriter/producer Alice Ivy.

While numerous group entities made content available free of charge during the health crisis (see Section 1.3 of this chapter), initiatives were already in place to facilitate access to group content for those with limited financial means. In Poland, for example, Kino Swiat is part of the *Kultura Dostepna* (Accessible Culture in Polish) project organized by the country's Ministry of Culture and National Heritage. To facilitate access to cinema culture and promote Polish films, the project enables audiences to watch films from the company's catalog in theaters at preferential rates. In France, Studiocanal supports the *Cinema solidaire* campaign for underprivileged people by donating DVDs. In Africa, Canal+ Group has taken the Canal+ Sport 1 channel out of its premium offering and included it in Access, its cheapest subscription offering. The group also proposes a low-cost DTT offering in Africa for low-income households.

The pandemic has highlighted just how important access to culture and entertainment is to everyone's well-being and development. Vivendi therefore intends to step up its initiatives in this area in the coming years.

4.2.3.3. Making content accessible

To ensure accessibility for all audiences, the group also adapts its content to the needs of people with disabilities.

Subtitling and audio description

In line with its commitments to the CSA, Canal+ makes the following proportion of its programs accessible to people who are deaf or hearing impaired, particularly during peak viewing hours: 100% of Canal+ programs in France, French West Indies, New Caledonia, French Guiana and La Réunion; at least 50% of Canal+ Cinéma programs, at least 40% for Canal+ Sport and at least 20% for Canal+ Family, Canal+ Décalé and Canal+ Séries. CNews broadcasts news programs with subtitling for the deaf and hearing impaired and two news programs translated into sign language. In addition, several shows on Canal+ children's channels are available in sign language, including *Mush-Mush & les Champotes, Gribouille, Trotro* and *Barbapapa.* From a technical perspective, subtitling for the deaf and hearing impaired is now available on the latest set-top boxes, and Canal+ provides customer service adapted to the deaf and hearing impaired on its Android, iOS and Web platforms.

Canal+ also provides audio descriptions for at least 150 new programs every year to make content accessible to the blind and visually impaired. Since 2020, *Créations Originales* contracts also require an audio described version, strengthening the group's commitment in this area. An innovative initiative was also launched in 2020 to audio describe an adult film on Canal+.

Havas Paris has automated the subtitling of its own publications and audiovisual productions on social media and systematically recommends to its clients that they make their TV commercials accessible (via subtitling for the deaf and hearing impaired and audio description for the blind and visually impaired). Rosapark also offers subtitling for its audiovisual campaigns. Lastly, BETC offers teletext captioning to all advertisers to make their advertising accessible to people who are deaf or hearing impaired and BETC Digital offers e-accessibility for websites.

Other accessibility resources

At Editis, efforts to make publications more accessible are carried out in partnership with France's national publishing industry body, the SNE. Editis is part of the SNE's Digital Committee and its Standards working group, which notably reviews the definition of standards for the accessibility of publications in liaison with the European Digital Reading Lab and the various associations that represent people with disabilities. Editis has also drawn up its own accessible publishing guidelines, which it shares with its suppliers.

The editors at Nathan Jeunesse have received training on the reading difficulties encountered by people with disabilities. To ensure that all children can experience the joys of reading, Nathan has developed the Dyscool collection of children's books, which offers a version adapted to suit those with dyspraxia and/or dyslexia. Similarly, Pocket Jeunesse has created the Dys/10 collection. Fiction and extracurricular content were also adapted in 2020. In addition, sign language is promoted through various publications, including the recently released introduction to sign language set for families with babies.

■ 4.2.3.4. Strengthening cultural infrastructure in Africa

To enhance the cultural offering and make culture more accessible in places with less developed infrastructure, Vivendi continued to roll out its CanalOlympia movie theaters and performance venues in Africa during the year, despite the global health crisis.

At year-end 2020, the network included 16 venues in 12 countries, each with a capacity of 300 people for indoor events and several thousand for outdoor events. Due to an adapted pricing policy, CanalOlympia venues enable as many people as possible to discover the best of global and African cinema and to participate in numerous concerts and other events.

Some of these venues are located inside larger complexes known as Bluezones, which provide free or affordable cultural activities, as well as access to the Internet, sport, mobility, drinking water and solar energy. New initiatives are also being rolled out and tested in areas such as business incubation, training (English lessons, coding and robotics workshops for children), education for young people via radio, agricultural (aquaponics), music, and arts and crafts.

4.2.4. FOSTERING THE EMERGENCE OF STORIES AND CONTENT WITH A POSITIVE IMPACT

Inspiring emotion and stimulating critical thinking as a means of surprising and challenging the audiences, offering openness and providing insight into current events, and putting their creative capacities to work for great causes are just some of the ways in which Vivendi's businesses can help shed fresh light on the world through media content, advertising campaigns and live or online events.

In line with this commitment, Vivendi has decided to team up with *Le Temps Presse,* an international film festival that aims to raise awareness about the Sustainable Development Goals and get viewers thinking about how they want the future to look. The partnership between Vivendi and *Le Temps Presse* provides for several group businesses – Canal+ Group, Editis, Dailymotion and CanalOlympia – to be involved in various aspects of the event. For its 10th edition, in April 2021, it included a film festival for the general public, a professional marketplace for social impact films and an educational component for young people aged 8 to 25 via the allocation of Youth Awards.

■ 4.2.4.1. Raising awareness of social issues and potential solutions

Alongside works of fiction, documentaries also play a key role in Canal+ Group's offer of socially engaged content.

Its Planète+ channels address many of the challenges facing society, including climate change, health issues and violence against women. A special program about this last topic was aired on Planète+ Crime Investigation in 2020. In other documentaries, humor is used to question popular beliefs. This is the case, for example, in the "C'est mieux ailleurs ?" collection. This original Planète+ production looks at different countries' practices in areas like taxation, employment, social achievement and ecology with the aim of investigating approaches that are often cited as models.

To provide greater visibility for those who are trying to change the world and the practical solutions they are implementing to achieve this, Canal+ Group created the *Les Eclaireurs* digital platform in 2020. With the same name and the same goal as a documentary slot on Canal+, this new platform showcases positive impact initiatives from around the world through inspiring stories and portraits. Among economics, agriculture, ecology, social progress and solidarity, the topics covered are many and varied. The platform also proposes content in the form of podcasts.

The publishing houses at Editis also address key social issues through various literary genres, including fiction, essays, self-help and children's books. Human and social sciences publisher La Découverte specializes in books that help readers interpret the world's transformations thanks to works by recognized authors and researchers.

Content that raises awareness about the green transition (Section 4.1.3) and stories that promote diversity (Section 4.2.2.2) also contribute to the commitment made by Canal+ Group and Editis to offer content that has a positive impact and helps provide a new perspective by combining education, entertainment and emotion.

■ 4.2.4.2. Uniting people through music and ideas

Vivendi also uses the unifying power of music to raise awareness of key social issues among its audiences.

During lockdown, the group's teams worked hard to find new ways of entertaining and educating audiences, as illustrated by the organization of charity concerts during the early stages of the pandemic (see Section 1.3 of this chapter).

In 2020, U Live (Vivendi Village) was scheduled to launch the Kite Festival, an innovative concept combining music and ideas. When the inaugural festival, initially planned to take place in Oxford (United Kingdom), was postponed, U Live found an alternative method for implementing the project, in collaboration with its partners Tortoise Media and Neapolitan. Three Kite Digital ThinkIn interactive discussions were streamed online with guest speakers initially scheduled to take part in the festival. The first, an exploration of whether our personality types determine how we respond to Covid-19, attracted a thousand viewers.

Similarly, for J2v, the virtual version of the Junction 2 festival (see Section 1.3 of this chapter), Vivendi Village teams decided to dedicate the second day of the event to discussions about the roots of electronic music and the impact of black culture and the black community on the genre and its industry. All profits from the event were donated to causes such as Black Lives Matter and The Care Workers Charity.

4.2.4.3. Supporting meaningful advertising

Havas Group has set itself the challenge of making its advertising campaigns meaningful. By helping its clients meet the expectations of citizens and by accompanying change in all of their brands' dimensions, Havas Group contributes to building a new model for society and helps forge new forms of engagement through communication. In fact, meaningful communication is one of the three pillars on which Havas Group has built its own CSR program, in line with Vivendi's *Creation for the Future* program.

In 2020, during a year shaped by historic events like the 50th anniversary of the first Pride March, the Black Lives Matter movement and the Covid-19 pandemic, Havas Media decided to further engage its collective responsibility and embrace a broader vision of its status as a meaningful media network. Driven by this commitment and by its determination to communicate for everyone's benefit, Havas Media became the first global advertising agency holding company to join the Conscious Advertising Network, a coalition of 70 organizations committed to making advertising more ethical, in terms of both practices and the messages conveyed.

Pro bono campaigns play a key role in Havas Group's approach, which helps make advertising an accelerator of virtuous behavior. Despite the pandemic's impact on their business operations, Havas Group agencies continued to support numerous projects free of charge during the year.

> ***77 pro bono campaigns** carried out by Havas Group agencies in 2020*

In 2020, faced with an increase in cases of child abuse during lockdown in France (+89% according to French Government figures), non-profit L'Enfant Bleu joined forces with Havas Sports & Entertainment to create a character in the video game Fortnite to enable victims of child abuse to seek help discreetly. The character was available 24/7 for a whole month thanks to members of the non-profit organization and volunteers from Havas Sports & Entertainment, who took turns to keep the initiative going until the lockdown period ended. Of the 1,200 children who made contact with the character, 30% reported problems at home. The campaign was notably applauded by the French Secretary of State for Child Protection.

4.2.5. BEING VIGILANT ABOUT THE IMPACT OF CONTENT IN THE DIGITAL AGE

Vivendi is fully aware of its influence and therefore makes sure that the content it produces and distributes is not harmful to its audiences, especially the most vulnerable populations.

4.2.5.1. Initiatives implemented in the area of responsible content

Canal+ Group

Canal+ Group has had an Ethics Charter that sets out the principles of information ethics since 2008. In France, the editorial independence of newsrooms is ensured by the professional ethics charters jointly drafted and signed, between late 2017 and 2018, by the respective representatives of CNews journalists on the one hand and the rest of the group's channels on the other. An ethics committee has also been set up for DTT channels, as required by law, to ensure the fairness, independence and pluralism of information and programs.

With regard to the on-air presence of political figures, two people in the group's Editorial Legal department keep a tally of airtime given to politicians during its programs and report back to editorial teams, allowing them to make any adjustments required to achieve a fair balance in terms of political pluralism.

The principles outlined above apply in particular to the group's news channel CNews, which also has an editorial office that operates collegially to ensure compliance with the professional principles of journalism.

Havas Group

To ensure responsible communication and the truthfulness, clarity and fairness of the information stated in its messages, Havas Group shares its Code of Ethics with its subsidiaries, which share it in turn with all their stakeholders. The agencies of Havas Group apply these guidelines while integrating specific aspects related to their activity, as well as particular features of local law. They have internal control procedures to ensure that the advertising campaigns produced comply with rules of good conduct, and that they are not liable to be modified or, in extreme cases, prohibited by the regulatory authorities. Most often than not, these control procedures call on input from the legal teams, who work closely with the group's sales representatives. The group also cooperates with various national professional self-regulatory bodies, such as the Advertising Standards Authority (ASA) in the United Kingdom and the French advertising self-regulatory organization (ARPP) in France.

The ethical commitment of Havas Group's Media division is also reflected in its approach, which is aimed at ensuring that advertisements are broadcast in an appropriate environment that does not present risks for the advertiser (known as brand safety). Havas Media goes beyond the more traditional approaches to brand safety, based on site blocking. Instead, it focuses on proprietary solutions that evaluate the relevance of inventories and provide recommendations for media plans that not only protect the reputational integrity of brands but also ensure that their exposure is aligned with their positioning (see Section 4.3.5.2 for examples).

Gameloft

Ensuring responsible content for gamers, parents and partners is a key priority for Gameloft. Detailed rules have therefore been drawn up to control each game from the creation and development phase and throughout its lifetime, especially when updates are made. In accordance with the guidelines issued by digital stores (e.g., Apple Store and Google Play) and local regulations (the most demanding standard being taken into account), Gameloft's Legal department has established rules relating to both the content of games and the presence of advertising and in-game purchases. These rules – some comprehensive, others specific to each game – are rounded out by Gameloft's internal copyright protection policy. Internal teams of testers are dedicated to quality assurance and are tasked with detecting all cases of non-compliance.

For advertising content, whether direct deals or programmatic advertising, Gameloft has established whitelisting and blacklisting procedures that take into account the guidelines provided by licensors and whose application is subject to controls by quality assurance teams and manual validation. Due to the effectiveness of these procedures, in September 2020, Gameloft was awarded the TAG Certified Against Fraud Seal by the Trustworthy Accountability Group, which promotes transparency and fraud protection in digital advertising.

Dailymotion

To optimize protection of copyrighted content and strengthen its close relationships with rights holders, Dailymotion uses, in tandem, two content protection solutions developed by France's National Audiovisual Institute (INA) and Audible Magic, thereby creating a virtuous cycle in support of rights holder's digital strategy. In line with regulations, Dailymotion also provides online users with an easily visible and accessible alert system for reporting content that is inappropriate or infringes intellectual property rights.

As a member of the SRI, France's Internet advertising trade union, Dailymotion has undertaken to comply with the SRI's quality charter, thereby ensuring strict, clear guidelines on service quality, transparency, business ethics and user comfort. In 2020, Dailymotion was certified by the Trustworthy Accountability Group as part of its TAG Brand Safety Certified program, the world's largest program aimed at combating criminal activity and protecting brand safety in digital advertising.

■ 4.2.5.2. Media literacy

In this digital age, where fake news and rumors are increasingly common on social media, Vivendi has a responsibility to help younger generations understand the world around them and form their own opinions about key issues.

With this in mind, Vivendi supports the Innov'Avenir program, led by the Les Entreprises pour la Cité network. This program aims to empower young people in under-privileged areas to understand the 21st century, broaden their professional horizons and become active members of the digital society through initiatives that help them decipher information and manage their online identity.

Similarly, the Canal+ children's channels introduce young audiences to the digital world via three dimensions: computer and cultural knowledge, creative and technical skills, and the behaviors to adopt to be a good digital citizen. One example is the *Culture Décode* series, which helps children aged 9 to 14 understand key digital culture concepts.

Textbooks published by Bordas and Nathan, particularly for Civics and Philosophy, include activities that focus on deciphering content in mainstream media such as television, advertising, magazines and video games. Lea.fr, the educational social network created by Nathan for the primary school community, regularly publishes resources to help teachers work on these topics in class. The "Philo z'enfants" collection proposed by Nathan introduces children to Philosophy and to the idea of taking into account the opinions of others. In addition, Robert Laffont has published *Manuel d'autodéfense intellectuelle,* a book designed to help younger generations identify doublespeak, fake news, online rumors, shortcuts and biases of all kinds.

In compliance with France's law against the manipulation of information, Dailymotion has introduced various measures to address this problem. To prevent misinformation, Dailymotion provides its subscribers with a news roundup comprising verified media content and uses algorithms to give priority to videos and mini-documentaries proposed by verified media partners. Since 2018, users can also report fake news via a specific reporting system. A new, easier-to-use reporting interface was deployed in 2020. Lastly, Dailymotion has adopted regulations dedicated specifically to combating misinformation.

■ 4.2.5.3. Protecting young audiences

Vivendi operates in industries where stringent laws and regulations are in place to protect young people. The group ensures strict compliance with these laws and regulations and also takes additional measures to provide advance, cautionary information regarding its content.

UMG voluntarily participates in the Parental Advisory Label program, which encourages the use of "explicit content" markings on releases whose language may be inappropriate for younger audiences. UMG has a Corporate Lyrics Review Committee, which reviews upcoming releases for explicit content. In some instances, the Committee's review may lead to consideration by the artist about making the same point in a different way.

Protecting children and teenagers is a principle enshrined in Canal+ Group's Ethics Charter. In line with this principle, Canal+ Group has set up two viewing committees, dedicated respectively to films and to other content. Comprising four members each and under the responsibility of the Programming Department, these committees ensure that the principle of child protection is taken into account in the broadcasting of programs on the Canal+ television service. For other group channels, content validation is managed by the teams in charge of programming or editorial strategy or, in the case of C8 and CStar, by the Compliance Department. Canal+ Group also proposes parental control tools and rates content by age range. On the myCanal platform, children have their own secure, personalized Kids space, which gives them access to ad-free children's programs.

All Editis children's publications are subject to French Law No. 49-956 of July 16, 1949 on publications for young people. In the case of books for infants, this law is supplemented by the French decree on toy safety (Decree No. 2010-166 of February 22, 2010 transposing European Directive 2009/48/EC on the safety of toys; toy standard). These rules apply in particular to the preschool resources published by Nathan and its wide range of educational books and learning materials, designed in close collaboration with education professionals. Given that these products are aimed at children aged two to six, Nathan is extra vigilant about the health and safety of its young consumers. Detailed procedures are in place to manage complaints received from preschools in the event of even the smallest accident or alert.

All Editis content intended for children is reviewed by France's Commission for the supervision and control of publications intended for children and adolescents, a joint body set up by the aforementioned French Law of July 16, 1949, but also by several categories of stakeholders, such as parents (whether members of a parents' association or not), teachers' associations, professional federations, the general public, the media and social networks. Remarks from any of these channels are systematically reviewed and give rise to a response or to corrective action.

At Gameloft, games are presented with the greatest transparency, in terms of both visuals and descriptions, and are clearly classified using an age rating system. They also have a system that prompts the player to verify their age to access content. On games not designed for audiences of any age, access is then blocked for users under 13. In some cases, only specific elements are blocked, such as targeted ads. Games also include features that enable users to report hateful, discriminatory or degrading content.

Dailymotion is also very committed to protecting minors and young Internet users and has signed the Safer Social Networking Principles associated with the European Union's Safer Internet program. Its prevention and protection measures include the use of a parental filter as a default setting and a response system that gives priority to reports of content containing child pornography or violence against children. Dailymotion addresses these issues in collaboration with France's Central Office for Combating Information and Communication Crime (OCLCTIC) and its PHAROS reporting platform.

4.3. *Creation With All:* Building a more responsible world together

4.3.1. OUR PRIORITY: CONTRIBUTE TO A MORE INCLUSIVE WORLD

Vivendi's businesses are built on passion, creativity and talent. Diversity, equality and inclusion are central to their identity and among the major commitments made by the group, which is present in 82 countries.

Because everyone's differences are a source of wealth, Vivendi places individual skills at the heart of collective performance. Making its businesses more inclusive is a long-standing commitment that the group fulfills both internally and externally, notably through the support provided by Vivendi Create Joy to people working to enhance access to the creative professions. Vivendi recently strengthened its approach by launching multi-business working groups on disability inclusion and equal opportunity and by creating a global Inclusion & Diversity task force in charge of drawing up proposals for joint initiatives to be implemented at group level.

The *Creation With All* program provides a global framework for these initiatives, enabling Vivendi to increase the intensity and impact of its commitment to creating a more inclusive world.

4.3.2. PROMOTING DIVERSITY, EQUALITY AND INCLUSION

■ 4.3.2.1. Eliminating discrimination

Eliminating all forms of discrimination is one of the priorities targeted by the diversity, equality and inclusion programs implemented by the group's businesses. The group is committed to providing equal opportunities for everyone in recruitment, mobility, promotion, training and compensation, regardless of ethnic, social or cultural origin, gender, religion, age, sexual orientation, personal life or disabilities.

To create an environment aligned with their culture, values and challenges, all group companies are committed to promoting diversity within their organization and actively pursue a policy of equal opportunity and equality of treatment for everyone.

Vivendi's businesses deploy training and awareness programs on diversity and inclusion issues, particularly among human resources teams and managers, who play a key role in promoting diversity and inclusion in the workplace. They also propose initiatives to help employees better understand and manage prejudice, bias and the judgment of others. The action plans implemented in this regard take into account local and cultural challenges with regard to discrimination and generally include three complementary dimensions: the signature of diversity and inclusion charters with recognized organizations, the creation of inclusive working groups to drive and monitor change, and the creation of dedicated working groups to address specific issues.

In France, Vivendi and Canal+ Group are long-standing signatories of the Diversity Charter promoted by the Les Entreprises pour la Cité network. Gameloft and the Editis group's Education and Reference division (Sejer) joined the list of signatories in 2019. Another signatory to this charter, Havas Group's BETC also signed the Corporate and Territorial Charter in 2016, which promotes local development in the Seine-Saint-Denis Department outside Paris.

Canal+ Group has defined its diversity and inclusion policy based on five key priorities: gender equality, health and disability, generational diversity, racial diversity and the LGBTQ+ community. Two committees have been set up by Canal+ Group to define and implement action plans in this area. The *Wb your sister?* committee is more specifically dedicated to gender parity and the *Wb your brother?* committee to diversity (see Section 4.2.2.2 of this chapter). In 2020, for the fourth year in a row, Canal+ Group gave young people from diverse backgrounds the chance to participate in its *Grand Match de l'Égalité des Chances* initiative, which aims to seek out the best editorial talent while promoting diversity within its teams, both in front of and behind the camera.

In response to increased awareness about systemic racism, UMG created the Task Force for Meaningful Change (TFMC) in 2020 to strengthen existing diversity, inclusion and social justice policies within UMG. The TFMC team, which includes members of senior management, works to amplify and expand UMG's current programs, devise new initiatives and support marginalized communities in the ongoing fight for equality, justice and inclusion. This is notably achieved by providing aid and financial support to organizations working in various areas (e.g., housing, legal assistance, mental and physical health services); identifying and adopting global policies and initiatives to address racism, intolerance and bias; and reviewing internal procedures to improve access, recruitment, advancement and retention of a diverse workforce at all levels within the company including leadership positions. In addition, since 2017, UMG has been partnering the USC Annenberg Inclusion Initiative, a global think tank aimed at promoting diversity and inclusion in entertainment, notably through the participation of women, and particularly women of color, in the entertainment business. In 2020, it strengthened this partnership to address the urgent issues of racial justice and equality in the recording industry.

Determined to join the general movement to condemn racism and aware of the low representation of diverse talent in the advertising industry, Havas Group has stepped up its commitment in this area by developing an ambitious plan initiated in the United States, known as *#CommitToChange.* Unveiled in July 2020, the plan is part of Havas Group's global diversity, equality and inclusion program All In, which was launched in 2018 and covered more than 150 actions in 42 agencies and villages in 2020 (compared to 100 actions in 39 agencies in 2019).

The #CommitToChange plan is based on seven commitments specific to employees who are Black, Indigenous or People of Color (BIPOC). It includes a comprehensive education and awareness program designed for employees at all levels, in which senior leaders participate actively. Other initiatives implemented as part of the *#CommitToChange* plan include reserving a significant percentage of internship opportunities for diverse talent and giving them priority for leadership development and mentorship opportunities.

An advisory committee on these topics has been set up for North America. Comprising senior leaders from the Media, Creative, and Health networks representing the Black, Asian, Hispanic, and LGBTQ+ communities, the nine-member committee is tasked with ensuring that the commitments in the *#CommitToChange* plan are met. In the United States, UMG and Havas North America have designed internship programs for students and recent graduates by forging special partnerships with Historically Black Colleges and Universities (HBCUs), participating in job fairs such as Here Are All the Black People (HAATBP), AfroTech and Power to Fly and supporting organizations aimed at the African-American community like the Congressional Black Caucus. Also, in the United States, many Employee Resource Groups (ERGs) have been set up, uniting employees around a shared diversity initiative and providing support to various communities, including women, Asians, Black people, Hispanics and the LGBTQ+ community. These employee-led groups facilitate networking and enable staff members to connect with one another, enhancing the sense of belonging to the organization.

4.3.2.2. Gender equality

Gender equality is one of Vivendi's core commitments, advocated by its Supervisory Board and all group entities. It helps foster a culture of inclusion and boosts the capacity for innovation on which our business lines depend.

Vivendi firmly upholds the importance of gender parity and diversity within management. It is determined to raise the percentage of women in top roles at all its business units by implementing specific initiatives promoting women in leadership and gender parity.

Gender diversity within the group's management bodies

Pursuant to Article 7 of the AFEP-MEDEF Code as amended in January 2020, at its November 16, 2020 meeting, Vivendi's Management Board set targets for women's representation in the group's management bodies, as recommended by the Supervisory Board. These targets were 32% for 2020, 34% for 2021 and 35% for 2022.

> *The proportion of women in the group's management bodies is* ***32%***

Vivendi's Management Board oversees the policy on gender diversity in management bodies:

- women now represent 33% of the members of the Vivendi Executive Committee;
- two women have been members of the UMG Executive Committee since 2015;
- following the announcement at year-end 2019 that a woman had been named as Studiocanal's Chief Executive Officer, she was appointed to the Canal+ Group Executive Committee, increasing women's representation on the Committee to 30%;
- women now represent 29% of Operational and Executive Committees at Havas Group;
- at Editis Group, women now account for 45% of Executive Committee members. In addition, its CEO is a woman;
- women are heavily underrepresented in the videogame industry. By appointing two women to its Executive Committee between 2019 and 2020, Gameloft upped the proportion of women on the Committee to 18%; and
- at 50% at year-end 2020, the Vivendi Village Executive Committee has the highest female representation.

Specific initiatives promoting women in leadership and gender equality

To expand the role of women in the group and improve gender diversity in management positions, Vivendi, UMG, Havas Group and Canal+ Group offer programs to promote women in leadership. Consequently, initiatives to change behaviors and combat stereotypes have been launched. They develop women's leadership and provide individualized support; facilitate dialog with "role models" to enable women employees to draw inspiration from women success stories in predominantly male positions; and organize regular meetings with executives to raise awareness of the importance of gender diversity.

Vivendi's Andiamo network, set up in March 2012, has turned into a community of 60 female business leaders from all of the group's French entities. Andiamo aims to support women in their professional development and help them break through the glass ceiling through empowerment workshops, coaching, conferences, inspiring stories, and more. In 2019, the network embarked on a new journey inspired by the *Learning Expedition* program (see Section 4.3.3.1 of this chapter) to also become a support network to further group projects.

Meanwhile, UMG offers two programs, *U.M.SHE* and *Universal Music Women's Network*. These programs are designed to support and facilitate women's career development in the music business, providing an outlet for women to share experience and know-how and promote their potential. In addition, they also offer access to an ecosystem giving them the tools to develop their individual talents. In France, Syndicat National de l'Edition Phonographique (SNEP) set up a mentorship program at the start of 2020 in which many employees of Universal Music France and other music industry companies participate.

Since 2018, Havas has offered its *Femmes Forward* program to promote women in management positions. The two-day training sessions take place over six months, followed by group coaching sessions. Since it launched, more than 150 women from 57 agencies in 23 countries have taken the program, resulting in a promotion rate of 50% in 2020 and a retention rate of 90%. Other initiatives, such as *Fight Club* launched by Havas Health and You, reflect Havas Group's desire to promote leadership among women.

Finally, Canal+ Group also started a women's leadership program, known as *Boost'Her*, which was placed on hold in 2020 due to the pandemic. It will be relaunched in 2021 and will focus on early-career women. In Africa, Canal+ International supports women in executive positions through the programs *Les Héroïnes* and *Women on Board*.

> ***51%*** *of group employees are women and* ***48%*** *of managers are women*

Vivendi aims to achieve equality at every level of the organization and at each step in the career path of its employees – recruitment, promotion and development. This objective is shared by all business lines and has been identified and developed into multiple forms of action, according to the specific needs of their businesses and culture.

Vivendi's commitment to this issue has led to the implementation of action plans and social progress measures going beyond existing provisions. These action plans work toward several goals: promoting gender parity in recruitment and respecting equality in terms of access to employment; ensuring equal opportunities in career development; guaranteeing equal pay between men and women performing the same jobs at the same skill level and with the same level of accountability and results; guaranteeing equality in terms of professional development and pay increases in the event of a career interruption for parental, maternity, paternity or adoption leave; and striving for a better work-life balance.

Most of the group's French companies have accordingly signed agreements on gender equality, including:

- agreements or action plans on gender equality at work, pursuant to the French Law of March 23, 2006 on the implementation of comprehensive measures (recruitment, promotion, compensation and maternity leave) and metrics to monitor the mechanisms put in place;
- parenting agreements or charters advocating equal treatment of fathers and mothers; and
- agreements on working hours to facilitate a work-life balance and measures to promote parental leave, including for men.

In France, the gender equality index measured the results of efforts made by the group's companies to allow women to develop professionally in the same way as men and with the same level of pay. Noteworthy index scores include those of Vivendi SE (86), Canal+ Group (89) and Editis (75% of its subsidiaries scored higher than 75 out of 100), as well as Havas Group companies BETC (91), Havas Media France (76), Havas SA (81) and Havas Paris (84).

Among the business line initiatives, Canal+ Group has decided to systematically take into consideration for any vacant job position at least one woman and one man, and has eliminated periods of maternity leave from the annual assessment, identified pay gaps for equivalent posts and taken remedial action. In the United States, UMG offers all its employees, regardless of their gender, four weeks of parental leave on full pay during the child's first year. In the United States, Havas Group, as a founding member of 3% Pledge for Pay Equity, is committed to an active policy on equal pay for women and men. Its three-step action plan starts with a diagnostic before making the necessary adjustments and implementing follow-up.

4.3.2.3. Employment and integration of workers with disabilities

Vivendi is a disability-friendly employer committed to integrating people with disabilities and combating discrimination against them. This commitment is built on a number of priorities, resulting in a comprehensive approach that takes into account the specific nature of the business and local law. It focuses on recruiting and integrating people with disabilities; creating conditions that encourage employees to notify the HR team of their disability so that they can implement appropriate support for their positions; establishing partnerships with experts and organizations that foster inclusion; training and educating employees, managers, HR teams and senior management to change their perspectives on disabilities; providing disability-friendly physical and digital access; and offering flexible work arrangements.

At year-end 2019, Vivendi created a working group on disability that includes all Vivendi companies. It meets twice a year. This group's goal is to discuss best practices in each company, coordinate shared initiatives, and find solutions while consulting external experts when required.

It provided the initial impetus for all group companies to join forces for the first time on an initiative for European Disability Employment Week (EDEW), which was held from November 16 to 20, 2020. Vivendi took this opportunity to renew its partnership with LADAPT, an association for the social and professional integration of people with disabilities. Various group companies worked together to organize a series of informative, educational webinars for employees that raised their awareness and allowed them to share experiences. Each of the proposed themes (invisible disabilities, mental health conditions, disabilities and inclusion and disabilities and accessibility) was covered by a different business line. Working together in this way gave everyone the chance to see complementary points of view, which offered a source of a greater wealth of information.

Vivendi group also pays particular attention to psychological illness and disorders. For instance, Vivendi is one of the three founding partners of Psychodon, which has set out to educate and address psychological illness by taking action in three areas: research, support and prevention. Psychodon held its third big event on October 6, 2020 at l'Olympia, broadcasting an incredible concert on the C8 channel during prime time. Vivendi aims to step up its initiatives on mental health conditions in the next few years.

Each of the business lines also conducts special initiatives to promote the hiring and integration of people with disabilities.

Canal+ Group

Canal+ Group's Mission Handi+ is a policy of hiring employees with disabilities that has been in place for many years. In 2020, Canal+ demonstrated its commitment by signing its fourth consecutive collective agreement on employing workers with disabilities. The new agreement includes the target of hiring 20 workers with a disability within three years while posting all jobs on the website of AGEFIPH (a French organization that helps workers with disabilities find employment), training all HR recruiters on anti-discrimination in hiring while also broadening sourcing to include new partners. Plans are also in place to provide disability training to all internal stakeholders and conduct annual communications and awareness-raising initiatives, as well as to develop measures that help workers remain in their jobs and support them in various ways.

Havas Group

Since 2009, the Havas Group has carried out a number of initiatives implementing a consistent, sustainable policy aimed at employing more people with disabilities. These initiatives are monitored by a special committee that meets every six months. During EDEW, in addition to contributing as part of Vivendi group, Havas Group offered a variety of workshops on mental health issues and hearing loss. To allow everyone to contribute in their own way, Havas Group has forged partnerships with dedicated recruitment players (e.g., LADAPT, Arpejeh and Tremplin) that offer employees the opportunity to serve as tutors, liaison officers or spokespeople to strengthen the link between people with disabilities and the world of business.

Other business lines

To meet its goal of employing more people with disabilities, Editis (Univers Poche) launched a partnership with ANRH, a French organization that promotes the professional and social integration and reintegration of people with disabilities.

In 2020, Dailymotion took part in Hello Handicap, an online job fair for people with disabilities, to raise its profile as a disability-friendly employer.

4.3.3. SUPPORTING AND PROMOTING TALENT WITHIN THE BUSINESS

Vivendi firmly believes that the group's primary strength is a direct result of the dedication of its people, and that their individual talent contributes to its success. The incredible engagement and energy shown by everyone in the group during the pandemic is yet another testament to this strength.

Like all its subsidiaries, Vivendi has adapted and done everything possible to ensure the continuity of its businesses and protect jobs while also complying with health and safety requirements for all its employees. That is how most positions were safeguarded at all businesses and throughout virtually all countries. Vivendi and its subsidiaries were also determined to continue with most of their programs and action plans after adapting them as required.

Under these conditions, the group's ability to attract, support and promote talent, and provide a working environment that fosters well-being, is critical to ensuring its long-term success and that of its employees. In this respect, the HR teams aim to match employee expectations with opportunities to develop and thrive within the constantly changing environment of Vivendi's businesses through experiences, career paths, and development initiatives that are consistent with their aspirations.

To help them achieve that, the HR teams work with managers to make sure that employees are listened to, particularly through surveys, interviews and other opportunities for discussion in which relevant feedback can be collected to understand expectations, adapt action plans and in turn improve employees' experiences and career paths. 2020 was a particularly good time to introduce a number of employee surveys and workshops that assessed how employees were feeling at various key moments of the public health crisis.

■ 4.3.3.1. Attracting and retaining talent throughout their careers

Attracting talent

All the group's businesses constantly strive to develop their talent base and to run a diversified recruitment policy closely adjusted to the needs of their various activities and specific functional typologies. This held true even though 2020 could have been a year when hiring slowed down, as the case may be for some activities of the group.

The business units improved their ability to attract talent with more engaging and direct employer branding and a stronger employer image on professional or high-impact social networks. This also involved participating in forums, organizing events for students and interns and developing careers websites that reflect the group's unique identity, history, expertise and human capital through testimonials and videos.

The business units develop partnerships with the leading schools and universities in each field for the profiles and technical skills needed (e.g., engineers, developers and technicians, digital specialists and data analysts) and with schools and universities offering an opportunity to diversify profiles. This provides a way of improving and boosting their employer brand, and therefore heightening the company's attractiveness (see Section 4.3.2 of this chapter). The group had established 373 partnerships at year-end 2020, compared to 310 for the previous year. This continuous work with schools can take diverse forms, such as participating in recruitment forums, leading master classes with managers, offering employee testimonials, taking part in student challenges organized by schools, and setting up internship or work-study programs.

Several of the group's entities have identified work-study programs as a valuable HR development strategy, with 784 work-study contracts running across the group as of December 31, 2020. Vivendi reaffirmed its commitment to boosting youth employment despite the crisis, with a focus on work-study programs in France, in an opinion column cosigned by the group's Executive Vice President of Human Resources and published by *Les Échos* in July 2020.

Havas Group and Canal+ Group organized Talent Days in France to offer internships (and work-study contracts for Canal+ Group). They helped strengthen the relationship between businesses and students and encouraged dialog over the short and long term. These events are announced on social networks, in schools and on the company's HR website. As part of the *Canal Talent Days,* applicants are asked to submit a presentation video, and successful applicants are then invited to attend a series of induction sessions: presentation of the group, case studies, speed meetings with managers and discussions. The Canal Talent Abroad event held once a year offers interns the opportunity to go on an immersion work experience at one of the Canal+ International subsidiaries. At the Havas Group, advertising agency BETC has established masterclass program specifically for interns, developed and taught by experts in the agency. This series of six masterclasses on topics specific to the business lines or presenting strategic campaigns gives interns a more insightful understanding of the profession. Due to these initiatives, Canal+ Group and BETC received the "Happy Trainees" label, which is awarded to businesses based on surveys completed by interns and work-study participants that rate how well the companies host and support them, along with the quality of assignments given to them.

In California, UMG ranked among the best 100 employers in the Media category on the Forbes 2020 list. In Vietnam, Anphabe (the Vietnamese version of LinkedIn) included Gameloft on its list of the best 50 employers in 2020, as ranked by students.

Developing and retaining talent

Mindful of how important detecting and overseeing talent is from a strategic point of view, all of Vivendi's HR teams apply a talent management and development policy to address the main challenges related to motivation, engagement, creativity and leadership skills.

This policy calls for commitment from all internal stakeholders. First, it relies on managers, who are responsible for identifying talent. It places particular importance on managers, since their close working relationship with employees means they are well positioned to pick up on particular skills. Second, it is centered around employees. They are encouraged to play an active role by using their career paths, experience and skills to their best advantage and sharing their interests for career development or mobility opportunities, ambitions and professional objectives.

In addition to performance review processes, career committees and talent reviews, group companies increasingly plan for more frequent meetings and discussions (short conversations initiated by the manager or employee). This dialog helps form a talent map that is then shared with others in the company to best reconcile the needs of both the company and its employees. Soliciting more frequent feedback is in fact one of the ways to elevate employee engagement within the organization. For example, BETC created MyJob, a digital tool designed for smoother communication between employees and managers. The platform is regularly reviewed and updated after every campaign based on feedback from managers, employees or employee representative bodies.

To meet another essential need of employees who want to learn and develop their skills through continuing education, a large number of programs and actions are implemented throughout the group to expand their expertise and gain their loyalty. These include:

- *Learning Expedition,* a program developed by Vivendi for senior managers to develop a fuller understanding of the group's various entities, forge cross-functional links and eventually nurture new internal growth initiatives through collaboration and collective intelligence among program participants;
- *Havas Next Gen,* a year-long program designed to give high-potential employees in Havas agencies the tools to develop their leadership skills as future members of senior management;
- *Havas Lofts,* a comprehensive learning experience developed to give employees an insight into how the Havas Group's various agencies around the world are organized and run. Each participant is paired with a coach in a host agency, where they spend four weeks immersed in its processes, tools and culture; and
- *Be The Change,* a program offered by Canal+ to develop leadership and change management skills in an environment of new challenges.

Retaining talent also involves establishing an appropriate and motivating compensation strategy based on employees' skills and their personal contributions to the company's development. The group's HR teams take part in positioning surveys and regularly analyze its employees' compensation to ensure its relevancy for the company and to compare it to market rates so as to retain talent and attract new people with potential.

Lastly, the group's different business units strive to help their talented employees progress in their careers to meet their expectations and keep its teams motivated and well-equipped to handle changes in the businesses. At group level, an Internal Mobility Charter has been in place for more than 15 years, along with a tool that collects job offers from the group's French companies which are open to transfers. These tools also exist within major subsidiaries.

Training

For all group companies, the purpose of training is to support their strategies and needs, to anticipate transformations and changes in group businesses and help employees adapt to technological, digital, organizational and behavioral changes in their work.

Training is a priority intended to offer a variety of solutions that enhance, at an individual level, all three aspects of an employee's "human capital", namely skills, experience and personal development. At a collective level, it should focus on the main training areas determined by the business in line with its strategy and needs.

During the Covid-19 pandemic, skill development and managerial coaching have become, more than ever, a major component of the training policies of the various group companies. Public health measures, especially lockdowns, forced all group businesses to adapt their offers in response to the immediate needs of employees under the new working conditions. Remote management, the use of collaborative tools, well-being, the maintenance of social cohesion and awareness of diversity, equity and inclusion issues were all prioritized. The Covid-19 crisis sped up digitization and increased the use of online training, whose varied formats are better suited to more flexible lifelong learning.

> ***78%** of employees **(1)** attended at least one training course in 2020*

Universal Music Group

Following a survey completed in 2018, UMG drew up a three-year training plan aimed in particular at contributing to the development of management and strengthening leadership skills at every level. This was the basis for its UMG Global Manager development program that has been rolled out.

In 2020, the priority training themes identified by UMG were adapted due to the Covid-19 pandemic and growing concern over social injustice. They resulted in three programs. The first is *Professional Development,* a program centered around personal and relational development, business skills and proficiency with collaborative tools. Next is *The Whole You,* a program focusing on mental and physical well-being that covers a wide range of topics such as wellness during the pandemic, substance abuse, sleep, addiction, parental well-being, nutrition, meditation, yoga, and more. Finally, there is *Six Strings of Management,* a managerial development program with modules on remotely managing a team, getting through a crisis, deconstructing microaggressions, unconscious bias, and more.

(1) As a percentage of the total reported headcount, i.e., excluding companies entering the scope of consolidation (see Note on non-financial reporting methodology, Section 7.1)

UMG also continued its *U.M.SHE Leads* program and, in 2020, launched the *Black Executive Development Accelerator* to increase the number of women and members of under-represented communities in leadership positions (see Sections 4.3.2.2 and 4.3.2.1 of this chapter).

Havas Group

Havas Group has set up its own Havas University training, designed to meet the increasingly specialized needs of advertisers. It is organized around three major themes: Education (learning more about high-priority issues), Experience (developing strategies) and Innovation (team coaching and design thinking). With this platform, Havas Group was able to rapidly roll out remote programs for its employees, thereby ensuring their continued learning and development.

Canal+ Group

Canal+ Group gives priority to collective initiatives that best meet business challenges. These include its *Manager+* and *+Digital* programs, collaborative methods (design thinking), specific training, and the rollout of its *Talents* programs: *Innovaction* to build an agile business model; Be The Change to develop leadership skills; the *IMM* program focusing on digital creativity, innovation and foresight and *Boost'Her,* a women's leadership program.

Editis

At Editis, priority training initiatives are defined based on the strategic goals of each division to respond to issues facing the publishing business, along with management training and individual coaching programs designed for managers.

Profit-sharing and employee shareholding

Vivendi places particular importance on the equitable distribution of the value created by its employees' efforts. The group has therefore established a profit-sharing policy that encourages the development of employee savings plans, especially through employee shareholding.

Under its employee shareholding plan (PEG), employees are represented on the Vivendi Supervisory Board (see Section 1.1.1.2 of Chapter 4).

Employee savings plans in France

In 2020, the total net amount received by employees of the group's French companies under optional and statutory profit-sharing plans and the employer's contribution was €26.3 million, which represents a total expense of approximately €35 million for group companies.

Newly invested employee savings totaled €34.2 million, 92% of which was invested in the various Vivendi PEG funds and the Havas, Editis, Canal+ and Canal+ International savings schemes, and the remaining 8% in the group's various retirement schemes (Havas, Canal+, Canal+ International and UMG France).

For the most part, the savings were placed in employee shareholding funds: €25 million out of a total of €31.4 million (80%), following completion of a new employee shareholding offer in July 2020.

Employee shareholding

On December 9, 2019, Vivendi's Management Board approved the launch of a new employee shareholding offer in 2020. The first part is a basic plan reserved for employees of the group's French companies, to which a reserve of 1.25 million shares was attributed. The second part is a leveraged plan, Opus 20, offered to employees in France and the main countries in which the group operates (i.e., 13 countries, representing 70% of the group's total workforce), for which 7 million shares were offered.

The total amount of the transaction (which completed on July 21, 2020) was €130.2 million for 7.9 million shares, i.e., 95% of the proposed offering: 6.7 million shares for Opus 20 and 1.2 million shares for the basic plan.

At December 31, 2020, employees held 2.95% of Vivendi's share capital.

> ***8,504** employees subscribed to the shareholding offer, which represents an overall participation rate of 27%*

4.3.3.2. Creating an attractive work environment

Quality of life at work

Quality of life at work is central to the group's strategy for enhancing its appeal as an employer, improving creativity, and motivating and retaining employees.

Vivendi has spent several years implementing a strategy for improving quality of work life and guiding its employees towards new work modes that facilitate collaboration, agility and cross-functional efficiency across the company. Work environments are becoming more flexible and, in improving people's quality of life, they also improve company performance.

In this context, more and more group companies are reorganizing their working spaces to encourage communication between teams, creating co-working areas and zones tailored to different needs. Spaces tailored to brainstorming, quiet work, informal meetings or relaxation are designed to be conducive to employee creativity and well-being. These new arrangements directly benefit employees working on projects that require adjustments to working times, such as game releases, advertising campaign launches, the production of television programs or shows, changes to educational programs or even ticketing activities.

The Covid-19 public health crisis sped up this transition to a flexible working environment and remote working. Unrelated to the pandemic, these practices have been implemented whenever possible when requested by employees to ensure their quality of life at work, keep the group effective and agile and maintain social cohesiveness between employees and the group, thereby improving work/life balance.

For such changes to proceed smoothly, a forward-looking, positive management approach must be developed that calls upon employees' individual strengths and builds the confidence, independence and initiative that these working arrangements require. This year in particular, it was critical for managers to get involved and work closely with their teams to ensure business continuity. Management and HR teams sprang into action to co-develop solutions to keep in touch despite the crisis. The rollout of collaborative tools allowed employees to work from home, which was a critical requirement during lockdown. Meanwhile, employees showed a level of involvement and maturity that made these new working methods even more effective.

In 2020, UMG completed a global survey on employee engagement, with a response rate of 84%. The survey covered 36 subjects linked to around 10 different themes: engagement, alignment and involvement, resources, teamwork and communication, growth and development, management, leadership, benefits and compensation, diversity, inclusion and belonging, and finally well-being. The last four themes were added after the last survey. The overall engagement score was 67%, an increase of 1% from 2017. The survey will be repeated within two or three years to gauge the impacts of the various initiatives and programs run in response to the last survey.

The fourth Havas Group engagement survey, which covered similar themes such as their sense of belonging to the group and its values, management, teamwork, career prospects and skill development, was postponed due to the public health crisis. It will be relaunched in 2021.

2020 also provided the opportunity to hold multiple employee workshops and surveys specifically about managing the public health crisis. They were rolled out more locally by various group businesses. Furthermore, BETC and Dailymotion regularly send out internal surveys to measure and understand employee quality of life and engagement with the aim of launching or adapting HR initiatives based on the feedback received.

Occupational well-being, health and safety

Health and safety in the workplace are key concerns for all business units, all of which implement action plans and preventive measures, adapted to their activities, in compliance with local laws and regulations.

> ***94%*** *of group employees are covered by health insurance*

The Covid-19 public health crisis has refocused the issue of quality of work life at the basic level: health and safety in the workplace. To manage the pandemic's impacts at the most local levels, since events moved at a different pace from one continent to the next and the effect on group activities was uneven, Vivendi chose to let the various companies decide how they would manage the crisis. This decentralized, agile organization enabled businesses to take the imposed measures directly in short time frames and based on recommendations or requirements imposed by the government in each country.

Crisis units that included the companies' main functions were set up to exchange information on a regular basis, share best practices, and implement preventive measures in line with the various stages of the crisis, especially when lockdowns were imposed and then when employees began gradually returning to the workplace. These measures were related to employee information (e.g., public health risks, measures implemented and actions to be taken); prevention of psychosocial risks (e.g., isolation, stress, exhaustion, disengagement and Internet addiction), counseling unit and internal surveys; prevention of musculoskeletal disorders (posture while working, exercises to stretch and strengthen muscles); implementation of specific public health measures, reorganization of workspaces and circulation plans, limited access to sites, conference rooms and gathering spaces.

This arrangement is based on existing mechanisms, committees or task forces in charge of handling workplace health and safety issues. Entities in France must also prepare the Single Document for the Assessment of Occupational Risks required by French law. Its objectives are:

- managing and updating the document that details risks and prevention plans;
- participating in and overseeing the implementation of a plan for the prevention of stressful situations arising from organizational constraints or workload factors such as atypical working hours;
- taking into account the need for all employees to balance their personal and professional lives;
- monitoring the implementation of action plans required in the event of serious incidents;
- organizing awareness-raising, information and training initiatives for employees on a regular basis (on first aid, safety procedures or specific safety-related topics);
- improving workstation ergonomics (mouse/keyboard use, eye fatigue from screen work, posture-related problems), and even diagnosing the rare situations where there is pain or discomfort;
- promoting best practices in business travel;
- supervising the safety of premises and the prevention of illness, particularly occupational illnesses.

The initiatives and measures implemented by the various group entities to encourage and promote employee well-being and health in the workplace were adopted in response to the new working conditions. In general, events that bring employees together such as charity events and volunteer activities have been put on hold and replaced by more online events, especially those that raise awareness, help maintain mental health and prevent cognitive overload:

- frequent and regular communication with senior management, managers, HR, support services, etc., as well as discussion times such as *Coffee Talks;*
- meetings and webinars on health and wellness that cover topics like time management, sleep and rest, exercise, feelings, relationships with others, etc.;

- questionnaires and surveys that collect information on employee needs and emotions regarding certain themes, especially when lockdowns are imposed or when employees return to the workplace;
- establishment of an anonymous mental health counseling/assistance hotline for employees or a telephone medical consultation service.

Vivendi is also committed to the well-being of its employees, whose work/life balance was upended by public health measures related to the pandemic (lockdown, curfew). Within this framework, in March 2021, Vivendi began offering all its employees based in France the opportunity to use the *Campus Parentalité* educational support platform (see Section 1.3 of this chapter) that had already been rolled out within Editis in 2019.

Continuous social dialog

As part of its labor policy and in compliance with the ILO fundamental conventions, Vivendi is committed to fostering continuous, constructive dialog with employees and their representatives by promoting exchange and consultation at all levels, particularly in relation to working conditions and organizational change. All employees based in France and in its overseas departments and territories are covered by collective bargaining agreements.

At group level, social dialog is organized around two representative bodies. The Works Committee represents employees in France, while the European Company Committee (ECC) represents employees across Europe.

The ECC is a supranational body that does not replace representative bodies at local or national level. Instead, it provides a more European cross-regional perspective. Since it was first set up in 2019, it has expanded with the addition of three Baltic countries and Luxembourg. It now has 30 members representing 25 countries in the European Economic Area. Consequently, it covers all employees in Europe, including in the United Kingdom.

The social partners of both of these committees hold plenary meetings and are kept informed on a regular basis so as to enrich social dialog by discussing matters such as news about the group, its strategy, its economic and financial position, and its HR and CSR policies in France or in Europe, depending on the scope of the committee in question. Where necessary, the ECC will be consulted, on reorganizations, acquisitions and disposals on a European level.

The public health situation in 2020 called for information to be shared more often than normal to maintain a strong link between management and representatives from both bodies. As a result, the two committees held five extraordinary meetings by videoconference.

In 2020, the ECC appointed one of its members to serve as an employee representative on Vivendi group's Supervisory Board.

Within the subsidiaries, dialog and social discussion are organized in line with the employment laws and regulations for each country, and in accordance with human resources policy guidelines adopted by each business unit. This also applies to the compensation policy, which is compliant with the principles of gender equality and non-discrimination, and takes full account of the specificities of each job function in each business line.

A total of 54 agreements or supplemental agreements were signed or renewed in France in 2020. Of these, 48% were agreements on compensation policies and profit sharing (optional and statutory), aimed at involving employees in their company's performance, and 52% related to working conditions, health and safety, gender equality or employees with disabilities.

In France, labor relations are a particular focus for Canal+. Its goal is to build the kind of responsible relationship that is essential for respectful social functioning, a source of progress and success. This responsible, trusting relationship worked effectively to motivate HR teams, social partners and other stakeholders in the system to implement public health measures and manage the organizational impacts caused by the public health crisis. Within this framework, a number of agreements were signed, including a groundbreaking agreement on remote work (including a charter of mutual commitments between the employee and their manager) and an agreement on disabilities that received unanimous approval. In 2020, Vivendi continued implementing its new structure and managing its plan for voluntary departures related to changes in the audiovisual sector and to the transformation of its businesses, both of which began in 2019.

Respect for human rights and fundamental freedoms

For the Vivendi group and all its entities, respect for human rights first and foremost means a responsible employer model that protects the fundamental rights of all employees in every country in which it operates. Going beyond legal requirements, Vivendi advocates respect for individuals as a principle of management and condemns all forms of psychological and sexual harassment.

> ***5,926 UMG employees*** *received training on harassment in 2020, representing an overall participation rate of approximately 65%*

These values are clearly set out in UMG's Code of Conduct, which was updated in 2016. Virtually all employees have received training on the Code and many receive regular refreshers, particularly in the United States where employees must acknowledge their adherence to the Code every year. The Code of Conduct is issued to all new recruits upon arrival. In addition, for several years now, UMG has been running a specific training module to raise employee awareness on harassment issues.

Respect is also a core value for Havas Group, which has integrated harassment prevention into its social policy. In France, an awareness session on harassment and related topics was organized in 2019 for all managers, based on an interactive format.

> ***10,018 Havas Group employees*** *received training on harassment in 2020, representing an overall participation rate of approximately 55%*

The participants role-played real-life situations illustrating psychological and sexual harassment, with commentary provided by legal experts. The session ended with a presentation by HR teams of the various systems in place for reporting harassment and seeking support. The same module was then rolled out to French agencies for all their employees. This initiative was followed up in 2020 with a global awareness campaign rolled out through its Havas University training platform.

After introducing a whistleblowing system in line with its collective agreement on quality of life at work, Canal+ Group signed the #StOpE charter on sexism in the workplace in late 2019. By signing the charter, Canal+ Group has pledged to combat "everyday" sexism by deploying information, training, prevention and support initiatives among its employees and taking a zero tolerance approach. In 2019, Canal+ Group and Havas Worldwide addressed this topic by signing the charter to combat sexual harassment and sexist behavior issued by the Pour les Femmes Dans les Médias (PFDM) organization. They were then joined by three other group companies: Vivendi SE, UMG France and Dailymotion. Their commitments in this regard include informing employees, providing a support/whistleblowing system for victims and sharing their best practices.

Editis has introduced a Code of Conduct and a whistleblowing system. It has also designated and trained HR correspondents in each of its three divisions – Literature, Education & Reference, and Distribution – to help combat harassment and discrimination.

Gameloft has drawn up a Corporate Charter, to be issued to all new employees, that sets out the principles and values to be respected.

In France, a number of Havas Group entities and See Tickets included provisions on sexual harassment and bullying and/or the principle of non-discrimination in their internal rules. In addition, at a number of subsidiaries, particularly those located in English-speaking countries, employees have access to a whistleblowing hotline, in accordance with applicable rules and regulations, for reporting any instances of discrimination or harassment.

4.3.4. ALLOW AS MANY PEOPLE AS POSSIBLE TO JOIN OUR BUSINESSES

A firm advocate of equal opportunities, Vivendi welcomes anyone with talent, regardless of their origins or background. In addition to its inclusive approach to recruitment (see Section 4.3.2.1 of this chapter), the group supports vocational training and helps people learn more about its businesses to encourage them to work in these fields.

4.3.4.1. Making young people aware of career paths in the group's businesses

Helping young people learn more about Vivendi's businesses is a critical first step in getting them to consider working in these areas in the future and to dream big so as not to hold themselves back. In this respect, testimonials from group employees play a major role in inspiring and motivating them.

Since 2018, Vivendi has partnered with the PAQTE (Neighborhood Pact for All Businesses) project, launched by the French Ministry for Territorial Cohesion. Under this framework, it opened its doors to several middle-school students from disadvantaged neighborhoods so they could observe the work environment. All group entities based in France take part in this approach, occasionally in cooperation with partner organizations, such as ViensVoirMonTaf.

Wishing to open up access to its businesses, Editis developed a special program, known as *Pépites,* to support initiatives familiarizing young people from disadvantaged communities with its publishing businesses. In the United States, UMG organizes career fairs and other events for high school students, such as the Bonus Tracks program in Los Angeles. Originally created through a partnership between Compton Unified School District and Capitol Music Group, the Bonus Tracks program teaches high school students about careers in the music industry through seminars led by CMG executives. Bonus Tracks has since been extended to schools in Nashville, opening doors to careers and networks to which the students may not have otherwise had access.

4.3.4.2. Training people to work for group businesses: Vivendi Create Joy

Vivendi Create Joy is the cornerstone of Vivendi's commitment to open up access to its businesses for talented people of all kinds (see Section 1.1.3 of this chapter). Since 2008, the solidarity program has been involved in training projects that help young adults without professional networks acquire the skills they need to work effectively in one of the group businesses.

It supports projects based in France, the United Kingdom and several African countries. Operating teams in the group's businesses participate as much as they can so the professional expertise and experience that they provide have a stronger impact. In 2020, 7,000 young people received professional training supported by Vivendi Create Joy.

Consequently, in France, in 2020, Canal+ Group took advantage of Vivendi Create Joy's partnerships with 1000 Visages (founded in 2006 by filmmaker Houda Benyamina, who won a César for her film *Divines*) and Labec Créations, which are both organizations focusing on equal opportunity, to recruit diverse talents. This is also how filmmaker Matthieu Longatte identified the talented young people who worked in front of and behind the camera for *Narvalo,* his Création Originale, including actor Déborah Lukumuena. Similarly, *Le Grand Match de l'Égalité des Chances* (see Section 4.3.2.1 of this chapter) is a contest organized jointly with partner associations of Canal+ Group and of Vivendi Create Joy.

In the United Kingdom, Vivendi Create Joy and UMG are partners with Urban Development, a charity that supports the growth of urban music. The Island Records label is particularly involved in nurturing the young talent with which this charity works. Urban Development also provides a stepping-stone for the very young musicians emerging from East London Arts & Music (ELAM), a free school for 16-19 year-olds with which UMG also partners. Rated "outstanding" by Ofsted, the UK schools' inspectorate, ELAM's mission is to increase paths into the creative industries for its students.

With respect to training for the music business, another one of Vivendi Create Joy's major partnerships is with UK non-profit organization Music For Youth, as a supporter of its *Frequencies* program. The program identifies talented young musicians and offers them professional support through concerts at prestigious venues such as Barbican Hall or Royal Albert Hall. In 2020, due to the pandemic, in-person concerts were replaced by online musical performances.

As for live shows, Vivendi Create Joy worked with the Apprentis d'Auteuil foundation to develop practical training on the theatrical disciplines (stage management, technical work, logistics) for young people who are in serious difficulty or who left high school before graduating. This approach is unprecedented in France. It relies on a teaching style that both shares technical skills and rewards soft skills such as team spirit and initiative.

The professional training projects supported by Vivendi Create Joy in Africa include Creastorm, a residency for young creatives developing new television formats in Côte d'Ivoire (with participation from employees of A+ Ivoire, Canal+, Universal Music Africa and Dailymotion) and *Pure Players,* a training program for online journalists developed by Vivendi Create Joy, Dailymotion Côte d'Ivoire and the Simplon network (a charitable, inclusive network that offers free professional training in technical fields related to digital technologies in France and abroad).

■ 4.3.4.3. Supporting the development of audiovisual professions in Africa

Canal+ Group is deeply committed to helping develop skills related to Vivendi's businesses, especially in Africa. As a result, in 2019, the group created *Canal+ University*, an initiative whose main aim is training talents such as journalists, comedians, directors, producers and technicians.

In this context, sports journalists from Canal+ Group offer training to their colleagues in Sub-Saharan Africa. *Canal+ University* also partnered with a production agency to offer training in video journalism. Once training is complete, the most promising participants create reports such as those broadcast on the *L'Afrique au féminin* special episode of the show *EnQuête d'Afrique* for International Women's Day. Video journalists who have completed this training also work on Canal+ Afrique shows such as *Réussite, Bonjour Santé* or sports broadcasts. *Canal+ University* also trained actors and members of the production team for the *Dimanche à Bamako* series.

4.3.5. ACT TOGETHER TO ENABLE EVERYONE TO HAVE A POSITIVE IMPACT

Lastly, Vivendi's inclusive approach is reflected in its desire to work "with all", involving all internal and external stakeholders so as to help build a more responsible future.

■ 4.3.5.1. Supporting employees' commitment to philanthropic causes

To help its employees take concrete action, Vivendi opened up a channel for regular communications through a CSR newsletter called *Alive* in July 2020. Each month, the newsletter tells Vivendi employees about initiatives and actions implemented by the group all over the world, and encourages them to adopt behaviors that reflect their engagement in their day-to-day lives, both professionally and personally. Webinars and online meetings are also frequently held for occasions like group initiatives (such as the one for EDEW mentioned earlier in this chapter) or at the initiative of specific groups (Havas Group and Canal+ Group) to discuss CSR issues that they want to focus on.

Employee engagement also takes the form of participation in the group's various Green Teams (see Section 4.1.4.1).

Vivendi encourages skills volunteering so that employees can contribute and be a part of the change. A digital platform for engagement offers employees opportunities for taking part in community outreach or donating their time, skills and expertise to organizations supported by Vivendi Create Joy (see Section 1.1.3 of this chapter).

Each business can supplement the group's approach in various territories by rolling out programs and platforms unique to their activity. Overall, 835 employees took part in pro bono activities in 2020, volunteering a total of 3,820 days (or nearly €2 million of their time). This was in addition to the nearly €9 million donated by group companies in cash or in kind to solidarity programs and to patronage and partnership initiatives during the year.

Pro bono work and skills volunteering are a big commitment and a clear strategic push for Havas Group (see Section 4.2.4.3 of this chapter). Consequently, in January 2021, the group launched its new *Havas Solidaires* skills volunteering program in France to encourage its employees to get involved in the public interest. This gave them the opportunity to use their skills in the service of one or more organizations as assignments during their working hours for two days every two years. At BETC, employee engagement is encouraged through a system created by Microdon. It gives each employee the option to round down their salary and donate the excess cents to an organization they select from a list proposed by the agency.

> ***More than €10.8 million*** *donated by the group in 2020 through corporate foundations, outreach programs, patronage and partnership initiatives, in kind and pro bono support*

As an extension of its own philanthropic efforts, UMG supports its employees' commitment to philanthropy and community service. The group has expanded its *All Together Now* philanthropic program through which it encourages its teams to get involved in charitable causes and community service in key areas of need across education, and health and well-being, especially those with a tie to music and the arts. In 2020, this program focused on supporting those in the music community most deeply affected by the pandemic, helping organizations such as MusiCares' Covid-19 Relief Fund and Help Musicians UK. The group also launched the UMG All Together Now Foundation to maximize the impact of its actions.

Similarly, UMG employees are encouraged to participate in programs organized by the Task Force for Meaningful Change (see Section 4.3.2.1). In 2020, in order to take action in view of the food crisis that has affected millions of people in the United States, the TFMC teamed up with the NGOs Feeding America and World Central Kitchen, to provide food to people in need during the Thanksgiving period in several cities including Atlanta, Chicago, Cleveland, Detroit and New Orleans. It also launched initiatives to support local restaurants. In particular, UMG encouraged its employees to make financial donations by offering a 150% top-up contribution for all donations made on #GivingTuesday, a global initiative promoting philanthropy.

■ 4.3.5.2. Introducing tools to simplify client engagement

Vivendi also wants to design content and specific platforms that promote engagement among its clients, whether they are brands or members of the general public.

Editis's charitable books initiatives perfectly demonstrate how this works, since they transform the act of buying or reading (or writing, from an author's perspective) into an action with a positive impact. In France, in 2020, Editis brought together several writers to create two short story collections for which the profits were donated to Secours populaire français (*Et si on chantait ?* Pocket Jeunesse) and Restos du Cœur (*13 à table !* for the seventh consecutive year). Editis also invited its authors to contribute to a book of collected writings to support hospitals: *Des mots par la fenêtre.* This collection of 64 texts about the desire for freedom and escape, all of which were written under lockdown, was released both as an ebook and in print. Proceeds from the sale of the book went to the Fondation Hôpitaux de Paris-Hôpitaux de France. Two books were also published in tribute to Samuel Paty: *Lettre à ce prof qui a changé ma vie* (Robert Laffont/Pocket) and *Mon prof, ce héros* (Presses de la Cité). The profits were donated to the NGO, Bibliothèque sans frontières and Fondation Égalité des chances – Institut de France, respectively.

Vivendi maximizes the impact of its initiatives by getting its client brands involved in its various activities. In 2020, Havas Media launched a Social Equity Marketplace in the United States and United Kingdom. It offers clients the opportunity to redirect their media buying budgets to media that support LGBTQ+ and BIPOC (Black, Indigenous, People of Color) communities. The approach was adapted to several European countries, including France, through the creation of an ethical marketplace called Ethical and Social PMP, which gives access to an inventory of media companies engaged in environmental and societal issues. Agencies Havas Paris, Havas Event and BETC are also continuing to promote the *Climate Solidarity* initiative to clients (see Section 4.1.4.2 of this chapter).

Finally, in 2020, to support research to fight Covid-19, Canal+ Brand Solutions created *20h00 solidaire,* a commercial time slot. This program was rolled out over six days on four group channels (C8, Canal+, CNews and CStar). All proceeds from the sale of this time slot were donated to Fondation de France for its joint initiative with Institut Pasteur and Assistance publique – Hôpitaux de Paris. In parallel, Canal+ Brand Solutions donated advertising time on all of its channels to Fondation de France so it could broadcast its fundraising campaign.

SECTION 5. INDICATORS SUMMARY TABLES

5.1. Performance indicators

The information below relates to the scope set forth in the Note on Methodology in Section 7.1 of this chapter.

		2020	
Attracting and retaining internal talent		**Global turnover rate (a)**	**Voluntary turnover rate (b)**
	Vivendi	15.9%	9.0%
	of which Universal Music Group	11.2%	4.8%
	of which Canal+ Group	8.8%	3.2%
	of which Havas Group	21.3%	13.4%
	of which Editis	8.3%	2.3%
	of which Gameloft	17.6%	13.3%
	of which Vivendi Village	14.9%	5.6%
	of which New Initiatives	21.8%	11.0%
	of which Corporate	5.0%	0.0%
Attracting and retaining external talent (c)	Number of hours' training provided by Canal+ International for creative talent in Africa **(d)**		51,686
Responsible content	Number of intervention measures taken by the CSA with respect to Canal+ Group		1
	The CSA issued a warning to the C8 channel for failing to broadcast daily news bulletins and newsflashes in 2019. In addition, three proceedings to impose sanctions on the C8 and CNews channels were initiated in 2020. No sanctions were imposed during the year.		
	Number of creative projects by Havas deemed non-compliant/rejected by regulatory authorities before broadcasting **(e)**		256
	Number of campaigns by Havas subjected to intervention measures by the regulatory authorities and a withdrawal request		1

(a) The global turnover rate is calculated as follows: [(Number of people hired on permanent contracts in year Y + Number of departures of people on permanent contracts in year Y + Number of temporary contracts converted into permanent contracts) / 2] / Total employees on permanent contracts as of December 31 in year Y-1 (see Note on non-financial reporting methodology, Section 7.1).

(b) The voluntary turnover rate introduced in 2020 is calculated as follows: Number of resignations of people on permanent contracts in year Y / Total employees on permanent contracts as of December 31 in year Y-1 (see Note on non-financial reporting methodology, Section 7.1).

(c) The following additional performance indicators related to this risk were consolidated and audited for UMG: the number of voluntary artist departures, the number of artist agreement renegotiations and renewals, the share of non-recorded income and the number of artist web-stores managed by UMG. Since this information can be sensitive, it was decided alongside the independent third party not to disclose the associated data.

(d) The hours reported are the hours of training by Canal+ Group teams and partners taking into account the number of people trained.

(e) In nearly 20% of the countries where Havas agencies operate, local regulatory authorities require creative projects to be submitted to them before being broadcast in some cases.

5.2. Social indicators

	2020	% of total headcount	2019	% of total headcount
Headcount				
Headcount – Total	42,526	-	44,641	-
Headcount – Men	20,815	49%	21,988	49%
Headcount – Women	21,711	51%	22,653	51%
Headcount – Employees on permanent contract	38,831	91%	40,182	90%
Headcount – Employees on temporary contract	3,695	9%	4,459	10%
Headcount by age				
Employees under 25	3,222	8%	4,197	10%
Employees 25 to 34	17,055	40%	18,386	41%
Employees 35 to 44	11,710	27%	11,706	26%
Employees 45 to 54	7,329	17%	7,325	16%
Employees 55 and above	3,210	8%	3,027	7%
Arrivals and departures				
Total hires/new arrivals	7,674	-	**(a)** 10,074	-
Of which on permanent contracts	4,951 (65%)	-	**(a)** 6,530 (65%)	-
Total departures	9,796	-	**(a)** 11,113	-
Of which terminations and redundancies	2,861 (29%)	-	**(a)** 1,817 (16%)	-
Career development				
Number of temporary contracts converted into permanent contracts	753	-	**(b)** 1,329	-
Training				
Number of employees trained	32,615	**(c)** 78%	28,003	**(c)** 69%
Training hours	374,066	-	360,889	-
Hours of training per participant (average)	11.5	-	12.9	-
Compensation				
Personnel costs **(d)**	3,599.8	-	3,524.0	-
Payroll costs **(d)**	3,369.9	-	3,356.9	-
Payroll costs as a percentage of revenue	20.94%	-	21.12%	-
Optional profit-sharing **(d)**	24.1	-	18.4	-
Statutory profit-sharing **(d)**	10.1	-	17.2	-
Absenteeism				
Number of employees with at least one day absent	19,274	**(c)** 46%	19,984	**(c)** 49%
Days absent – Total	315,949	-	301,279	-
Of which for illness	162,027 (51%)	-	150,167 (50%)	-
Of which for maternity, paternity and adoption leave	117,622 (37%)	-	116,473 (39%)	-
Health and safety				
Number of workplace accidents resulting in lost work time	67	-	96	-
Of which Editis	34	-	-	-
Number of days lost due to workplace accidents	2,925	-	2,290	-
Of which Editis	1,863	-	-	-
Number of fatal accidents	-	-	-	-
Frequency rate **(e)**	0.91	-	1.36	-
Of which Editis	9.11	-	-	-
Severity rate **(f)**	0.040	-	0.032	-
Of which Editis	0.499	-	-	-

	2020	% of total headcount	2019	% of total headcount
Employee relations and collective bargaining agreements				
Collective bargaining agreements signed or renewed (France)	54	-	60	-
Of which relating to compensation and employee savings plans	26 (48%)	-	17 (28%)	-
Of which relating to working conditions, health and safety	18 (33%)	-	23 (38%)	-
Organization of working time				
Full-time employees	40,789	96%	43,002	96%
Part-time employees	1,737	4%	1,639	4%
Professional integration and disabilities				
Number of employees with disabilities	396	-	332	-

(a) Starting in 2020, if an employee's contract is changed from temporary to permanent, they are not included in the permanent contract new hires. Similarly, they are not included in the temporary contract departures (see Note on non-financial reporting methodology, Section 7.1). The 2019 data included in this table has been restated to reflect this change so that the two periods can be compared.

(b) Including 34 employees whose contracts were changed from temporary to permanent at Editis.

(c) As a percentage of the total reported headcount, i.e., excluding companies entering the scope of consolidation and therefore excluding Editis in 2019 (see Note on non-financial reporting methodology, Section 7.1).

(d) Figures stated in millions of euros.

(e) Calculation method for the workplace accident frequency rate: $\frac{\text{Number of workplace accidents resulting in lost work time} \times 1{,}000{,}000}{\text{Average annual headcount x annual hours actually worked}}$

(see Note on non-financial reporting methodology, Section 7.1).

(f) Calculation method for the workplace accident severity rate: $\frac{\text{Number of days lost due to workplace accidents x } 1{,}000}{\text{Average annual headcount x annual hours actually worked}}$

(see Note on non-financial reporting methodology, Section 7.1).

Headcount as of December 31	2020	2019
Universal Music Group	9,183	8,865
Canal+ Group	7,484	7,826
Havas Group	18,802	19,939
Editis	2,425	2,558
Gameloft	2,985	3,777
Vivendi Village	648	743
New Initiatives	770	702
Corporate	229	231
Total	**42,526**	**44,641**

	2020				2019			
Headcount by gender	**Women**	**% Women**	**Men**	**% Men**	**Women**	**% Women**	**Men**	**% Men**
Universal Music Group	4,502	49%	4,681	51%	4,336	49%	4,529	51%
Canal+ Group	3,543	47%	3,941	53%	3,676	47%	4,150	53%
Havas Group	10,660	57%	8,142	43%	11,312	57%	8,627	43%
Editis	1,651	68%	774	32%	1,765	69%	793	31%
Gameloft	693	23%	2,292	77%	865	23%	2,912	77%
Vivendi Village	295	46%	353	54%	363	49%	380	51%
New Initiatives	243	32%	527	68%	211	30%	491	70%
Corporate	124	54%	105	46%	125	54%	106	46%
Total	**21,711**	**51%**	**20,815**	**49%**	**22,653**	**51%**	**21,988**	**49%**

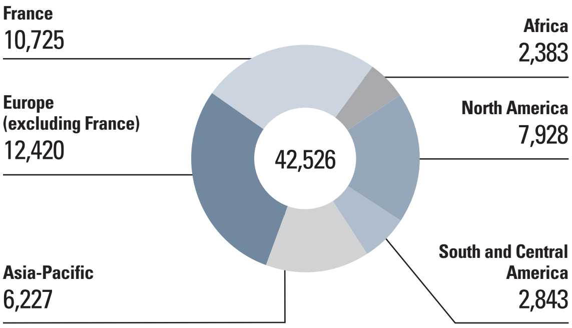
Headcount by age	2020					
	<25 years	25-34 years	35-44 years	45-54 years	55 years and above	Total
Universal Music Group	680	3,131	2,361	2,055	956	9,183
Canal+ Group	448	2,461	2,515	1,550	510	7,484
Havas Group	1,667	8,609	4,874	2,614	1,038	18,802
Editis	117	401	566	762	579	2,425
Gameloft	213	1,690	928	132	22	2,985
Vivendi Village	40	289	182	91	46	648
New Initiatives	41	429	244	51	5	770
Corporate	16	45	40	74	54	229
Total	**3,222**	**17,055**	**11,710**	**7,329**	**3,210**	**42,526**
As a percentage	**8%**	**40%**	**27%**	**17%**	**8%**	**100%**

Headcount by age	2019					
	<25 years	25-34 years	35-44 years	45-54 years	55 years and above	Total
Universal Music Group	619	3,110	2,264	2,036	836	8,865
Canal+ Group	532	2,720	2,551	1,538	485	7,826
Havas Group	2,287	9,085	4,929	2,626	1,012	19,939
Editis	133	469	585	811	560	2,558
Gameloft	490	2,234	922	113	18	3,777
Vivendi Village	76	321	203	86	57	743
New Initiatives	40	406	213	38	5	702
Corporate	20	41	39	77	54	231
Total	**4,197**	**18,386**	**11,706**	**7,325**	**3,027**	**44,641**
As a percentage	**10%**	**41%**	**26%**	**16%**	**7%**	**100%**

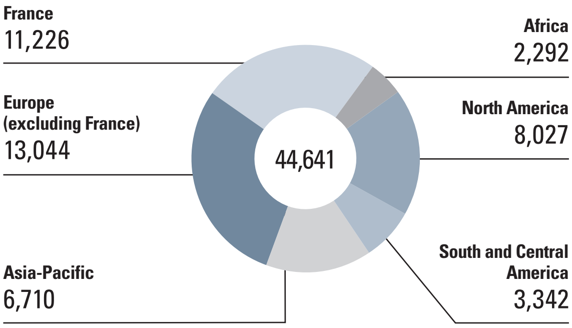
Headcount by geographic region	2020					
	Africa	North America	South and Central America	Asia-Pacific	Europe	Of which France
Universal Music Group	117	3,448	382	1,408	3,828	577
Canal+ Group	1,738	86	-	499	5,161	3,560
Havas Group	61	3,761	2,350	3,140	9,490	3,346
Editis	-	22	-	-	2,403	2,330
Gameloft	5	509	111	1,172	1,188	136
Vivendi Village	82	26	-	-	540	241
New Initiatives	380	63	-	8	319	319
Corporate	-	13	-	-	216	216
Total	**2,383**	**7,928**	**2,843**	**6,227**	**23,145**	**10,725**
As a percentage	**5.6%**	**18.6%**	**6.7%**	**14.7%**	**54.4%**	**25.2%**

Headcount by geographic region	2019					
	Africa	North America	South and Central America	Asia-Pacific	Europe	Of which France
Universal Music Group	96	3,308	372	1,293	3,796	625
Canal+ Group	1,759	86	-	486	5,495	3,569
Havas Group	60	3,878	2,847	3,136	10,018	3,665
Editis	-	25	-	-	2,533	2,459
Gameloft	4	612	123	1,789	1,249	124
Vivendi Village	73	29	-	-	641	246
New Initiatives	300	77	-	6	319	319
Corporate	-	12	-	-	219	219
Total	**2,292**	**8,027**	**3,342**	**6,710**	**24,270**	**11,226**
As a percentage	**5.1%**	**18.0%**	**7.5%**	**15.0%**	**54.4%**	**25.1%**

HEADCOUNT BY GEOGRAPHIC REGION IN 2020



HEADCOUNT BY GEOGRAPHIC REGION IN 2019



New hires	2020 Permanent contracts	2020 Temporary contracts	2020 Total	2019 Permanent contracts (*)	2019 Temporary contracts	2019 Total (*)
Universal Music Group	966	342	1,308	1,176	433	1,609
Canal+ Group	405	800	1,205	466	904	1,370
Havas Group	3,036	997	4,033	4,341	1,503	5,844
Editis	130	231	361	-	-	-
Gameloft	242	193	435	351	443	794
Vivendi Village	46	25	71	61	159	220
New Initiatives	116	120	236	116	83	199
Corporate	10	15	25	19	19	38
Total	**4,951**	**2,723**	**7,674**	**6,530**	**3,544**	**10,074**
As a percentage	**65%**	**35%**	**100%**	**65%**	**35%**	**100%**

(*) Starting in 2020, if an employee's contract is changed from temporary to permanent, they are not included in the permanent contract new hires (see Note on non-financial reporting methodology, Section 7.1). The 2019 data included in this table has been restated to reflect this change so that the two periods can be compared.

	2020						
	Permanent contracts					Temporary contracts	
Departures by reason	Resignation	Termination	Redundancy	Retirement	Other reasons	All reasons	Total
Universal Music Group	398	173	182	19	30	281	1,083
Canal+ Group	220	175	175	10	65	773	1,418
Havas Group	2,452	712	1,070	30	250	944	5,458
Editis	53	79	1	46	33	284	496
Gameloft	409	65	143	-	61	237	915
Vivendi Village	28	25	37	1	2	145	238
New Initiatives	61	18	1	-	9	72	161
Corporate	-	5	-	2	3	17	27
Total	**3,621**	**1,252**	**1,609**	**108**	**453**	**2,753**	**9,796**
As a percentage	**37%**	**13%**	**16%**	**1%**	**5%**	**28%**	**100%**

	2019						
	Permanent contracts					Temporary contracts	
Departures by reason	Resignation	Termination	Redundancy	Retirement	Other reasons	All reasons (*)	Total (*)
Universal Music Group	645	178	146	11	60	205	1,245
Canal+ Group	468	104	213	9	169	756	1,719
Havas Group	4,324	522	407	27	399	592	6,271
Gameloft	734	32	183	-	65	409	1,423
Vivendi Village	82	7	1	1	2	107	200
New Initiatives	83	16	2	-	32	87	220
Corporate	13	6	-	-	7	9	35
Total	**6,349**	**865**	**952**	**48**	**734**	**2,165**	**11,113**
En pourcentage	**57%**	**8%**	**9%**	**<1%**	**7%**	**19%**	**100%**

(*) Starting in 2020, if an employee's contract is changed from temporary to permanent, they are not included in the temporary contract departures (see Note on non-financial reporting methodology, Section 7.1). The 2019 data included in this table has been restated to reflect this change so that the two periods can be compared.

Training	2020		2019	
	Employees trained	Training hours	Employees trained	Training hours
Universal Music Group	8,499	65,377	7,877	75,665
Canal+ Group	3,986	60,602	4,293	69,241
Havas Group	16,456	196,377	12,572	138,839
Editis	1,032	9,872	-	-
Gameloft	1,984	34,398	2,854	68,843
Vivendi Village	183	3,913	157	2,730
New Initiatives	411	2,591	137	2,528
Corporate	64	936	113	3,043
Total	**32,615**	**374,066**	**28,003**	**360,889**
As a percentage of headcount(*)	**78%**	**-**	**69%**	**-**

(*) As a percentage of the total reported headcount, i.e., excluding companies entering the scope of consolidation and therefore excluding Editis in 2019 (see Note on non-financial reporting methodology, Section 7.1).

Proportion of women in management	2020			2019		
	Total managers	Women managers	Percentage of women managers	Total managers	Women managers	Percentage of women managers
Universal Music Group	2,730	1,088	40%	2,767	1,095	40%
Canal+ Group	3,259	1,370	42%	3,210	1,358	42%
Havas Group	6,527	3,519	54%	6,502	3,568	55%
Editis	1,463	985	67%	1,513	1,029	68%
Gameloft	495	125	25%	538	143	27%
Vivendi Village	329	143	43%	346	162	47%
New Initiatives	354	104	29%	325	88	27%
Corporate	186	97	52%	183	95	52%
Total	**15,343**	**7,431**	**48%**	**15,384**	**7,538**	**49%**

5.3. Environmental indicators

	Unit	2020	2019
Energy consumption			
Electricity	MWh	98,937	102,366
Electricity from renewable sources	MWh	19,355	17,861
Natural gas	MWh GCV	5,813	8,829
Domestic fuel	liters	223,502	185,005
Steam used for space heating	MWh	9,112	8,980
Cold consumption (district cooling)	MWh	3,051	1,951
Diesel used by the fleet of vehicles	liters	2,050,668	1,567,285
Petrol used by the fleet of vehicles	liters	1,127,072	1,286,210
LPG used by the fleet of vehicles **(a)**	liters	320	1,410
Total energy consumption	MJ	169,069	169,254
Materials consumption			
Purchase of paper for internal use	tons	282	409
Purchase of paper for external use	tons	863	810
Purchase of paper for printing books	tons	34,824	-
Purchase of plastics and acrylics used in the manufacturing of products brought to market by a group entity	tons	12,678	17,920
Purchase of cardboard packaging for products brought to market by a group entity	tons	2,249	1,197
Purchase of cardboard (excluding packaging) used in the manufacturing of products brought to market by a group entity	tons	57	-
Purchase of wood used in the manufacturing of products brought to market by a group entity	tons	347	-
Waste			
Professional WEEE	tons	56	99
Professional WEEE recovered	tons	27	60
Household WEEE **(b)**	tons	406	104
Household WEEE recovered **(b)**	tons	327	67
Hazardous waste (excluding WEEE)	tons	24	50
Non-hazardous waste	tons	33,269	3,513
Non-hazardous waste recycled or recovered	tons	31,027	1,541

(a) This indicator pertains only to two group entities.

(b) This indicator pertains only to Canal+ Group entities. Household WEEE includes set-top boxes and Internet terminals leased to Canal+ Group end-users. In African countries most set-top boxes are sold to households which means Canal+ Group is not responsible for collecting the equipment when discarded. It is therefore not included in this indicator.

GREENHOUSE GAS EMISSIONS

	Unit	2020	2019
Greenhouse gas emissions (excluding use of products and purchases of content and services)			
Scope 1 greenhouse gas emissions related to energy consumption (a)	**tons of CO_2eq**	**15,263**	**14,185**
Mobile sources	tons of CO_2eq	9,633	8,556
Stationary sources	tons of CO_2eq	5,628	5,629
Of which refrigerants	tons of CO_2eq	3,673	3,150
Of which domestic fuel	tons of CO_2eq	713	590
Of which natural gas	tons of CO_2eq	1,244	1,889
Scope 2 greenhouse gas emissions related to energy consumption (b)	**tons of CO_2eq**	**31,775**	**35,211**
Of which electricity (including electricity from renewable sources)	tons of CO_2eq	30,004	33,490
Of which steam	tons of CO_2eq	1,704	1,679
Of which district cooling	tons of CO_2eq	67	42
Scope 3 greenhouse gas emissions (c)	**tons of CO_2eq**	**132,089**	**180,115**
Hazardous waste (including WEEE)	tons of CO_2eq	203	106
Non-hazardous waste	tons of CO_2eq	2,861	151
Business travel	tons of CO_2eq	28,548	113,867
Purchase of raw materials	tons of CO_2eq	69,926	52,376
Of which plastics	tons of CO_2eq	35,879	50,715
Of which paper	tons of CO_2eq	33,135	1,195
Of which cardboard	tons of CO_2eq	899	466
Of which wood	tons of CO_2eq	13	n/a
Property (buildings leased or owned) **(d)**	tons of CO_2eq	28,647	13,615
Road freight	tons of CO_2eq	1,904	Not measured

(a) Scope 1 applies to direct emissions such as energy consumption (excluding electricity), fuel combustion and fugitive emissions (due to leaks of refrigerant fluid, for example).

(b) Scope 2 corresponds to indirect emissions from energy consumption, including the consumption of electricity or steam via distribution grids.

(c) Scope 3 corresponds to other emissions produced indirectly by the group's activities which are not covered in Scopes 1 and 2 but which are linked with the value chain as a whole, including the purchase of raw materials (e.g., paper, cardboard and plastics), the management of waste generated by the activities of Vivendi's subsidiaries and business travel by employees. Greenhouse gas emissions relating to the purchase of services and content and emissions generated by the use of products and services sold are not included in the figures above, since there is a high degree of uncertainty involved in calculating them. In 2020, the following emissions line items were added: GHG emissions from the purchase of cardboard (excluding packaging) used to manufacture products, the purchase of wood used to manufacture products and the purchase of paper used to print books, and emissions from road freight (Editis only).

The calculation methodology is described in the paragraph entitled "Methodological details and limitations in relation to indicators" in the Note on Methodology in Section 7.1.4 and in the document entitled "Note méthodologique de calcul des émissions de gaz à effet de serre du groupe Vivendi" (in French) which is available on Vivendi's website.

(d) If reporting entities are unable to provide the date when a building was built or leased, its surface area in square meters is not included when calculating GHG emissions. Changes to the calculation method for emissions related to property (buildings leased or owned) are set out in detail in Section 7.1.4.2 on Environmental indicators.

SECTION 6. TABLES

6.1. Concordance table

The concordance table below sets out the categories of information required pursuant to Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

It refers readers to the sections of this Universal Registration Document where information relating to each category can be found.

Category of Information	Sections of the 2020 Universal Registration Document
Presentation of the business model	Chapter 1, Section 2.3.1
Description of the main non-financial risks	Chapter 2, Section 2
Description of policies to prevent, identify and mitigate the main non-financial risks and their impact and performance indicators	Chapter 2, Sections 3, 4 and 5
Consequences of the company's activities and the use of the goods and services it produces on climate change	Chapter 2, Sections 2.2 and 4.1
Societal commitments for sustainable development	Chapter 2, Sections 1.2.4, 4.2, 4.3.4, 4.3.5
Circular economy	Chapter 2, Section 4.1.2.1
Combating food waste	Not relevant – Chapter 2, Section 2.1.1
Combating food insecurity	Not relevant – Chapter 2, Section 2.1.1
Respect for animal well-being and responsible, fair and sustainable food	Not relevant – Chapter 2, Section 2.1.1
Collective bargaining agreements in place in the company and their impact on its financial performance	Chapter 2, Sections 4.3.3.2 and 5.2
Working conditions	Chapter 2, Section 4.3.3.2
Measures taken to combat discrimination and promote diversity and measures taken to benefit people with disabilities	Chapter 2, Sections 4.3.1 and 4.3.2
Measures to combat tax evasion	Chapter 2, Section 3.3

6.2. TCFD Concordance table

Vivendi has supported the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) since December 2020. The TCFD was created in line with the Financial Stability Board of the G20 during the COP21. This working group built its recommendations around four themes representing the fundamental aspects of companies' functioning, including governance, strategy, risk management and measuring targets.

The following concordance table serves as a reference for the TCFD recommendation.

Theme	TCFD Recommendation	Source of information in the group's reports
Governance		
Describe the organization's governance regarding climate-related risks and opportunities.	a) Describe the Board of Directors' supervision of climate-related risks and opportunities.	a) CDP Climate Change C1.1, C1.1a, C1.1b
	b) Describe management's role in the assessment and management of climate-related risks and opportunities.	b) CDP Climate Change C1.2, C1.2a, C1.3, C1.3a, C2.2, C2.2a, C2.2b
Strategy		
Describe the existing and potential impacts of climate-related risks and opportunities on the organization's activities, its strategy and financial planning where relevant.	a) Describe the climate-related risks and opportunities the organization has identified in the short, medium and long-term.	a) CDP Climate Change C2, URD 2020 – 2.2
	b) Describe the climate-related risks and opportunities on the organization's activities, strategy and financial planning.	b) CDP Climate Change C2.3, C2.3a, C2.4, C2.4a, C2.5, C2.6, C3.1c, URD 2020 – 2.2
	c) Describe the organization's resilience, taking various climate-related scenarios into account, including a scenario of 2°C or less.	c) CDP Climate Change C3.1c, C3.1g
Risk management		
Describe the manner in which the organization identifies, assesses and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	a) CDP Climate Change C2.2a, C2.2b, C2.2c, C2.3, C2.4, URD 2020 – 2.2
	b) Describe the organization's processes for managing climate-related risks.	b) CDP Climate Change C2.2d, C2.3a
	c) Describe the manner in which the processes for identifying, assessing and managing climate-related risks are integrated in the organization's risk management.	c) CDP Climate Change C1.2a, C2.2, C2.2b, C2.3a
Indicators and goals		
Describe the indicators and goals used to assess and manage climate-related risks and opportunities where relevant.	a) Describe the indicators used by the organization to assess climate-related risks and opportunities in relation to its strategy and risk management process.	a) CDP Climate Change C1.3, C2.3a, C5, C6, C7, C8, C9, C11
	b) Publish Scopes 1 and 2 greenhouse gas emissions (GHGs) and, if relevant, Scope 3 and the related risks.	b) CDP Climate Change C5, C6, C7 URD 2020 – 5.3
	c) Describe the goals used by the organization to manage climate-related risks and opportunities and its performance on these goals.	c) CDP Climate Change C4

URD = Vivendi 2020 Universal Registration Document.
CDP = Vivendi's 2020 response to the CDP Climate Change questionnaire (available on the group's website).

SECTION 7. VERIFICATION OF NON-FINANCIAL DATA

7.1. Note on non-financial reporting methodology

7.1.1. REFERENCE FRAMEWORKS

The reporting of non-financial information is based on an Internal Reference developed by Vivendi, which is in turn based on national and international references including: French executive order no. 2017-1180 of July 19, 2017 relating to the publication of a non-financial performance statement, French decree no. 2017-1265 of August 9, 2017, the guidelines of the Global Reporting Initiative **(1)** (GRI) and its Media Sector Supplement of May 4, 2012 **(2)**, the ten principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises.

The reporting protocol for environmental, social and societal data of the Vivendi group companies is updated annually and ensures the consistent application of definitions and rules for data gathering, validation and consolidation by all group companies.

(1) Launched in 1997 by the Coalition for Environmentally Responsible Economies (CERES) in partnership with the United Nations Environment Programme (UNEP), the GRI is a long-term and international, multi-stakeholder initiative that develops and issues guidelines for voluntary sustainability reporting by multi-national corporations wishing to disclose information regarding the economic, environmental and social impact of their activities, products and services. The GRI has not verified the content of this report or the validity of the information provided therein (www.globalreporting.org).

(2) The GRI Media Sector Supplement provides reporting guidance for global media industry corporations. Several themes are included such as freedom of expression, media pluralism and content quality, the representation of cultures, independence, data protection, accessibility and media literacy.

7.1.2. INDICATORS

The societal, social and environmental indicators are presented in this chapter.

Unless otherwise indicated, the societal, social and environmental indicators refer to consolidated data as of December 31, 2020.

For 2020, data is consolidated. 2020 data is broken down by subsidiary for certain indicators.

7.1.3. REPORTING SCOPE

The reporting scope was established in accordance with Articles L. 233-1 and L. 233-3 of the French Commercial Code and, with the exception of certain companies, pertains to subsidiaries and controlled companies (see details at each reporting scope level).

Changes in reporting scope are the result of acquisitions and/or disposals of consolidated companies between January 1 and December 31 of the relevant reporting year:

- in the event of a disposal during the reporting year, the data for the company are not recognized within the scope of that year; and
- in the event of an acquisition during the reporting year, the data for the company will be fully consolidated into the reporting as from the following year, unless that company can provide the required information for the reporting year. The acquired company's headcount is however incorporated into the scope of the current reporting year.

7.1.3.1. Societal reporting scope

The societal reporting scope is as follows:

- UMG: unless otherwise indicated, the reporting scope applies to nine companies that account for 80% of the group's revenues (and located in Australia, Brazil, France, Germany, Japan, the Netherlands, South Africa, the United Kingdom and the United States);
- Canal+ Group: unless otherwise indicated, the reporting scope applies to the companies located in mainland France and its overseas departments and territories, Poland, Africa (a focus group of fifteen countries: Benin, Burkina Faso, Cameroon, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Gabon, Guinea, Madagascar, Mali, Mauritius, Niger, Nigeria, Senegal and Togo) and Vietnam. For some indicators that specifically apply to the French company the scope "Canal+" is mentioned;
- Havas Group: unless otherwise stated, the reporting scope applies to a limited number of entities representing 80% of the group's gross profit, except the following indicators, which apply to the wider scope of the entire group: "Amounts paid to corporate foundations, outreach programs and patronage and partnership initiatives", "Policies to encourage skills volunteering and pro bono work", "Number and description of pro bono campaigns carried out", "Number of employees involved in pro bono/skills volunteering and monetary equivalent of time spent", "Commitments to responsible content", "Number and description of creative projects deemed non-compliant or rejected by regulatory authorities", "Number and description of campaigns giving rise to an intervention from regulatory authorities and a withdrawal request", "Communication campaigns helping to raise public awareness of contemporary issues" and "Consultations with stakeholders during the design of communication campaigns";
- Editis: for this first year, the reporting scope applies to France (which accounts for more than 94% of the group's employees);
- Gameloft: the reporting scope applies to the entire group;
- Vivendi Village: the reporting scope applies to See Tickets (France and the United Kingdom), CanalOlympia and l'Olympia; and
- New Initiatives: the reporting scope corresponds to Dailymotion.

7.1.3.2. Social reporting scope

The social reporting scope covers all group companies and 100% of the workforce for the "headcount" indicators. In accordance with the reporting protocol, companies newly consolidated within the reporting scope during the year appear only in the tables related to headcount. For 2020, 20 companies with a total of 546 people joined the group. They are: 4 companies at UMG (20 people), 8 at Havas Group (426 people), 1 at Editis (2 people), 1 at Gameloft (39 people), 5 at Vivendi Village (58 people) and 1 at New Initiatives (1 person).

In social reporting, unless otherwise indicated:

- "Vivendi Village" refers to l'Olympia, Olympia Production, Petit Olympia, CanalOlympia Talents & Live Performances (operating in 11 countries in Africa), Festival Prod, Strong Live Agency, Yuma, Paddington Group, Théâtre de l'Œuvre, Vivendi Village, Vivendi Sports, Vivendi Live Ltd, CanalOlympia and See Tickets (in Europe and the United States);
- New Initiatives refers to Dailymotion (operating in France, Singapore and the United States), Flab Prod, Flab Presse, GVA (operating in France and six countries in Africa), Key Square and Vivendi Content; and
- "Corporate" refers to the Vivendi SE's Paris headquarters and the New York office.

7.1.3.3. Environmental reporting scope

The environmental reporting scope (covering more than 90% of employees) is as follows:

- UMG: the reporting scope applies to 34 countries where the group operates (Argentina, Australia, Austria, Belgium, Brazil, Canada, China, Colombia, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hong Kong, India, Indonesia, Italy, Japan, Malaysia, Mexico, the Netherlands, Norway, Philippines, Poland, Russia, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, the United Kingdom, and the United States);
- Canal+ Group: the reporting scope applies to the companies located in mainland France and its overseas departments and territories, in Europe (Germany, Luxembourg, the Netherlands, Poland, Spain, and the United Kingdom), in Africa (14 countries: Benin, Burkina Faso, Cameroon, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Gabon, Guinea, Madagascar, Mali, Mauritius, Niger, Senegal and Togo), in Haiti, and in Asia (Myanmar and Vietnam) as well as in Australia;
- Havas Group: the reporting scope covers 185 companies in 48 countries (Argentina, Australia, Belgium, Brazil, Cambodia, Canada, Chile, China, Colombia, Costa Rica, the Czech Republic, Denmark, Estonia, France, Germany, Hong Kong, Hungary, India, Indonesia, Ireland, Israel, Italy, Lithuania, Latvia, Malaysia, Mexico, Myanmar, the Netherlands, Peru, Philippines, Poland, Portugal, Russia, Serbia, Singapore, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Arab Emirates, the United Kingdom, the United States, Uruguay and Vietnam);
- Editis: for this first year, the reporting scope applies to France (which accounts for more than 94% of the group's employees);
- Gameloft: the reporting scope applies to 12 countries: Australia, Bulgaria, Canada, China, France, Hungary, Indonesia, Mexico, Romania, Spain, Ukraine and Vietnam;
- Vivendi Village: the scope applies to See Tickets SA, See Tickets Ltd, See Tickets BV, See Tickets US, Vivendi Live Ltd, Vivendi Village France, l'Olympia and the CanalOlympia venues in Benin, Burkina Faso, Cameroon, Congo, Guinea, Madagascar, Niger, Senegal and Togo;
- New Initiatives: the reporting scope applies to Dailymotion (Paris and New York), GVA Congo, Gabon and Togo, and Flab Prod; and
- Corporate: the reporting scope refers to the Vivendi SE's registered office in Paris.

Seven companies with fewer than twenty-five people (the inclusion threshold), representing 0.26% of Vivendi's headcount, were mistakenly included when establishing the scope in the reporting tool.

7.1.4. METHODOLOGICAL DETAILS AND LIMITATIONS IN RELATION TO INDICATORS

Societal, social and environmental indicators may generally reflect methodological limitations due to the lack of harmonization of international and national definitions and legislation, or due to the qualitative and therefore subjective nature of certain data points.

7.1.4.1. Social indicators

Headcount

Headcount-related indicators are expressed in number of employees at December 31.

Changes in the workforce

If an employee's contract is changed from temporary to permanent, they are not included in the temporary contract departures. Similarly, they are not included in the permanent contract new hires.

Turnover

Global turnover rate

The global turnover rate shows trends in the turnover of permanent employees, taking both departures and new hires into account. It reflects the growing activity of our business lines and their ability to attract employees, and is the result of the recruitment policies and initiatives implemented.

The global turnover rate is calculated as follows:

[(Number of people hired on permanent contracts in year Y + Number of departures of people on permanent contracts in year Y + Number of temporary contracts converted into permanent contracts) / 2] / Total employees on permanent contracts as of December 31 in year Y-1.

Voluntary turnover rate

In 2020, Vivendi introduced the concept of voluntary turnover, allowing it to isolate the departures resulting from the resignation of permanent employees.

The voluntary turnover rate is calculated as follows:

Number of resignations of people on permanent contracts in year Y / Total employees on permanent contracts as of December 31 in year Y-1.

Health and safety

Frequency and severity rates are calculated as follows:

Frequency rate of workplace accidents

$$\frac{\text{Number of workplace accidents resulting in lost work time} \times 1{,}000{,}000}{\text{Average annual headcount x annual hours actually worked}}$$

Severity rate of workplace accidents

$$\frac{\text{Number of days lost due to workplace accidents x } 1{,}000}{\text{Average annual headcount x annual hours actually worked}}$$

In 2020, annual hours actually worked were calculated following the same principles as in previous years (planned working hours, less days absent). Consequently, they do not include periods of partial unemployment that certain companies may have experienced during the global health crisis.

For Interforum in France, an Editis Group company where the health and safety risk was deemed to be significant due to the nature of its business, recognizing annual hours actually worked in 2020 would have increased the frequency rate by 0.40 point for Editis Group and 0.002 point for Vivendi group, while the severity rate would have gone up by 0.022 point for Editis Group and less than 0.0001 point for Vivendi group.

7.1.4.2. Environmental indicators

For the environmental scope, the methodology used for data collection takes into account the nature of the site in terms of its contribution to electricity consumption. Data is primarily collected for sites of at least 25 employees, to achieve a representation of over 90% of real data compared to total estimated electricity consumption.

Greenhouse gas emissions are calculated based on the emission factors from the French Environmental and Energy Management Agency (Ademe) database for calculating carbon footprint, Base Carbone, version 15.0 (September 2018) and version 17 (October 2019) for certain positions added for 2020 reporting. In the event that emission factors are not available in the database or are not considered pertinent, factors from other recognized sources, including the GHG Protocol (www.ghgprotocol.org) and the UK Department for Environment, Food and Rural Affairs (www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2018), may be used.

The list of emission factors used for these calculations is available on the group's website.

Any missing data on indicators such as electricity, gas, fuel and steam is estimated using methodologies based on Ademe factors where these are applicable or are based on available data (e.g., ratios of ten months out of twelve or ratio per square meter, per person).

With regard to data on electricity consumption, the quantities reported correspond to the quantities invoiced. In the event that data is not available (as is the case for certain sites not owned by the group), consumption is estimated based on conversion factors (kWh/m^2, kWh/ft^2). The conversion factors used for the energy consumption indicators are standard values. They differ depending on the geographic location of the entities and are taken from recognized reference guides. Total energy consumption is broken down to obtain a clearer explanation of the composition of the energy consumed.

CO_2 emissions are divided into three categories:

- Scope 1 represents direct greenhouse gas emissions, including those associated with the consumption of natural gas and domestic heating fuel and injections of refrigerant fluids during site maintenance operations on air-conditioning installations. The emissions related to transport from consumption from mobile sources, for directly owned vehicles or vehicles on long-term leases over which the group has operational control, are also included;
- Scope 2 includes indirect greenhouse gas emissions resulting from the use of electricity, steam and cooling; and
- in accordance with changes to carbon reporting requirements resulting from the French Energy Transition for Green Growth Act, as published in the official gazette *(Journal officiel de la République française),* on August 18, 2015, Scope 3 emissions are taken into account from the 2017 reporting period onwards. Scope 3 represents external indirect greenhouse gas emissions, including in particular emissions related to business travel by employees, purchase of paper, cardboard, wood, plastics and acrylics used in manufacturing products intended for sale, property (buildings) and emissions related to the processing of WEEE.

For Scope 3, the data was selected according to the degree of reliability and comprehensiveness of the input data available (e.g., units of mass and distance).

In 2020, a change was made to the way that carbon emissions from property (buildings leased or owned) are recognized. The relative surface areas of leased buildings/sites and buildings constructed during the reporting year are recognized without depreciation, while all emissions related to that building's manufacturing in year Y are also recognized (rule applicable under the GHG Protocol, the only internationally recognized method that companies can use to establish their trajectory with respect to Science-Based Targets).

7.1.5. REPORTING TOOLS, CONSOLIDATION AND CONTROLS

A unique data collection tool called "Perform!" reports all consolidated and controlled data to various levels.

The IT tool automatically checks the data for consistency during input. An initial validation is performed by each subsidiary. Consistency checks and a second validation are performed by each business unit. These indicators are then grouped together and checked at the group's headquarters, where a third validation is performed during consolidation. Lastly, an analytical review and a general control ensure the overall consistency of headcount flows between year Y-1 and year Y.

7.2. Independent third party's report on the consolidated non-financial statement presented in the management report

Year ended December 31, 2020

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the General Assembly,

In our quality as an independent verifier, accredited by the Cofrac under the number no. 3-1681 (scope of accreditation available on the website www.cofrac.fr), and as a member of the network of one of the Statutory Auditors of your entity (hereafter "entity"), we present our report on the consolidated non-financial statement established for the year ended on December 31, 2020 (hereafter referred to as the "Statement"), included in the management report pursuant to the requirements of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code *(Code de commerce).*

THE ENTITY'S RESPONSIBILITY

The Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement (or which are available online).

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the requirements of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics *(Code de déontologie)* of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

RESPONSIBILITY OF THE INDEPENDENT THIRD PARTY

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with Article R. 225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

NATURE AND SCOPE OF THE WORK

The work described below was performed in accordance with the provisions of Articles A. 225-1 *et seq.* of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000 **(1)**:

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in Article L. 225-102-1 III of the French Commercial Code as well as information set out in the second paragraph of Article L. 22-10-36 regarding compliance with human rights and anti corruption and tax avoidance legislation;
- we verified that the Statement provides the information required under Article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning certain risks (anti corruption and vigilance in the supply chain), our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities: UMG USA Music Publishing, UMG Japan Music Publishing, Media Planning Group, Havas Paris, Havas Gemini, Canal+ UES, Canal+ International Contact Ile Maurice, Interforum, Sejer;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 21.86% and 46.11% of the consolidated data relating to the key performance indicators and outcomes selected for these tests (21.86% of total headcount, 46.11% of electricity consumption);
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

MEANS AND RESOURCES

Our verification work mobilized the skills of eight people and took place between October 2020 and February 2021 on a total duration of intervention of about twelve weeks.

We conducted twenty-one interviews with the persons responsible for the preparation of the Statement including in particular the Human Resources, Legal, Marketing and CSR Departments.

CONCLUSION

Based on the procedures performed, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Paris-la Défense, March 23, 2021

French original signed by:

Independent third party EY & Associés

Laurent Vitse Partner	Éric Duvaud Partner, Sustainable Development

APPENDIX 1: THE MOST IMPORTANT INFORMATION

Social information	
Quantitative Information (including key performance indicators)	*Qualitative Information (actions or results)*
	Actions for recruiting talents and employer brand (UMG, Canal+, Havas, Editis).
Global turnover on permanent contracts (all activities).	Programs to develop internal talents and leadership (UMG, Canal+, Havas, Editis).
Voluntary turnover on permanent contracts (all activities).	Actions for quality of working life (UMG, Canal+, Havas, Editis).
Number of collective agreements (Canal+ France).	Training programs (UMG, Canal+, Havas, Editis).
Frequency rate of work-related accidents (Editis).	Organization of social dialogue and measures taken following the employment safeguard plan (Canal+ France).
Severity rate of work-related accidents (Editis).	Measures taken in terms of health and safety at work (Editis).
Environmental information	
Quantitative Information (including key performance indicators)	*Qualitative Information (actions or results)*
Main sources of greenhouse gas emissions (scope 1, 2 and 3 on all activities).	Climate strategy 2020-2035 development and deployment (all activities).
	Actions taken to fight climate change (UMG, Canal+, Havas, Editis).
Societal information	
Quantitative Information (including key performance indicators)	*Qualitative Information (actions or results)*
	Measures taken following the duty of vigilance program (all activities).
Number of creative projects considered non-compliant by advertising regulators (Havas).	Monitoring of attraction and retention of external talents (UMG, Canal+, Editis).
Number of campaigns subjected to an intervention from advertising regulators and to a removal request (Havas).	Actions taken to defend human rights and the Ethics Charter (Canal+, Havas).
Share of people trained on psychological or sexual harassment (Havas).	Respect of group's guidelines on contents and its strategic direction "Make a Meaningful Difference" (Havas).
Number of Sejer products recall or retention (Editis).	Training program to prevent harassment (Havas).
Number of claims linked to consumers' health and safety at Sejer Customer Relation (Editis).	Respect of ethics rules and professional integrity commitments in the contents with the Ethics Charter (Canal+).
Number of demands from the "DIRECCTE" Sejer (Editis).	Respect of group's guidelines on contents (UMG, Editis).
	Program implemented for personal data protection (UMG).
	Actions taken to protect consumers' health and safety (Editis).


LE BUREAU DES LEGENDES
SAISON 5

3 RISK FACTORS, INTERNAL CONTROL AND RISK MANAGEMENT

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Chapter 3

SECTION 1. RISK FACTORS

Vivendi regularly conducts a review of the risk factors that could have a negative impact on its operations or results. This review is presented to the Risk Committee, the Management Board and the Audit Committee. Vivendi has not identified any significant risks apart from those described below. Other risks of which Vivendi was unaware or which were considered insignificant at the date of this Annual Report – Universal Registration Document could have an adverse effect in the future.

The Risk Committee also assesses the adequacy of the internal procedures in place for reducing the risks to which the group may be exposed. It notifies the Audit Committee, the Supervisory Board and the Management Board of its main conclusions and recommendations.

The Compliance Committee is responsible for measures and procedures to identify and prevent risks as required by French Law No. 2016-1691 of December 9, 2016 (referred to as the Sapin II Act), Law No. 2017-399 of March 27, 2017 on anticorruption measures and the duty of vigilance, and EU Regulation 2016/679 (the General Data Protection Regulation, GDPR). The Compliance Committee works in association with the Risk Committee.

For a description of the work of the Compliance Committee and the Risk Committee, see Sections 1.2.10.4 and 1.2.10.5 of Chapter 4 of this Annual Report – Universal Registration Document. See Section 3 of Chapter 2 for a description of the Compliance Program and its implementation.

This Risk Factors section takes into account the provisions of EU Regulation No. 2017/1129 of June 14, 2017 ("PR3"), which came into effect on July 21, 2019. The risk factors are presented below in decreasing order of importance within each category, based on an assessment of the gross risk each factor represents, derived from an analysis of its potential impact and the probability of its occurrence.

The table below provides a summary of the main risks facing the group, which have been divided into three categories: operational risks, financial risks and legal risks. In each category, the net risks that remain after taking into account control measures are classified by degree of materiality, based on their potential impact and their probability of occurrence.

Risk factors		Impact	Probability of occurrence	Materiality
1.1	**Operational Risks**			
1.1.1	Risks associated with the increasing cost of exclusive content and premium rights in the group's various businesses	• • •	• • •	• • •
1.1.2	Risks associated with piracy and counterfeiting	• • •	• • •	• • •
1.1.3	Disintermediation risks	• • •	• • •	• • •
1.1.4	Risks associated with cybercrime	• • •	• •	• • •
1.1.5	Risks associated with talent	• •	• •	• •
1.1.6	Risks associated with data protection	• •	• •	• •
1.1.7	Risks associated with conducting operations in various countries	• •	•	• •
1.2	**Financial Risks**			
1.2.1	Equity market value risks	• • •	• • •	• • •
1.2.2	Risks associated with goodwill	• • •	• •	• •
1.2.3	Risks associated with currency conversion and exchange-rate fluctuations	• • •	• •	• •
1.2.4	Risks associated with the cost of access to financing	• • •	•	•
1.3	**Legal Risks**			
1.3.1	Risks associated with regulations applicable to the group's operations	• •	• •	• •
1.3.2	Litigation risks	• • •	•	• •

Although the Covid-19 pandemic has hit some countries and businesses harder than others, in 2020 Vivendi demonstrated its resilience and adapted its activities in order to continue to effectively serve and entertain its customers, while reducing costs to preserve its margins. The group's operations generally held up well, in particular music and pay-TV. However, as expected, other operations such as Havas Group and Vivendi Village (particularly live entertainment) were affected by the crisis. Editis has enjoyed a strong rebound in its operations in France since June 2020.

Vivendi is constantly monitoring the current and potential effects of the pandemic, but it is difficult to determine the extent of the impact it will have on the group's results for 2021. The businesses related to advertising and live entertainment risk being more lastingly affected than the others. Nevertheless, the group remains confident in the resilience of its main businesses. It is pursuing every effort to ensure the continuity of its activities, as well as to best serve and entertain its customers and audiences, while complying with the guidelines of the authorities in each country where it operates.

In 2020, Vivendi tested the value of the goodwill allocated to its Cash-Generating Units (CGUs) or groups of CGUs, applying the same valuation methods used each year. These tests involved ensuring that the carrying amount of each CGU (including goodwill) was higher than its recoverable amount. Government measures introduced during the year to contain the spread of the pandemic in the main regions where Vivendi operates, notably national lockdowns and the closure of some shops and businesses, slowed down some of the group's activities, which adversely affected operating performance in 2020, particularly for Havas Group, Studiocanal and Vivendi Village. Notwithstanding the uncertainties created by the Covid-19 pandemic, Vivendi considers that the decline in the operating performances of these entities seen in 2020 is unlikely to be lasting and should not affect their long-term outlook.

In 2020, Vivendi's net financial debt increased by €889 million, from €4,064 million at December 31, 2019 to €4,953 million at December 31, 2020. In addition to its existing debt, Vivendi also has access to significant financing resources. As of December 31, 2020, €3.3 billion of the group's committed credit facilities were available.

The average "economic" term of the group's financial debt, calculated based on the assumption that available medium-term credit lines may be used to redeem the group's shortest term borrowings, was 4.8 years as of December 31, 2020 (compared to 5.3 years as of December 31, 2019).

See Note 21 to the 2020 Consolidated Financial Statements in this Annual Report – Universal Registration Document for further information on the group's borrowings, other financial liabilities and financial risk management.

1.1. Operational Risks

Vivendi is an integrated content, media and communications group. It operates businesses across the media value chain, from talent discovery to the creation, production and distribution of content. Operational risks are assessed taking into account quantitative and qualitative factors specific to each of the group's businesses.

The description of how these risks may affect Vivendi and of the control measures put in place includes illustrative examples to reflect the diversity of the group's businesses.

1.1.1. RISKS ASSOCIATED WITH THE INCREASING COST OF EXCLUSIVE CONTENT AND PREMIUM RIGHTS IN THE GROUP'S VARIOUS BUSINESSES

Vivendi's businesses face an increasingly competitive international environment driven by integrated global groups and GAFA. The development of SVOD platforms has led to a reduction in the overall content offering and overbidding for exclusive rights for original content.

For example, the sporting rights market is still speculative and highly inflationary, despite the impact of the Covid-19 pandemic on fixtures.

In view of this cost inflation, the Vivendi group exercises strict cost discipline coupled with a coherent investment policy and a formal governance structure (e.g., M&A Committees and validation thresholds) and benefits from a broad catalog of diversified, exclusive rights.

A policy of acquiring exclusive rights to alternative sports (rugby and motor sports), setting up partnerships for football (e.g., SFR and beIN Sports) and producing its own exclusive programs (co-produced with HBO, Sky or Netflix) also helps absorb the effects of this overall cost inflation and the potential loss of some premium rights in the medium and/or long term.

As a result, Vivendi may be required to contribute to content cost inflation with a risk of not obtaining a return on its investment, or to refrain from overbidding, with a commercial risk related to the loss of customers or subscribers.

1.1.2. RISKS ASSOCIATED WITH PIRACY AND COUNTERFEITING

Vivendi's businesses are highly reliant on intellectual property rights, which the group either owns or uses under distribution licenses.

The increasing access rate to high-speed Internet, technological progress and the difficulties the public authorities face in protecting rights holders are facilitating the unauthorized reproduction of music and audiovisual content, thereby leading to the development of illegal digital practices. The illegal use of the group's intellectual property rights and content could affect its results and the growth outlook for its businesses, particularly for:

- the music sector, with sales of counterfeit physical products (CDs and vinyl records) and illicit use of digital products by unlicensed streaming sites, P2P file-sharing networks, cyber-lockers, content aggregators and stream ripping applications;
- Canal+ Group's offers and content, with the development of IPTV offerings (access to thousands of TV channels including premium sports channels + VOD content). According to a survey released by the EUIPO (the European Union Intellectual Property Office) published in November 2019, illegal IPTV offers generated nearly €1 billion in revenue in EU member states in 2018, with these services used by 13.7 million people (i.e., 3.6% of the EU's population). In France, the survey showed there were 2.2 million users of illegal IPTV offers in 2018, i.e. 4.7% of the population. Over the past two years, the use of the most well-known sites for illegally downloading and streaming movies and series has decreased noticeably, mainly due to the Audiovisual Anti-Piracy Alliance (AAPA) regularly blocking the main sites. However, these audiences increased again during the Covid-19 lockdowns.

Vivendi devotes significant resources to antipiracy measures and is working increasingly closely with key sector operators, such as rights holders, Internet service providers (ISPs) and sports federations. It also regularly organizes awareness-raising campaigns among local authorities to help find effective ways of combating piracy.

Combating piracy is also a priority for Canal+ Group, which, as a member of the AAPA and the ACE (Alliance for Creativity and Entertainment), organizes awareness-raising campaigns among hosting companies in order to speed up the notice & take-down process, and takes court action where necessary. Canal+ Group has a dedicated team in charge of protecting content and pay-TV packages both in France and abroad. This central team is assisted by local teams, legal teams, and several specialized service providers.

In 2020, hundreds of live sporting events and premium content (movies and series) were protected by being placed under active surveillance. The antipiracy measures put in place resulted in take-downs of hundreds of thousands of illegal streaming links. Additionally, millions of search results redirecting users to illegal sites were de-indexed from the main search engines.

Universal Music Group works in partnership with intermediaries (Internet service providers, e-commerce companies, and credit card firms) to recall any counterfeit physical products that are available online. In addition, growth in streaming services is helping to reduce digital piracy by giving consumers more widespread access to legal streaming offers. The group has an antipiracy unit tasked with leading and coordinating take-downs and setting up license agreements with infringers.

The consumption of content obtained in violation of applicable regulations could result in a loss of revenue for Vivendi.

See Section 3 of Chapter 1 of this Annual Report – Universal Registration Document for a detailed analysis of piracy issues and the antipiracy measures taken by each of the group's businesses.

1.1.3. DISINTERMEDIATION RISKS

The entertainment market in which Vivendi operates is changing rapidly, driven by the development of high-speed broadband and the rapid spread of new consumer viewing habits such as non-linear and on-demand television. Vertical consolidation in the audiovisual market and the arrival of new players (e.g., advertising consultants and live streaming companies), coupled with the creation of Over The Top (OTT) TV packages by publishers or rights agencies, could have an impact on the development of the packages provided by the group as well as on its revenue and earnings.

Similarly, the arrival of new players such as advertising consultants, live streaming companies and literary self-publishing platforms has also heightened disintermediation risks for the group's businesses.

Vivendi pays close attention to these market trends and has a recognized and differentiating expertise in content production, editorialization and distribution. The proven ability of labels to develop and promote new artists helps mitigate this risk in the music industry, as demonstrated by the fact that Universal Music Group features in the world rankings shown in Section 3.1.1.1 of Chapter 1 of this Annual Report – Universal Registration Document.

One of the ways the group reduces its exposure to disintermediation risks is by forging strategic partnerships with leading market players. In line with this, in April 2020, Canal+ Group began offening the Disney+ streaming service, for which it is the exclusive distributor in France.

Given the complexity of a highly fragmented market, customers or subscribers could opt out of the group's offers or subscribe to partial offers from other market players.

1.1.4. RISKS ASSOCIATED WITH CYBERCRIME

Vivendi's operations are reliant on the quality and resilience of its data centers and service platforms. There has been a surge in recent years of IT intrusion attempts and Denial of Service attacks and, more recently, the threat of ransomware attacks. Any of these types of cybercrime could disrupt the service provided by the group to its customers or subscribers and could have an impact on the organization of its operations or on its reputation.

Vivendi has an inherently high digital exposure due to (i) its connected services offerings for the general public (Dailymotion, Gameloft and myCanal), (ii) its core businesses that are ever-more intrinsically linked to digital (e.g., streaming for music, OTT distribution for Canal+ Group, online advertising for Havas, digital book publishing for Editis), (iii) its powerful brands (Canal+ content, UMG artists), and (iv) its global footprint.

The security of infrastructures and information systems is an ongoing concern for the Vivendi group.

Its headquarters and main business units each have an information systems security officer (ISSO) who puts in place the necessary security processes within the ISSO's specific structure (Security Operation Center, protection of work stations and cell phones, multi-factor authentication, antiphishing programs and so forth).

Intrusion tests and security audits are regularly performed by specialist external service providers that are certified by the French National Information Systems Security Agency (Agence nationale de la sécurité des systèmes d'information) to identify and correct any vulnerabilities.

Exposure of such infrastructure may result in service interruptions, fraud or data theft and could have an impact on the group's financial situation or reputation.

In 2020, the Covid-19 pandemic and consequent sharp rise in home-working changed the exposure of the group's business units to risks associated with cybercrime, particularly due to the massive use of collaborative tools, a greater number of remote-access systems and the increased vulnerability of remote users and the global ecosystem (partners). Cybersecurity procedures were adapted accordingly, notably by extending the double authentication procedure for remote access and modifying surveillance systems.

1.1.5. RISKS ASSOCIATED WITH TALENT

In the music, publishing, video games and advertising sectors, the ability to identify and retain internal and external talent, such as artists, creators, authors, managers and certain technical profiles, is a key success factor for the group in an environment characterized by both mobility and competition.

Universal Music Group's risk of dependence on its external talent is mitigated by the large number of well-known international artists that are under contract, as well as by the variety of musical genres produced by UMG, its global presence and the fact that it manages the world's largest catalog of recorded music.

In addition, Vivendi has put in place a strategy aimed at attracting and retaining the best talent to futureproof its operations and safeguard its reputation. Its presence in more than 100 countries and the reputation of the group and its brands enable it to identify, attract and retain the talent needed to develop the group's businesses.

If Vivendi were to lose the support of any of its key people or the ability to attract new talent, it could experience a decrease in sales and earnings which could affect its growth prospects and/or financial position.

1.1.6. RISKS ASSOCIATED WITH DATA PROTECTION

Due to the diversity of its operations, Vivendi processes vast amounts of personal data, particularly in the advertising and TV sectors. Given its broad geographic footprint, the group is subject to the various national data protection regulations in the countries where it operates. It is also subject to the European General Data Protection Regulation (GDPR), which came into effect in May 2018, notably in relation to:

- managing data relating to visitors to thousands of websites (e.g., UMG, Editis);
- processing the personal data of subscribers (Canal+ Group) and/or online service users (Gameloft and Dailymotion).

Vivendi launched a GDPR Compliance Program for all of its subsidiaries in 2017, backed by the group's executive management team.

Each business unit in the group has a Data Protection Officer (DPO) who is responsible for ensuring compliance with national personal data protection regulations and the group's guidelines, notably by:

- implementing data protection policies;
- systematically deploying Consent Management Platforms;
- aligning privacy and cookies policies in mobile and Web environments;
- performing audits to verify that the systems deployed are effective;
- tracking indicators covering the main principles of personal data protection (accountability, security, suppliers, employee training and individual rights).

In 2020, particular attention was paid to consent management, both with respect to the group's website users and its advertising partners, taking into account the latest recommendations issued by the French data protection authority which came into effect at the end of March 2021.

For a detailed description of the measures taken to ensure the group's compliance with personal data protection regulations, see Section 3 of Chapter 2 of this Annual Report – Universal Registration Document.

1.1.7. RISKS ASSOCIATED WITH CONDUCTING OPERATIONS IN VARIOUS COUNTRIES

Vivendi conducts its operations in several markets in more than 100 countries.

Vivendi's consolidated revenue by geographic area was as follows for the year ended December 31, 2020: Americas (€5,094 million); France (€4,820 million); rest of Europe (€3,884 million); Asia-Pacific (€1,536 million); and Africa (€756 million).

The main risks associated with conducting its operations internationally are as follows:

- each local economic and political situation;
- the Covid-19 situation and the related temporary restrictions in some business segments (movie production and live entertainment);
- restrictions on capital repatriation;
- unexpected changes in the regulatory environment;
- various tax systems, which may have an adverse effect on the results of Vivendi's operations or on its cash flow and, in particular, regulations relating to transfer pricing and withholding tax on the repatriation of funds; and
- tariff barriers, customs duties, export controls and other trade barriers.

Vivendi's broad geographic footprint reduces the potential impact of a problem in a particular local market. Consequently, if such a problem were to occur, it would have an insignificant effect on the group's financial results. Vivendi nevertheless remains attentive to this risk, as its businesses in most of the geographic regions with the highest level of exposure are still in the development phase.

1.2. Financial Risks

1.2.1. EQUITY MARKET VALUE RISKS

As of December 31, 2020, Vivendi had a portfolio of minority shareholdings in listed companies in the telecommunications and media sectors, representing an aggregate market value of approximately €5.3 billion (before tax). Vivendi is exposed to the risk of fluctuations in the value of these shareholdings and, as of December 31, 2020, the related unrealized loss was roughly €1.5 billion (before tax). The value of these assets could vary depending on the underlying share prices as well as the legal disputes currently in process concerning Vivendi's stake in Mediaset. A 10% uniform decrease in the value of all of these shares would have a cumulative negative impact of approximately €0.5 billion on Vivendi's financial position; a 20% uniform decrease in the value of all of these shares would have a cumulative negative impact of approximately €1.1 billion on Vivendi's financial position.

However, Vivendi has taken action to safeguard the value of these assets:

- at Telecom Italia – which has launched a plan to reduce its debt and improve its operating performance – the five directors elected from the list put forward by Vivendi to Telecom Italia's Board of Directors are members of Telecom Italia's various Board Committees, notably the Strategy Committee that issues opinions and proposals about the company's overall industrial strategy; and
- concerning Mediaset, in order to protect its shareholder rights, Vivendi has launched a number of lawsuits against Mediaset and its main shareholder, Fininvest, in several European countries, and also made an application to the European Court of Justice, which ruled in Vivendi's favor on September 3, 2020 (based on the Italian TUSMAR law).

For a detailed description of the disputes and investigations involving Mediaset, see Note 25 to the Consolidated Financial Statements in Chapter 5 of this Annual Report – Universal Registration Document.

1.2.2. RISKS ASSOCIATED WITH GOODWILL

As of December 31, 2020, the carrying amount of the goodwill recognized in Vivendi's consolidated statement of financial position was €14.2 billion.

A significant portion of the value of this goodwill is sensitive to any adverse changes in (i) the economic and/or regulatory environment as compared with the assumptions applied when the goodwill was initially recognized, and (ii) the multiples used in mergers and acquisitions for comparable companies, or other market data. Goodwill is tested for impairment once a year or more frequently if there is an indication that it may be impaired.

The value of goodwill could decrease, with an ensuing impact on earnings, if the discounted cash flows generated by the cash-generating units (CGUs) or groups of CGUs are not high enough to justify the carrying amounts recorded in the consolidated statement of financial position. Any increase in the discount rates used and/or decrease in growth rates and/or decrease in cash flows could reduce the recoverable amount of goodwill to less than or the same as its carrying amount.

For example, in the case of Studiocanal, an increase in the discount rate of 1.27 points (compared to 7.7%) or a decrease in the growth rate of 2.12 points (compared to 1%) or a decrease in discounted cash flows of 17% would reduce the recoverable amount of goodwill to its carrying amount.

Lastly, the carrying amount of goodwill in non-eurozone countries may decrease if the exchange rate of the currency in which it is denominated falls against the euro (see Note 10 to the Consolidated Financial Statements in Chapter 5 of this Annual Report – Universal Registration Document).

1.2.3. RISKS ASSOCIATED WITH CURRENCY CONVERSION AND EXCHANGE-RATE FLUCTUATIONS

Over half of Vivendi's business is conducted in countries outside the eurozone. Consequently, the revenue and operating results generated in currencies other than the euro (mainly the US dollar, pound sterling, zloty and yen) are exposed to fluctuations in exchange rates when they are consolidated in Vivendi's financial statements. Likewise, some of Vivendi's net assets are denominated in currencies other than the euro. Any fluctuations in these currencies against the euro could negatively impact Vivendi's equity and result in currency conversion risks.

Additionally, the operations of Vivendi and some of its subsidiaries generate cash flows in currencies other than their functional currency. The exchange-rate risk arising on these operations is limited as Vivendi has set up hedges on a centralized basis, in the form of currency swaps and forwards. These instruments are notably used for acquisitions of editorial content and certain investments, representing definite or highly probable transactions, as well as for certain financial assets and liabilities denominated in foreign currencies.

Taking into account the foreign currency hedging instruments in place, an unfavorable and uniform 1% change in the euro exchange rate against all foreign currencies for which the group had a hedging position as of December 31, 2020 would have a non-significant cumulative impact on net earnings.

1.2.4. RISKS ASSOCIATED WITH THE COST OF ACCESS TO FINANCING

Risks related to the cost of access to financing are assessed based on the group's capacity, in the coming twelve months, to (i) have ready access to cash and cash equivalents and available confirmed credit facilities and (ii) generate sufficient cash flows and proceeds from sales, to cover debt repayments, dividend payouts, financial investments and any share buybacks. Vivendi does not currently consider that it has significant exposure to such risk.

In January 2020, Vivendi set up several confirmed five-year bilateral credit facilities representing an aggregate amount of €1.2 billion. It has also put in place a syndicated loan – originally amounting to €2 billion but subsequently raised to €2.2 billion – that expires on January 16, 2026. These credit facilities – which are not subject to financial covenants – serve as a back-up to the group's €3.4 billion short-term Negotiable European Commercial Paper (NEU CP) program. In addition, Havas has €510 million in confirmed bilateral credit facilities. Lastly, Vivendi has a prudent financing policy and strives to optimize the maturity dates of its borrowings to avoid a large number of repayments falling due at the same time.

Vivendi's long-term debt is rated Baa2 by Moody's, with a negative outlook. If this rating were to be downgraded, it could affect the group's ability to raise financing in the bond market and through its NEU CP program, and could therefore increase its financing costs.

1.3. Legal Risks

1.3.1. RISKS ASSOCIATED WITH REGULATIONS APPLICABLE TO THE GROUP'S OPERATIONS

In the ordinary course of its business, Vivendi must comply with complex, restrictive and evolving regulations, particularly those governing the broadcasting and communication sectors.

Substantial changes in the legislative environment and the application or interpretation of regulations by the French Competition Authority or by administrative, judicial or other authorities, particularly with respect to competition law and tax law, may result in Vivendi incurring additional costs or altering the products and services it offers, which may materially impact its business, financial position, results and development prospects.

In addition, certain operations of the group are dependent on obtaining or renewing licenses issued by regulatory authorities such as the *Conseil supérieur de l'audiovisuel* in France (French Broadcasting Authority). The process of obtaining or renewing these licenses can be long, complex and costly. Pursuant to Article 40 of French Law No. 86-1067 of September 30, 1986 on freedom of communication, no more than 20% of the share capital or voting rights of a company holding a license for a French language television service can be held, either directly or indirectly, by one or more non-French/non-EU shareholders. Canal+ Group, the wholly-owned Vivendi subsidiary that holds 100% of Société d'Édition de Canal Plus (SECP), is authorized to broadcast Canal+ and the C8, CStar, CNews and Planète channels, which are also wholly-owned. The analysis carried out by Vivendi and its legal advisers of the relevant legal provisions, and the interpretation of them by the *Conseil d'État* (French Council of State) in its Administrative Notice of June 27, 2002, have led Vivendi to conclude that if the combined interests of non-French/non-EU shareholders were to exceed 20% of the share capital or voting rights of Vivendi, which indirectly holds a broadcasting license, this could constitute a breach of the provisions of the aforementioned Article 40. Vivendi's ability to achieve its strategic objectives may be impaired if it is unable to obtain or retain in a timely manner the licenses required to conduct, continue or expand its operations. For a detailed description of the regulatory environment in which the group operates, see Section 3 of Chapter 1 of this Annual Report – Universal Registration Document.

1.3.2. LITIGATION RISKS

The group is, or could become, involved in a number of lawsuits or investigations initiated by shareholders, consumers, business partners, competitors, artists, and third parties – particularly in the communications industry – or regulatory and tax authorities. In some of these cases, if Vivendi fails to negotiate an amicable settlement, it may be ordered to pay damages or financial penalties.

For a description of the main disputes and investigations involving the group, see Note 25 to the Consolidated Financial Statements in Chapter 5 of this Annual Report – Universal Registration Document.

Vivendi recognizes a provision each time a risk is identified, is likely to materialize and is either quantifiable or can be estimated with reasonable accuracy. At any time during such legal proceedings, events may occur that result in a reassessment of the risk. With the exception of the main legal proceedings and investigations described in Note 25 to the Consolidated Financial Statements (see Chapter 5 of this Annual Report – Universal Registration Document), Vivendi considers it unlikely that current legal proceedings will have a material adverse impact on the group's financial position.

SECTION 2. INTERNAL CONTROL AND RISK MANAGEMENT

2.1. Internal Control Procedures

Vivendi strives to maintain the highest standards of internal control and financial disclosure. To further this objective, the Financial Information and Communication Procedures Committee meets regularly (five times in 2020).

This Committee assists the Chairman of the Management Board and the Chief Financial Officer in their duties to ensure that Vivendi fully complies with its disclosure obligations to investors, the public and the French regulatory and market authorities. It is chaired by the General Counsel and is comprised of representatives from all of the company's corporate operational departments.

It is responsible for the assessment of information that Vivendi is required to make publicly available, which comprises: (i) periodic information, including disclosure of documents to investors and financial markets in compliance with French financial market regulations, (ii) press releases related to half-yearly financial results, and (iii) presentations to investors and analysts.

For a description of the functions and activities of this Committee in 2020, see paragraph 1.2.10.6 of Chapter 4 of this Annual Report – Universal Registration Document.

2.1.1. DEFINITION AND OBJECTIVES OF INTERNAL CONTROL

The company manages internal control through a set of procedures established by Vivendi's Management Board and implemented by its employees to ensure that the following objectives are met:

- compliance with laws and regulations as well as adherence to the group's corporate values;
- the implementation of guidelines and strategies established by the Management Board;
- the prevention and monitoring of operational and financial risks as well as the management of the risk of error, risk of fraud, risk to the company's reputation and risks associated with Corporate Social Responsibility (CSR);
- the optimization of internal processes to ensure the effectiveness of operations and efficient use of resources; and
- the completeness and accuracy of accounting, financial and management information.

Since Vivendi's delisting from the New York Stock Exchange and the termination of its registration with the US Securities and Exchange Commission (SEC) in 2007, Vivendi has worked with its Statutory Auditors to gradually update its objectives and general principles of internal control, which are largely based on the framework established by the AMF and its recommendations.

These principles are based upon:

- promoting a culture of internal control and principles of integrity;
- the identification and analysis of risk factors that may adversely impact the achievement of the group's objectives;
- the organization and establishment of procedures aimed at ensuring the implementation of the strategies established by the Management Board;
- the periodic review of control measures and an ongoing search for areas of improvement; and
- the process of sharing information relating to internal control.

However, as with any system of control, the application of these principles cannot provide absolute certainty that all risks will be completely eliminated or brought under control.

2.1.2. SCOPE OF INTERNAL CONTROL

Vivendi is currently divided into seven business units (Universal Music Group, Canal+ Group, Havas, Editis, Gameloft, Vivendi Village **(1)** and New Initiatives **(2)**), all of which are required to implement the strategies set by the Management Board, including in relation to internal control objectives. Each business unit has a tailored set of internal control measures that includes the implementation of the group's procedures and the definition and implementation of procedures specific to each business unit, depending on its organization, culture, risk factors and operational requirements.

As the parent company, Vivendi ensures the internal control measures in question exist and adequately address the needs of each business unit, particularly with respect to the accounting and financial procedures applied by group entities that are fully consolidated.

(1) Vivendi Village primarily includes live performances, movie theaters and venues, ticketing and franchise development.

(2) New Initiatives includes Group Vivendi Africa and Dailymotion.

2.1.3. COMPONENTS OF INTERNAL CONTROL

2.1.3.1. Control Environment

Rules of conduct and ethics applicable to all employees

Vivendi ensures that all aspects of corporate responsibility are considered in the operation of its business. It has a Charter of Values that focuses on consumers, value creation, teamwork, Corporate Social Responsibility, cultural diversity, creativity and ethics. Vivendi is a signatory to the United Nations Global Compact.

A Compliance Program also sets general rules of ethics applicable to all group employees regardless of their seniority and position. This Program was significantly revised in 2020 and a new "Code of Business Conduct" will be issued in 2021. For a description of the main provisions of this new Code, see Section 3.3.2.2 of Chapter 2 of this Annual Report – Universal Registration Document.

The protection of personal data remains a major concern for Vivendi. Accordingly, the general counsels of the various business units and the legal departments within the group are made fully aware of the need to update the Charters on data and content protection and best practice guidelines for protecting sensitive data. Against this backdrop, in 2016, the group once again reinforced these measures by appointing a Data Officer who reports to the Group General Counsel. In 2017, these measures were further strengthened by the appointment of Data Protection Officers (DPOs) in each business unit. Section 3.2.3 of Chapter 2 of this Annual Report – Universal Registration Document contains a detailed presentation of the measures taken to ensure the group's compliance with regulations regarding the protection of personal data.

In 2018, Vivendi set up a Compliance Audit team, which reports to the Audit and Risks Department and is tasked with ensuring that the group's compliance rules are properly applied, notably concerning France's economic modernization law, anticorruption measures, duty of vigilance and personal data protection.

Responsibilities and commitments of each business unit's General Management

Every six months, the Chairman and Chief Financial Officer of each business unit signs a representation letter certifying compliance with internal control procedures linked to the preparation of financial statements and financial and industry-based information, which guarantees the accuracy, integrity and reliability of financial disclosure.

Upon the proposal of the Audit Committee, Vivendi has established a Code of Financial Ethics that applies to senior executives responsible for communications and financial and accounting reporting.

Rules on securities market ethics

Vivendi complies with the regulatory requirements of the European Directive 2014/57 of April 16, 2014 and European Regulation 596/2014 of the same date, effective July 3, 2016 (Market Abuse Regulation), the positions and recommendations of the AMF published on October 26, 2016 and updated in March 2019 and January 2021, and the recommendations of the AFEP-MEDEF Code as revised in January 2020. Consequently, the purchase or sale of company securities is prohibited during any period between (i) the date on which a member of the Supervisory Board or the Management Board becomes aware of precise information concerning the company's business or prospects which, if made public, would likely have a significant effect on the company's share price, and (ii) the date on which this information is made public. In addition, such transactions are prohibited for 30 calendar days preceding and including the day of publication of the company's half-yearly and annual financial statements and for a period of 15 calendar days preceding and including the day of publication of the company's quarterly sales figures. To ensure clarity, the company prepares and distributes a summary schedule setting out the periods during which transactions involving company shares are prohibited ("blackout periods"). Pursuant to the AFEP-MEDEF Code, hedging transactions of any kind on the company's securities following the exercise of stock options are prohibited.

Blackout periods are the subject of individual reminders sent via e-mail whenever necessary including before each identified Financial Reporting period.

Delegation of powers

The delegation of operational powers, whether on a single occasion or on a recurring basis, is one of the responsibilities of Vivendi's Management Board and of the general management of each of the group's business units. These delegations of powers are updated and formalized on a regular basis in accordance with the evolving role and responsibilities of the relevant delegates.

Segregation of duties

A segregation of operating and financial duties is implemented both at headquarters and in the group's business units.

Human resources policy

The group's human resources policy helps to strengthen internal control procedures, notably through a recruitment and promotion methodology that is in line with the delegations of powers in place and based on an assessment and remuneration system that uses predefined criteria.

Compliance with laws and regulations

The Legal departments at headquarters and in the group's business units provide support to the key managers and employees involved to ensure that they are aware of the applicable laws and regulations and informed on a timely basis of any changes, so that the group's internal procedures can be kept up-to-date.

Internal processes contributing to asset protection

The IT departments at headquarters and in the group's business units implement backup and security procedures to ensure the quality and security of operations, including in the event of a major incident.

2.2. Risk Monitoring and Management

Vivendi's Risk Committee is responsible for identifying and reviewing measures to manage risks within business units that are likely to affect achievement of the group's objectives.

The assessment of risks at group level is based on a qualitative and quantitative approach within each business unit. In 2020, the Risk Committee's work focused on examining the impact of the Covid-19 pandemic and the related measures put in place within the group.

Also in 2020, all of the group's risk maps were reviewed by the heads of the business units, the Risk Committee, Vivendi's Management Board and the Statutory Auditors, and presented to Vivendi's Audit Committee.

The major risks faced by the company are described in Section 1 of this chapter.

Vivendi's General Counsel and Legal department are responsible for the prevention and management of risks relating to ethics, competition and conflicts of interest. Management of equity market value risks and risks related to goodwill, currency conversion and exchange-rate fluctuations is carried out by Vivendi's Finance, Risk Management and Treasury Department through a centralized structure at the company's headquarters.

Operational risks are managed by each business unit, taking into account the specific characteristics of their operations (e.g., regulatory risks in the pay-TV business, risks associated with infringement of intellectual property rights in the music, publishing and communication businesses and risks associated with piracy and counterfeiting in the film and music businesses).

The policy of covering insurable risks, such as the risk of damage and operating losses from accidents or natural disasters and civil liability risks, is monitored by Vivendi's Insurance Department in collaboration with the Finance Department and the General Counsel. For the hedging programs in place, see Chapter 1 of this Annual Report – Universal Registration Document.

In 2020, all the documents submitted to the Risk Committee were brought to the attention of the Statutory Auditors. The Statutory Auditors also receive, at the meetings of the Audit Committee, a summary of the work done by the Risk Committee.

2.2.1. INTERNAL CONTROL ACTIVITIES

Control operations are performed primarily by the support and operations departments using existing procedural guidelines.

The following bodies ensure the monitoring of internal control measures:

2.2.1.1. Supervisory Board

Vivendi's Supervisory Board ensures the effectiveness of the internal control and risk management measures defined and implemented by the Management Board. If necessary, the Supervisory Board may use its general powers to perform any actions or conduct investigations it deems appropriate.

2.2.1.2. Audit Committee

The majority of the Audit Committee members are independent members of the Supervisory Board. Pursuant to the powers conferred upon it, the Audit Committee prepares the decisions of the Supervisory Board and provides recommendations and issues opinions to the Supervisory Board on a wide range of matters. In February 2019, upon the proposal of its Chairman, the Audit Committee reviewed and made improvements to its multi-year program. This program notably includes:

- reviewing the half-year consolidated financial statements and the annual financial statements of the company, prepared by the Management Board;
- reviewing asset impairment tests;
- analyzing the company's financial management (debt, investments and foreign exchange);
- reviewing and assessing operational and financial risks and any related hedges;
- reviewing pension commitments;
- analyzing changes in accounting standards, methods and principles, the company's scope of consolidation and the company's off-balance sheet commitments;
- ensuring that internal control procedures are consistent and effective, and reviewing this risk report;
- drawing up the Internal Audit report;
- assessing tax-related risks;
- examining major disputes (legal and regulatory proceedings);
- reviewing the group's insurance program;
- reviewing the CSR policy;
- examining any material internal control weaknesses and any cases of corruption and fraud; and
- selecting the Statutory Auditors and deciding on their fees.

A report on the Audit Committee's work is systematically presented by the Chairman of the Audit Committee to Vivendi's Supervisory Board and sent to every member of the Audit Committee and Supervisory Board.

Vivendi's Audit Committee has established a specific procedure to control or limit engagements in respect of "non-audit services" (NAS) entrusted to the auditors, in accordance with a pre-approved procedure and specific reporting:

- All NAS engagements must be pre-approved by the Chairman of the Audit Committee. However, by exception, the Chairman of the Audit Committee may delegate the pre-approval of NAS engagements with a unit value of less than €500,000 to the Senior Vice President – Group Consolidation and Financial Reporting.
- At each meeting of the Audit Committee, the Senior Vice President – Group Consolidation and Financial Reporting reports to the Audit Committee on the list (e.g., type, amount and auditor in question) of NAS engagements pre-approved by the Chairman of the Audit Committee, as applicable, or by the Senior Vice President – Group Consolidation and Financial Reporting since the last meeting of the Audit Committee.

In practice, Vivendi caps NAS engagements at 20-25% of statutory audit fees.

In 2020, Vivendi's Audit Committee met three times, with an attendance rate of 100%. For a description of its work, see Section 1.1.1.14 of Chapter 4 of this Annual Report – Universal Registration Document.

2.2.1.3. Management Board

The Management Board is responsible for defining, implementing and monitoring internal control and risk management procedures that are both suitable and effective. If a problem arises with any of these measures, the Management Board ensures that the necessary corrective action is taken.

2.2.1.4. Risk Committee

The Risk Committee is chaired by the Chairman of Vivendi's Management Board and has the following permanent members: the Management Board members, the Senior Vice President for Audit and Risk, the Head of Legal Affairs, the Vice President for Corporate Social Responsibility and Compliance and the Head of Insurance. Business unit representatives are invited to Committee meetings depending on the agenda. A report on the work of the Risk Committee is presented to the Audit Committee of Vivendi's Supervisory Board.

The role of Vivendi's Risk Committee is to make recommendations to the Management Board in the following areas:

- the identification and assessment of the risks potentially arising from activities carried out within the Vivendi group, such as social and environmental risks, risks related to compliance with laws and regulations, risks relating to ethics, competition and conflicts of interest, and risks related to the security of information systems;
- the examination of the adequacy of the risk coverage and the level of residual risk;

- the review of insurable risks and the insurance program; and
- the identification of risk factors and forward-looking statements in the documents issued by the group, in collaboration with the Compliance Committee.

The Risk Committee met twice in 2020. The main topics covered included:

- examining and monitoring the impact of the Covid-19 pandemic within the group;
- the use of home-working, and particularly the management of cyber-risks;
- the management of liquidity risks and customer credit risk in the business units;
- antifraud measures; and
- insurance policies.

2.2.1.5. Management Committees

Each division presents the operating and financial indicators for all of the activities within its scope to the Management Board and the group's corporate support departments monthly.

2.2.1.6. Audit and Risk Department

The Vivendi Audit and Risk Department (15 auditors for financial audits and external resources for IT audits) reports to the Chief Financial Officer of Vivendi. It is responsible for independently assessing the quality of internal controls at every level of the organization. Its activities are governed by a Charter approved by the Audit Committee. In addition, Havas has an Audit Committee and an audit team comprising a Director and four auditors.

The Audit and Risk Department is responsible for performing an independent assessment of the effectiveness of internal control processes, based on an annual audit plan approved by the group's Management Board and presented to the Audit Committee. This plan stems from both an independent analysis of the operational, IT, legal and financial risks of each business unit and a consultation with the General Management of each business unit. Reports on the audit work carried out are sent to Vivendi's General Management, as well as to operations and support departments and their line management. Summary reports are presented at each Audit Committee meeting along with any comments made by the Statutory Auditors. Follow-up audits are performed within twelve months to ensure that recommended action plans and agreed corrective measures (if any) have been implemented. A half-yearly internal audit report is presented to the Management Board and the Supervisory Board. Due to the pandemic, audit engagements were performed remotely as from March 2020, but the audit schedule was adhered to despite this constraint.

The group may encounter cases of fraud in connection with its operations which, as soon as they are identified, are systematically reported to the Audit Committee. They may also be the subject of special investigations and may result in sanctions.

In 2018, a Compliance Audit team reporting to the Audit and Risk Department was set up as part of the roll-out of the anticorruption and duty of vigilance programs. This team helps ensure that best practices are shared within the Group.

2.2.2. INTERNAL CONTROL MONITORING

The work performed by the Statutory Auditors as part of their review and assessment of internal control is described in a detailed presentation to the General Management of the business units concerned. A summary of their conclusions is presented to Vivendi's Audit Committee.

2.3. Key Procedures for Financial and Accounting Information

The procedures described below help reinforce internal controls regarding the preparation of financial and accounting information disclosed by Vivendi. In updating these procedures, the provisions of the guide on applying internal control procedures in relation to financial disclosures, contained in the internal control standards published by the AMF, were taken into account.

Consolidation and Financial Reporting: the group's consolidated financial statements and financial reports are prepared in accordance with IFRS (International Financial Reporting Standards), based on accounting data prepared by the management of each business unit. The IFRS standards used are those adopted by the European Union, published by the IASB (International Accounting Standards Board) and compulsory at the end of the accounting period, except in the event of early application. The principal aspects relating to the preparation of the consolidated financial statements and the financial report are subject to specific procedures. These include an impairment test on goodwill and other intangible assets held by the company, carried out during the fourth quarter of each fiscal year, the valuation of employee benefits, duties and taxes (see below) and off-balance sheet commitments. The consolidated financial statements and the financial report are approved by the Management Board each half-year and are then reviewed by the Audit Committee. The annual and half-year consolidated financial statements and financial report are reviewed by the Supervisory Board, which consults with the Audit Committee. The financial statements and report are published every six months. The consolidated financial statements are subject to a limited half-yearly review and an annual audit by the group's Statutory Auditors.

Budget and management control: every year, each business unit presents its strategy and annual budget for the following year to the group's General Management. After approval by Vivendi's Management Board, a summary is then presented to the Supervisory Board and to the Audit Committee. Quantitative and qualitative targets – which are used as a basis for assessing annual performance – are set for the executives of each business unit, based on their budgets. Budgets are reviewed each month and updated twice a year.

Investments/divestments: any investments or divestments must receive prior approval from the Investment Committee, which comprises the Chairman and members of the Management Board, key managers at headquarters and the Chief Operating Officers and Chief Financial Officers of the business units. This procedure applies, subject to specific thresholds, to all investment transactions (e.g., acquisitions of businesses or equity interests, the launch of new businesses through joint ventures or alliances with minority partners, license agreements, and the purchase of rights) and to all divestments of subsidiaries, equity interests and intangible assets. The Investment Committee meets once a month. Cases are reviewed by the Finance Department. Any transaction involving amounts greater than €100 million and €300 million must receive the prior approval of the Management Board and the Supervisory Board, respectively, pursuant to their Internal Rules.

Monitoring of investment transactions: in connection with the regular monitoring of value creation, Vivendi's Management Board has strengthened the process of carrying out a post-completion analysis of investment transactions, supplementing the existing budgetary reviews and half-yearly financial reporting. The purpose of this analysis is to validate the implementation of controls as well as compare the actual financial performance against the business plan originally approved for the acquisition. It takes into account both the progressive integration of companies acquired by the business units and the impact of changing market conditions following the acquisition date. Vivendi's Audit and Risk Department reviews the conclusions, which are then presented to Vivendi's General Management and, for major action plans, to the Management Board. An annual summary is presented to Vivendi's Audit Committee.

Monitoring of financial commitments: as part of the financial reporting process, every six months the business units prepare a list of commitments given and received. These commitments are presented by the Legal and Financial Officers of the business units at meetings held with Vivendi's Management, which take place as part of the closing process for the annual financial statements.

Sureties, endorsements and guarantees: pursuant to the company's by-laws and the Internal Rules of the Supervisory Board, the granting of sureties, endorsements and guarantees by Vivendi to its subsidiaries is subject to prior approval in accordance with the following rules:

- Any commitment equal to or less than €300 million, which is part of an aggregate commitment of €1.5 billion, is subject to the approval of the Management Board, which may delegate such power. Depending on the amounts concerned, the corresponding commitment then requires (i) the signatures of both the Chief Financial Officer and the General Counsel **(1)**, or (ii) the individual signature of either the Chief Financial Officer or the General Counsel **(2)**, with the possibility of these powers being delegated.
- Any commitment higher than €300 million and any commitment, regardless of the amount, where the cumulative amount of commitments is higher than €1.5 billion, is subject to the approval of the Supervisory Board. The corresponding commitment requires the signature of the Chairman of the Management Board.

Cash flow, financing and liquidity: the company has an international cash pooling arrangement that enables it to centralize the cash surpluses and shortages of its controlled subsidiaries on a daily or weekly basis. Vivendi's investment management policy is aimed at minimizing and diversifying its exposure to counterparty risk with low-risk mutual funds (fonds commun de placements) and commercial banks that have high credit ratings. It also centralizes hedge transactions (both exchange and interest rates) for all its controlled subsidiaries, except in certain cases where a subsidiary is authorized, during a transition period, to continue to carry out foreign exchange spot transactions or standard currency hedges. Changes in the group's financial debt and the cash flows of its business units are monitored and presented to the Chairman of the Supervisory Board and the Management Board on a daily basis. The cash positions of business units, the weekly variations in cash flow and the cash flow forecasts over 13 rolling months are monitored on a weekly basis and presented at bimonthly Treasury Committee meetings. Exposure to foreign exchange and interest rate risk is reported monthly to the Treasury Committee, with foreign exchange positions monitored daily. The majority of medium- and long-term financing transactions are managed at headquarters and are subject to the prior approval of the Management Board and Supervisory Board, in accordance with their Internal Rules. A financial management presentation is given to the Audit Committee once a year.

(1) Subject to a cap of €300 million for each individual commitment and an aggregate cap of €1.5 billion for the total amount of commitments.

(2) Applicable to individual commitments representing less than €100 million each, with the aggregate amount of commitments not exceeding €300 million.

Monthly reporting on the net financial cash position, to the Chairman of the Supervisory Board and the Management Board, is supplemented by regular budget forecasting of cash flow for the year. The monthly update on the net financial cash position is provided to members of the Supervisory Board in a monthly activity report. As part of the half-yearly procedure for approving Vivendi's consolidated accounts, the Financing and Treasury Department reviews and approves all the notes to the consolidated financial statements relating to cash, debt and financial risks.

Taxes: the company's Tax Department provides advisory services for the group's subsidiaries and defends their tax interests before the local tax authorities.

Litigation: major disputes are monitored directly or coordinated by the group's General Counsel. A report relating to litigation involving Vivendi and its business units is prepared by the group's Legal department in collaboration with the general counsels and heads of the Legal departments of the main business units. A table is updated every month based on information provided by the business units and is communicated to the Management Board and Supervisory Board. A summary is included in the Management Board's quarterly business report to the Supervisory Board and the Audit Committee is notified. The Supervisory Board, Audit Committee and Management Board are kept informed of material ongoing litigation matters by the General Counsel at all times.

2.4. Information and Communication

The group's values, Anti-Corruption Code, Compliance Program, Data and Content Protection Charter and CSR policy are available to employees and the public on the Vivendi website: www.vivendi.com.

Group procedures designed to assist with the preparation of financial and accounting information are updated once a year and are available in French and English on the group's intranet site. These procedures, which must be applied by each of the business units and headquarters, include: the IFRS accounting principles and the IFRS-compatible chart of accounts for the Vivendi group; the principles and procedures applicable to treasury transactions (banking relationships, foreign exchange and finance/investment); the procedures applicable to investment transactions, sales of assets, short-term and long-term financing transactions, the monitoring of disputes, the monitoring of sureties, endorsements and guarantees; and the rules relating to the prior approval of assignments entrusted to the Statutory Auditors of Vivendi SE.

Training materials relating to the application of IFRS standards within the group are available online and are accessible to all employees. Training is organized each year by the Corporate Consolidation and Financial Reporting Department at headquarters.

2.5. Outlook

In 2021, Vivendi will continue its measures for assisting its business units and making them accountable in terms of internal control, efficiency gains and optimizing resources, all the while taking into account the impacts of the Covid-19 pandemic. The Compliance Audit team will pursue its work on compliance controls. Six main topics (securing revenue sources and revenue assurance, operating cost control, raising teams' awareness of external fraud and implementing controls to limit the related risk, IT security, data protection, and implementation of the anticorruption program) will continue to be the focus of the Audit and Risk Department and/or the CSR and Compliance Department.

SECTION 3. INSURANCE

Vivendi holds centralized insurance coverage for its own risks and the risks of its subsidiaries. Its policies are established by the group's Insurance Department with major French and international insurers. They are subject to regular competitive bidding to allow the group to benefit from optimal technical and financial terms. Certain risks incurred by Universal Music Group are covered by contracts subscribed by the subsidiary in the United States.

Vivendi's insurance programs go hand-in-hand with the group's risk management policy. With respect to the Property Damage/Business Interruption program, regular inspections of the group's main facilities, in France and abroad, are performed by the insurers, allowing them to better assess the risks covered, and enabling Vivendi to optimize the terms on which it negotiates the corresponding insurance policies. This risk management policy also includes plans for resuming operations or 'rescue' plans in the event of accidents having an effect on an essential component of a particular business. Environmental protection measures are also in place.

The main insurance policies contracted by Vivendi include, among others, those covering property damage and business interruption, civil liability and workplace accidents.

3.1. Property Damage and Business Interruption

General insurance programs for the entire group have been contracted for a total coverage of up to €400 million per loss. These programs cover risks of fire, water damage, natural disaster and terrorism (depending on the legal restrictions in each relevant country or State), as well as any business interruption resulting from these events. In general, the applicable deductible per claim is €250,000 for the group's different manufacturing facilities.

3.2. Civil Liability

Insurance policies to cover civil liability in the course of business operations, as well as product liability for the entire group, have been secured for €200 million per year in total aggregate coverage.

3.3. Workplace Accidents

Certain insurance programs are specific to operations in the United States, particularly those covering occupational illness and workplace accidents, where the employer is responsible for insurance. Worker's compensation programs have been established to comply with obligations required by the laws of various states.

3.4. Cybercrime

Vivendi has had an insurance program in place for several years providing coverage for the financial consequences of cyber attacks against the group's information systems. The group considers that the coverage amounts in the program are adequate in relation to the risks concerned.

SECTION 4. SEASONALITY OF GROUP BUSINESSES

The activities of Vivendi's subsidiaries are relatively seasonal in nature. Sales volumes are higher during the last quarter, which is when UMG generates almost one third of its sales. However, by developing streaming and subscriptions, as well as live entertainment, the group has been able to spread sales over the year more effectively.

As regards pay-TV, the revenues of Canal+ Group are more consistent as they depend on subscriptions. There are nonetheless more subscriptions at the beginning of the school year in September and over Christmas and the New Year.

At Editis, sales are slightly stronger in the second half, driven notably by the start of the school year, the new publishing season and sales of books at the year end.

Seasonal variations are not really noticeable for business activities linked to the customer experience or the business units involved in events management.

SECTION 5. RAW MATERIALS

The main raw materials used by Vivendi's subsidiaries are:

- paper for books at Editis and product packaging at UMG and Canal+ Group; and
- polycarbonates, for manufacturing CDs and DVDs at UMG and Canal+ Group.

Paper and polycarbonates are not subject to price fluctuations that could have a significant impact on Canal+ Group's activities, and UMG has signed various contracts with its suppliers protecting it against fluctuations in raw materials prices. Similarly, Editis has implemented a sourcing policy built on long-term contracts and is diversifying its sources of supply.

In general, the activities of Vivendi's subsidiaries are not dependent on suppliers of raw materials.


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à demain
NOUS AUSSI
ON VOUS AIME
à demain
LA RATP EST OPÉRATEUR DE MOBILITÉS POUR
DANS
LA RATP EST OPÉRATEUR DE MOBILITÉS POUR
EN MÉRITE
UNE BONN
PÉRATEUR DE MOBILITÉS POUR

4 CORPORATE GOVERNANCE, COMPENSATION AND BENEFITS, AND GENERAL INFORMATION ABOUT THE COMPANY

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Chapter 4

SECTION 1. CORPORATE GOVERNANCE

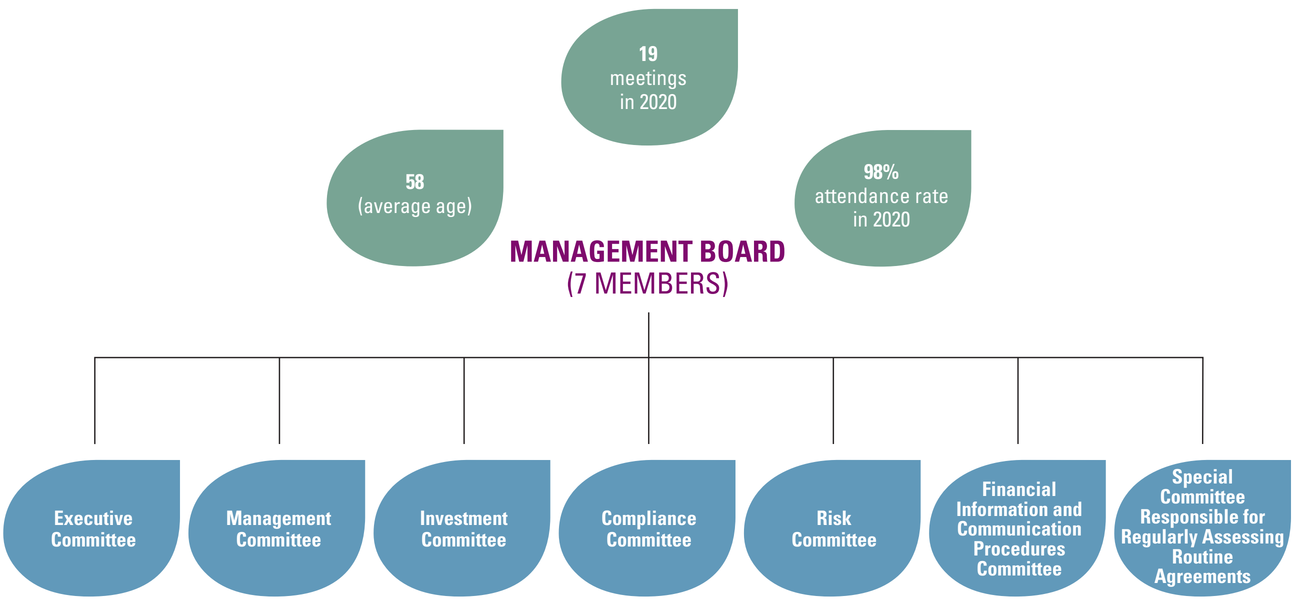
This section constitutes an integral part of the report on corporate governance referred to in Articles L. 225-68 and L. 22-10-20 of the French Commercial Code *(Code de commerce),* reviewed by the Supervisory Board at its Meeting on March 3, 2021.

Since 2005, Vivendi has opted for a two-tier governance structure consisting of a Supervisory Board and a Management Board. This separated governance structure maintains a balance between management functions and oversight functions. It allows the Management Board to act with the promptness and efficiency required to perform its corporate management duties. Furthermore, the balanced and diversified composition of the Supervisory Board ensures that it is able to exercise the very best judgment and foresight and guarantees the integrity and engagement of its members in performing their supervisory and oversight duties.

Since January 7, 2020, when Vivendi was converted into a *société européenne* (a European company), its corporate name has been followed by the words *"société européenne"* or the initials "SE"**(1)**.

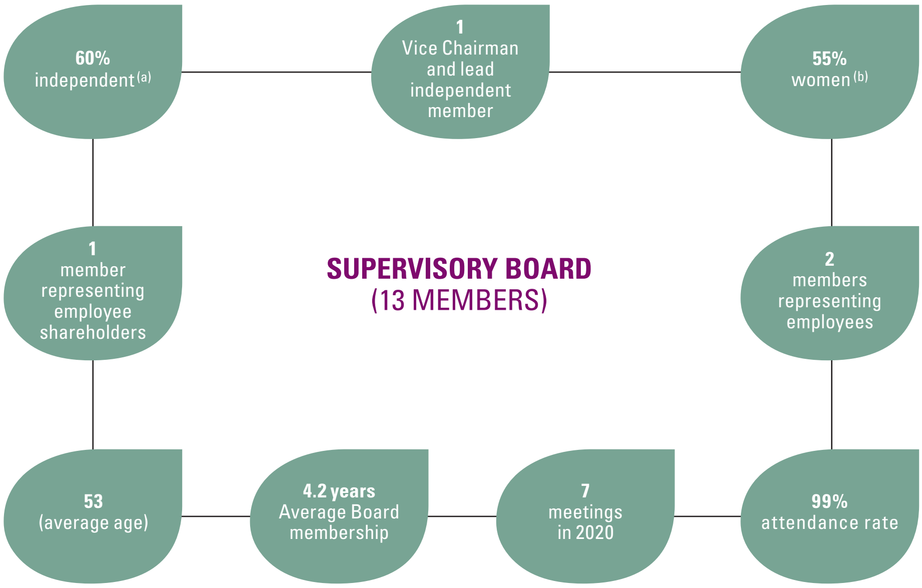
(1) The company's shareholders approved this conversion in the thirty-fourth and thirty-fifth resolutions of the April 15, 2019 General Shareholders Meeting, together with the terms of the conversion plan drawn up by the Management Board on February 11, 2019 and approved by the Supervisory Board on February 14, 2019. At the same Meeting, the shareholders adopted the full text of the new by-laws (the "by-laws"), which have governed the company since January 7, 2020, when the conversion was finalized following the company's registration in its new form, after completion of the relevant negotiation procedure relating to employee representation on the Supervisory Board.

The Management Board is assisted by seven internal committees:



For a detailed description of the composition, functions and activities of these committees, please see Section 1.2.10 of this chapter.

In exercising its supervisory and control duties, the Supervisory Board relies on the following structure:



(a) Excluding the member representing employee shareholders and the two members representing employees.
(b) Excluding the members representing employees.

The Supervisory Board reviews and determines the company's strategic plans. It monitors the decisions made by the Management Board on an ongoing basis and authorizes substantial acquisitions, sales, internal restructuring transactions and other transactions that could have an impact on the group's financial structure, including strategic partnership agreements.

The Supervisory Board carries out any verification or control checks it deems appropriate and is provided with all documents it deems useful to the fulfillment of its purpose and function. Upon the proposal of the Corporate Governance, Nominations and Remuneration Committee, it appoints the members of the Management Board, who may be removed at any time, and sets the policy and criteria for determining, allocating and granting their compensation elements.

With respect to the relationship between the Management Board and the Supervisory Board, the Management Board prepares a status report every quarter, which is communicated and reviewed by the Supervisory Board. In addition, the Chairman of the Management Board must provide information on a regular basis to the Chairman of the Supervisory Board on the company's operations and significant events. More generally, members of the Supervisory Board are kept informed of the company's financial position, cash flow and obligations, as well as any significant events or transactions relating to the company on a regular basis, by any means, by either the Management Board or its Chairman.

In 2015, the Supervisory Board established a system of advisors whereby each member of the Management Board acts as the advisor to one or more members of the Supervisory Board. This system fosters greater dialog and exchange between Supervisory Board and Management Board members.

At its Meeting on April 19, 2018 at the close of the General Shareholders' Meeting, following a recommendation from the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board unanimously decided to appoint Yannick Bolloré to replace Vincent Bolloré as its Chairman. With a wide-ranging vision of Vivendi's businesses centered around content and media, as well as experience in integrating a multinational company, Yannick Bolloré was considered the best person to oversee Vivendi as it continues to deploy its strategy. The decision demonstrates the Supervisory Board's confidence in the guiding vision of its core shareholder, a multinational family business, which ensures stability and long-term prospects for the group and its talents and for all of its shareholders and other stakeholders.

At the General Shareholders' Meeting held on April 20, 2020, the company's shareholders renewed Yannick Bolloré's office as a member of the Supervisory Board for a four-year term. Subsequently, at its Meeting held after the General Shareholders' Meeting, the Supervisory Board unanimously decided to renew Yannick Bolloré's office as its Chairman. This decision was made in continuation of Vivendi's strategy of building a major content, media and communication group, with a particular focus paid by the Chairman of the Supervisory Board to corporate social responsibility issues (see Chapter 2 of this Annual Report – Universal Registration Document).

As Chairman of the Supervisory Board, Yannick Bolloré performs the duties and exercises the powers set forth by law and the company's by-laws, notably calling Supervisory Board meetings and leading its discussions and debates. No other function has been assigned to him.

As Chairman and CEO of Havas, a position he has held since August 30, 2013, Yannick Bolloré implements the strategy defined by Vivendi for the Havas Group and reports to the Management Board in this regard in the same way as the other executives of the group's main business units.

The combination of these two roles, resulting from Vivendi's acquisition of Havas in 2017, is not of a nature that could undermine either the balance of powers between the Supervisory Board and the Management Board or the proper conduct of business. When Vivendi's Supervisory Board discusses any matters relating, directly or indirectly, to its Chairman, the Chairman is asked to leave the Supervisory Board Meeting while such matters are being discussed and voted on, in accordance with the procedure concerning conflicts of interest described in Section 1.1.1.4 of this chapter. In such situations, the Vice Chairman is temporarily responsible for chairing the Meeting and leading its deliberations. In accordance with Article 10-2 of Vivendi's by-laws, Supervisory Board meetings may also be called by the Vice Chairman of the Board, at any time.

During its Meeting of April 19, 2018 and following a recommendation by the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board renewed Philippe Bénacin's office as Vice Chairman and appointed him as lead independent member of the Supervisory Board. In his capacity as lead independent member, Philippe Bénacin ensures the absence of conflicts of interest, the smooth running of the Board and compliance with the principles of good governance. For more information about the lead independent member's role and responsibilities, please see Section 1.1.1.9 of this chapter.

1.1. Administrative, management and supervisory bodies

Vivendi has referred to and fully applied the AFEP-MEDEF Code of Corporate Governance for Publicly Traded Companies, as amended in January 2020 (hereinafter the "AFEP-MEDEF Code").

1.1.1. SUPERVISORY BOARD

The Supervisory Board is a collegiate body. Its decisions are the responsibility of all of its members who must keep them confidential.

The Supervisory Board, taken as a whole, may make any public statement in the form of press releases to inform the market.

1.1.1.1. General Provisions

The Supervisory Board is made up of a maximum of 18 members. Each member serves a four-year term (Article 7 of Vivendi's by-laws). The Supervisory Board may appoint one or two non-voting members (censeurs) (Article 10-6 of Vivendi's by-laws). Non-voting members participate in an advisory capacity at meetings of the Supervisory Board and may attend meetings of the committees set up by the Supervisory Board. They are appointed for a maximum term of four years. For more information about non-voting members' roles and responsibilities, see Section 1.1.1.10 of this chapter.

Except for the members representing employees and the member representing employee shareholders, each member of the Supervisory Board must own a minimum of 1,000 shares for his or her term of office (Article 7-2 of Vivendi's by-laws).

Each member of the Supervisory Board undertakes to regularly attend Supervisory Board meetings and General Shareholders' Meetings. Members of the Supervisory Board may attend meetings by videoconferencing or other telecommunication means (Article 10 of Vivendi's by-laws).

At the close of each annual General Shareholders' Meeting, the number of members of the Supervisory Board over the age of 70, as of the closing date of the previous fiscal year, must not exceed one-third of the members. If this limit is exceeded, the oldest members are deemed to have resigned at the close of such General Shareholders' Meeting (Article 7-3 of Vivendi's by-laws).

1.1.1.2. Composition of the Supervisory Board – Independence, Diversity and Expertise of Members

Composition of the Supervisory Board

As of the date of publication of this Annual Report, the Supervisory Board has 13 members, including one member representing employee shareholders and two members representing employees. There is currently one non-voting member.

List of Supervisory Board Members and Non-Voting Members: Dates of Appointment and Number of Shares Held

Supervisory Board members	Position	Age	Number of positions held in listed companies outside the group (1)	Date of initial appointment and most recent re-election to the Supervisory Board	Committee member	End of term	Number of shares held
Yannick Bolloré	Chairman of the Supervisory Board Member of the Supervisory Board	41	0	**SB 04/20/2020** SB 04/19/2018 **AGM 04/20/2020** AGM 04/25/2017 SB 05/11/2016	n/a	AGM 2024	104,070
Philippe Bénacin	Vice Chairman, lead independent member Independent member of the Supervisory Board	62	1	**SB 04/19/2018** SB 06/24/2014 **AGM 04/19/2018** AGM 06/24/2014	**B**	AGM 2022	14,100
Cyrille Bolloré	Member of the Supervisory Board	35	0	AGM 04/15/2019	**A, B**	AGM 2023	4,000
Paulo Cardoso	**(a)** Member of the Supervisory Board	47	0	**ESC 10/15/2020** DUP 10/19/2017 WC 10/16/2014	**B, C**	10/18/2023	n/a
Laurent Dassault	Member of the Supervisory Board	67	1	AGM 04/20/2020	**A**	AGM 2024	1,000
Dominique Delport	Member of the Supervisory Board	53	0	**AGM 04/15/2019** AGM 04/17/2015	n/a	AGM 2023	-
Véronique Driot-Argentin **(2)**	Member of the Supervisory Board	58	0	AGM 04/25/2017	**C**	**AGM 2021**	2,376
Aliza Jabès	Independent member of the Supervisory Board	58	0	**AGM 04/19/2018** AGM 06/24/2014 AGM 04/29/2010	**B**	AGM 2022	7,833
Cathia Lawson-Hall	Independent member of the Supervisory Board	49	0	**AGM 04/19/2018** AGM 04/21/2016 SB 09/02/2015	**A, C**	AGM 2022	1,000
Sandrine Le Bihan **(2)**	**(b)** Member of the Supervisory Board	50	0	AGM 04/25/2017	**C**	**AGM 2021**	4,731
Michèle Reiser	Independent member of the Supervisory Board	71	0	AGM 04/19/2018	**A, C**	AGM 2022	1,000
Katie Stanton	**(c)** Independent member of the Supervisory Board	51	0	**AGM 04/19/2018** AGM 06/24/2014	**A**	AGM 2022	1,000
Athina Vasilogiannaki	**(a) (c)** Member of the Supervisory Board	43	0	SE Committee 09/23/2020	**C**	09/22/2023	n/a
Non-voting member							
Vincent Bolloré	Non-voting member	68	n/a	SB 04/15/2019	n/a	04/14/2023	n/a

n/a: not applicable.

(1) Number of positions held in listed companies outside the Group's scope of consolidation. For a detailed list of current and previous positions, please refer below to the Section "Main Activities of the Current Members of the Supervisory Board".

(2) Member whose renewal of office is proposed to the Annual General Meeting of Shareholders' of June 22, 2021.

(a) Member representing employees.

(b) Member representing employee shareholders.

(c) Foreign national.

A: Audit Committee.

B: Corporate Governance, Nominations and Remuneration Committee.

C: Corporate Social Responsibility (CSR) Committee.

Changes in the Composition of the Supervisory Board and its Committees in 2020

	Supervisory Board	Audit Committee	Corporate Governance, Nominations and Remuneration Committee	CSR Committee
Laurent Dassault	Member (since April 20, 2020)	Member (since April 20, 2020)	-	
Athina Vasilogiannaki	Member (since Sept. 23, 2020)	-	-	Member (since Nov. 19, 2020)

Independence of Supervisory Board members

Excluding the member representing employee shareholders and the two members representing employees, the Supervisory Board has ten members, including six independent members (60%).

A member is independent if he or she has no direct or indirect relationship of any kind (other than a non-substantial shareholding in the company) with the company, its group or its management that could affect his or her independent judgment (as defined in the AFEP-MEDEF Code).

Classification of an independent member, and the criteria used to determine whether a Director meets such classification, are reviewed by the Corporate Governance, Nominations and Remuneration Committee when considering and discussing the appointment and re-election of members to the Supervisory Board. The Corporate Governance, Nominations and Remuneration Committee also reviews the status of the Supervisory Board members regularly throughout their term of office and may change their classification if there is any doubt as to their continued independence.

Independence of Supervisory Board Members with regard to the Criteria set out in Article 9 of the AFEP-MEDEF Code

Criteria	1	2	3	4	5	6	7	8	
Supervisory Board members	**Not an employee or executive officer**	**No cross-directorships**	**No significant business relationships**	**No family ties**	**Not an auditor**	**Term has not exceeded 12 years**	**Does not receive any variable compensation (in cash or securities) linked to Vivendi's performance**	**Does not represent a major shareholder**	**Independent member**
Yannick Bolloré	-	√	-	-	√	√	-	√	**-**
Philippe Bénacin	√	√	√	√	√	√	√	√	**√**
Cyrille Bolloré	-	√	-	-	√	√	√	-	**-**
Paulo Cardoso	-	√	√	√	√	√	√	√	**n/a**
Laurent Dassault	√	√	√	√	√	√	√	√	**√**
Dominique Delport	-	√	-	√	√	√	-	√	**-**
Véronique Driot-Argentin	-	√	√	√	√	√	√	√	**-**
Aliza Jabès	√	√	√	√	√	√	√	√	**√**
Cathia Lawson-Hall	√	√	√	√	√	√	√	√	**√**
Sandrine Le Bihan	-	√	√	√	√	√	√	√	**n/a**
Michèle Reiser	√	√	√	√	√	√	√	√	**√**
Katie Stanton	√	√	√	√	√	√	√	√	**√**
Athina Vasilogiannaki	-	√	√	√	√	√	√	√	**n/a**

n/a: not applicable.

When assessing the independent status of Aliza Jabès, Chairwoman of NUXE International, Philippe Bénacin, Chairman and Chief Executive Officer of Interparfums, and Laurent Dassault, a member of the Supervisory Board of Groupe Industriel Marcel Dassault, the Corporate Governance, Nominations and Remuneration Committee concluded that, based on Article 9.5 of the AFEP-MEDEF Code, the business relationships conducted on arm's length terms by certain Vivendi subsidiaries with the NUXE Group, Interparfums and the Dassault Group were not material and did not compromise the judgment or independence of those three Supervisory Board members.

For a description and quantification of these business relationships, please see Note 23.3 "Other Related-Party Transactions" in the Notes to the Consolidated Financial Statements for the fiscal year ended December 31, 2020, presented in Chapter 5 of this Annual Report – Universal Registration Document.

Diversity and Expertise of the Members of the Supervisory Board

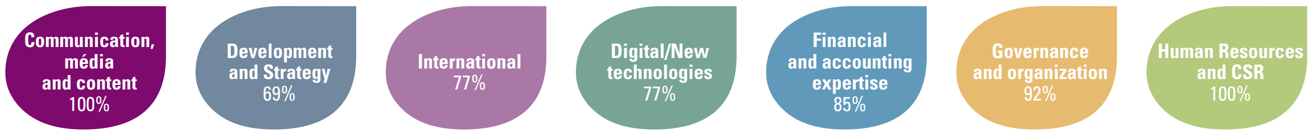
The Corporate Governance, Nominations and Remuneration Committee is in charge of identifying and monitoring the skills and expertise available within the Supervisory Board and its committees. When reviewing the profiles presented, the committee takes into particular consideration the following factors:

- ability to represent all Vivendi shareholders' interests;
- sound judgment, integrity and commitment;
- alignment of skills and expertise with the Vivendi group's businesses and strategy;
- contribution to the diversity of the Board and its committees; and
- absence of potential conflicts of interest.

Vivendi's Supervisory Board examined the diversity policy for members of the Supervisory Board further to a review by the Corporate Governance, Nominations and Remuneration Committee. There are seven women on the Supervisory Board, representing 54.5% of its total members **(1)**. Two members of the Supervisory Board are foreign nationals.

(1) In accordance with French Law No. 2011-103 of January 27, 2011 concerning gender parity on corporate boards, the two Supervisory Board members representing employees are not included in the calculation of the proportion of women on the Board. In addition, when the current employee shareholder representative member of the Supervisory Board reaches the end of their term of office, their successor will not be included in the calculation either, in accordance with Article L. 225-71 of the French Commercial Code, as amended by French Law No. 2019-486 of May 22, 2019 (the "Pacte Law").

All Supervisory Board members contribute to the smooth running of the Board due to their sound, impartial judgment and their compliance with the principles of good governance. Given the experience and involvement of each member, the Board has expertise in the following areas, in line with Vivendi's strategy:



Out of the ten members with international experience, three have expertise in emerging markets.

Environmental issues and sustainability are two particular human resources and CSR topics that the Supervisory Board is focusing on, both within Vivendi and in other group entities in which some Supervisory Board members may hold executive positions. For example, in 2019, the Havas Group (of which Yannick Bolloré is Chairman & CEO) was named the *"Most Sustainable Company in the Communications Industry"* by *World Finance Magazine,* and the NUXE Group (headed by Aliza Jabès) is a worldleading natural cosmetics brand. The Supervisory Board likewise places importance on environmental skills and expertise when choosing members of the CSR Committee, which is made up of two independent members and four Vivendi employees, including a member of the Green Team at Vivendi's headquarters, who has been in charge of the site's environmental certification for almost ten years.

Changes in the Composition of the Supervisory Board Subject to Shareholder Approval at the General Shareholders' Meeting to be Held on June 22, 2021

Sandrine Le Bihan's term of office as a Supervisory Board member representing employee shareholders is due to expire at the close of the General Shareholders' Meeting to be held on June 22, 2021. At that Meeting, on the recommendation of the Chairman of the Management Board (as provided for in Article 8-1 of Vivendi's by-laws **(2)**), the shareholders will therefore be asked to renew her term of office for a four-year period, expiring at the close of the General Shareholders' Meeting to be held to approve the financial statements for 2024. The renewal of Ms. Le Bihan's term of office would enable Vivendi to maintain the links that have been in place since 2013 between employee shareholders and the company's management and supervisory bodies.

(2) As of December 31, 2020, employees held 2.95% of the company's capital. If this percentage exceeds 3% as of December 31, 2021, Sandrine Le Bihan's term of office as a Supervisory Board member representing employee shareholders would automatically terminate as she would be replaced by another member, appointed after an election organized in accordance with Article L. 225-71 of the French Commercial Code and Article 8-1 of Vivendi's by-laws.

Véronique Driot-Argentin's term of office as a Supervisory Board member is also due to expire at the close of the June 22, 2021 General Shareholders' Meeting. Consequently, at that Meeting, shareholders will also be asked to renew her term of office for a four-year period.

The individual profiles of the Supervisory Board members are provided below in the Section entitled "Main Activities of the Current Members of the Supervisory Board".

At the close of the General Shareholders' Meeting to be held on June 22, 2021, and subject to approval of the relevant resolutions, the Supervisory Board will have 13 members including seven women, one member representing employee shareholders, appointed pursuant to Article 8-1 of Vivendi's by-laws, and two members representing employees, appointed pursuant to Article L. 225-79-2 of the French Commercial Code, the other members having been appointed pursuant to Article L. 225-75 of the French Commercial Code. Excluding the member representing employee shareholders and the two members representing employees, the Supervisory Board will have six independent members out of eleven i.e., 55%.

Main Activities of the Current Members of the Supervisory Board

YANNICK BOLLORÉ, Chairman of the Supervisory Board

French citizen

Havas
29/30, quai de Dion-Bouton
92800 Puteaux – France

EXPERTISE AND EXPERIENCE

Yannick Bolloré is a graduate of Paris Dauphine University. He is Chairman and Chief Executive Officer of the Havas Group, one of the world's largest communications groups with annual revenue of $2 billion and more than 20,000 employees in 100 countries.

He co-founded the production company WY Productions in 2002 (Hell, Yves Saint Laurent). In 2006, he joined his family group, the Bolloré Group, to launch and develop its media division. Within five years, Bolloré Média (D8, D17) became the leading independent French TV group and was subsequently sold to Canal+, making the Bolloré Group a shareholder in Vivendi. He then joined the Havas Group in 2011 and became Chairman and Chief Executive Officer in 2013. He initiated a major restructuring of the group to make it the most integrated and forward-thinking business in its industry. In 2017, Vivendi obtained control of the Havas Group. Yannick Bolloré was appointed Chairman of the Supervisory Board of Vivendi in April 2018.

Yannick Bolloré was named a *Young Global Leader* in 2008 by the World Economic Forum. He has received numerous honors and awards from international associations and the business press. He is also a *Chevalier de l'Ordre des Arts et des Lettres*.

POSITIONS CURRENTLY HELD (IN FRANCE)

Vivendi group

- Havas, Chairman of the Board of Directors and Managing Director

POSITIONS CURRENTLY HELD (OUTSIDE FRANCE)

Vivendi group

- Havas North America, Inc. (United States), Chairman
- Havas Worldwide LLC (United States), Chairman and Executive Vice President
- Havas Middle East FZ, LLC (United Arab Emirates), Director

OTHER POSITIONS AND OFFICES HELD (IN FRANCE)

- Bolloré SE **(*)**, Vice Chairman and Director
- Financière de l'Odet **(*)**, Director
- Bolloré Participations SE, Director
- Financière V, Director
- Omnium Bolloré, Director
- Sofibol, Member of the Supervisory Board
- Musée Rodin, Director

OTHER POSITIONS AND OFFICES HELD (OUTSIDE FRANCE)

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (IN FRANCE)

- Havas 360, Chairman
- HA Pôle Ressources Humaines, Chairman and Chief Executive Officer and Director
- Havas Media France, Director
- Mediamétrie, Permanent representative of Havas on the Board of Directors
- Havas Paris, Permanent representative of Havas on the Board of Directors
- Havas Paris, Chairman and Chief Executive Officer and Director
- Havas Life Paris, Permanent representative of Havas on the Board of Directors
- MFG R&D, Member of the Supervisory Board
- Havas Media Africa, Member of the Executive Board
- JC Decaux Bolloré Holding, Member of the Executive Board
- W & Cie, Permanent representative of Havas on the Board of Directors

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (OUTSIDE FRANCE)

- Havas Media Group Spain SA (Spain), Director
- Arena Communications Network SL (Spain), Director
- Havas Worldwide Brussels (Belgium), Permanent representative of Havas on the Board of Directors

(*) Listed company.

PHILIPPE BÉNACIN, Vice Chairman and lead independent member of the Supervisory Board and Chairman of the Corporate Governance, Nominations and Remuneration Committee

French citizen

Interparfums
4, rond-Point des Champs-Élysées
75008 Paris – France

EXPERTISE AND EXPERIENCE

A graduate of the Essec business school, Philippe Bénacin is Chairman and Chief Executive Officer of Interparfums, a major player in the international perfume and cosmetics market.

Founded by Mr. Bénacin alongside Jean Madar in 1982, Interparfums creates, makes and distributes prestige perfumes and cosmetics under exclusive global licenses with the Boucheron, Coach, Jimmy Choo, Karl Lagerfeld, Kate Spade, Moncler, Montblanc, Paul Smith, Repetto, ST Dupont and Van Cleef & Arpels brands. Interparfums also owns the Lanvin and Maison Rochas perfumes.

Present in over 100 countries through a selective distribution network, Interparfums generated €484 million in consolidated revenue in 2019. The company has been listed on Euronext Paris since 1995 and has a market capitalization of approximately €2 billion.

Regularly recognized for the quality of its financial reporting, Interparfums has earned a number of awards and prizes, including the prestigious *Prix Cristal de la transparence de l'information financière* and the *Prix de l'Audace Créatrice,* awarded to Philippe Bénacin in 2011 by the French Prime Minister at the time, François Fillon.

POSITIONS CURRENTLY HELD (IN FRANCE)

Vivendi group

- Interparfums SA **(*)**, Co-Founder, Chairman and Chief Executive Officer
- Interparfums Holding, Chairman of the Board of Directors

POSITIONS CURRENTLY HELD (OUTSIDE FRANCE)

- Interparfums Inc. (United States), President (non-executive) and Vice Chairman of the Board of Directors
- Interparfums Luxury Brands (United States), President (non-executive) and Vice Chairman of the Board of Directors
- Inter España Parfums & Cosmetiques SL (Spain), Director
- Interparfums Srl (Italy), Director
- Interparfums Switzerland, Director and Manager
- Interparfums Singapore Pte Ltd, Director
- Parfums Rochas Spain SL, Chairman of the Board of Directors

OTHER POSITIONS AND OFFICES

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (IN FRANCE)

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (OUTSIDE FRANCE)

- Interparfums Ltd (United Kingdom), Director

(*) Listed company.

CYRILLE BOLLORÉ, Member of the Supervisory Board

French citizen

Tour Bolloré
31-32, quai de Dion-Bouton
92811 Puteaux Cedex – France

EXPERTISE AND EXPERIENCE

A graduate of Paris Dauphine University, Cyrille Bolloré holds a Master's degree in economics and management, with a major in finance.

He was Deputy Manager of Supplies and Logistics at Bolloré Energy from November 2007 to November 2008, and then Manager from December 2008 to August 2010. He was appointed Chief Executive Officer of Bolloré Energy in September 2010 and Chairman in October 2011.

Cyrille Bolloré became Vice Chairman and Managing Director of Bolloré in August 2012, Deputy Chief Executive Officer in June 2013, and Chairman and Chief Executive Officer in March 2019.

He was Chairman of Bolloré Logistics until December 2014, Chairman of Bolloré Transport Logistics from November 2014 to May 2016, and has been Chairman of Bolloré Transport & Logistics Corporate (formerly Bolloré Transport & Logistics) since April 2016.

Since September 2017, Cyrille Bolloré has been Vice Chairman of Financière de l'Odet, where he also served as Chief Executive Officer from September 2017 through March 2018.

Cyrille Bolloré has experience in an integrated multinational company and in the content, media and communication businesses. His appointment also strengthens the Supervisory Board's expertise in issues relating to emerging markets, in particular, Africa.

POSITIONS CURRENTLY HELD (IN FRANCE)

Bolloré Group

- Bolloré SE **(*)**, Chairman and Chief Executive Officer
- Bolloré Energy, Chairman of the Board of Directors
- Bolloré Transport & Logistics Corporate (formerly Bolloré Transport & Logistics), Chairman
- Compagnie du Cambodge **(*)**, Chairman of the Management Board
- Sofibol, Chairman of the Supervisory Board
- BlueElec, Chairman
- Financière de l'Odet **(*)**, Vice Chairman and Director
- Bolloré Participations SE, Director
- Financière V, Director
- Omnium Bolloré, Director
- Société Industrielle et Financière de l'Artois **(*)**, Director,
- Financière Moncey **(*)**, Permanent representative of Compagnie du Cambodge on the Board
- Société Française Donges Metz, Permanent representative of Financière de Cézembre on the Board
- Bolloré Africa Logistics, Permanent representative of Bolloré Transport & Logistics Corporate on the Board
- Bolloré Logistics, Permanent representative of Bolloré Transport & Logistics Corporate on the Board
- Sogetra, Permanent representative of Globolding on the Board
- JC Decaux Bolloré Holding, Member of the Supervisory Board

POSITIONS CURRENTLY HELD (OUTSIDE FRANCE)

Bolloré Group

- Financière du Champ de Mars, Director
- SFA SA, Director
- Nord Sumatra Investissements, Director
- Plantations des Terres Rouges, Director
- African Investment Company, Director
- Bolloré Transport & Logistics Congo (formerly Bolloré Africa Logistics Senegal), Permanent representative of Société de Participations Africaines on the Board

OTHER POSITIONS AND OFFICES HELD (IN FRANCE)

None

OTHER POSITIONS AND OFFICES HELD (OUTSIDE FRANCE)

- Socfinaf **(*)**, Permanent representative of Bolloré Participations SE on the Board
- Socfinasia **(*)**, Director

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (IN FRANCE)

Bolloré Group

- Bolloré SA **(*)**, Deputy Chief Executive Officer, Vice Chairman and Managing Director
- Financière de l'Odet **(*)** Chief Executive Officer
- Bolloré Africa Railways, Director
- Compagnie du Cambodge, Chairman and Member of the Supervisory Board
- Société Industrielle et Financière de l'Artois, Chief Executive Officer
- Bolloré Africa Logistics, Permanent representative of Bolloré Transport Logistics on the Board
- Bolloré Logistics, Permanent representative of Bolloré Transport Logistics on the Board
- SDV Logistique Internationale, Permanent representative of Bolloré Transport Logistics on the Board
- Kerné Finance, Permanent representative of Bolloré Transport Logistics on the Board
- La Charbonnière, Permanent representative of Bolloré Energy on the Board
- Blue Solutions **(*)**, Director

Other positions and offices held

- Comité Professionnel des Stocks Stratégiques Pétroliers (CPSSP), Vice Chairman

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (OUTSIDE FRANCE)

Bolloré Group

- CICA SA (CH), Director
- Satram Huiles SA (CH), Director
- Camrail, Permanent representative of Société Financière Panafricaine on the Board
- Congo Terminal, Permanent representative of Socopao on the Board
- Douala International Terminal, Permanent representative of Société de Participations Africaines on the Board

Other positions and offices held

- CIPCH BV (NL), Director

(*) Listed company.

PAULO CARDOSO, Employee representative on the Supervisory Board and Chairman of the CSR Committee

French citizen

Vivendi
42, avenue de Friedland
75008 Paris – France

EXPERTISE AND EXPERIENCE

Paulo Cardoso, a trained accountant, joined Compagnie Générale des Eaux in 1997 as administrative manager in the Communications Department.

In 2001, he joined the Finance Department's accounting unit. In 2002, he moved to the Treasury Department, where he is responsible for the Canal+ Group's cash management and the group's network systems.

POSITIONS CURRENTLY HELD

None

OTHER POSITIONS AND OFFICES HELD

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (IN FRANCE)

- Member and Treasurer of Vivendi's Works Council

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (OUTSIDE FRANCE)

None

LAURENT DASSAULT, Independent member of the Supervisory Board

French citizen

Groupe Industriel Marcel Dassault SA (GIMD)
9, rond-point des Champs-Élysées
Marcel-Dassault
75008 Paris – France

EXPERTISE AND EXPERIENCE

Laurent Dassault graduated from École Supérieure Libre des Sciences Commerciales Appliquées de Paris and also holds a business law degree from Paris II-Assas University. After his college education, he trained with the French Air Force. In 1978, he served as an intelligence officer with the Jaguar squadron 3/3 Ardennes at the Nancy-Ochey air base. He became a captain in the reserves in 1986.

After 13 years in banking, in 1991 Laurent Dassault joined Dassault Investissements (part of the group founded by his grandfather Marcel Dassault), in charge of indirect compensation related to military aeronautical contracts.

Tasked with diversifying the group's investments, he took a particular interest in expanding its holdings in art and vineyards, successfully increasing the group's value. Profoundly forward-looking and business oriented, Laurent Dassault enjoys creating, innovating and building. He is also very involved in many charitable and humanitarian organizations.

Laurent Dassault currently sits on the boards of numerous companies, mainly in the industry, finance, arts and philanthropy sectors.

He is also the co-manager of Artcurial Développement. As a major art collector, he is extremely involved in the art world on a personal level. Each year, for example, he organizes the *Marcel Duchamp* prize, in partnership with the Pompidou Center, the Modern Art Museum of Paris and the FIAC, and with the backing of Lazard Frères Gestion. This prize was created to support French artists and help them reach the international stage.

In 1994, Laurent Dassault became manager of Château Dassault, a Saint-Émilion Grand Cru Classé. Corporate philanthropy and charitable work occupy an important place in Laurent Dassault's life and work.

In late 2013, he joined the Association pour la Mémoire des Enfants Cachés et des Justes, of which he is Treasurer. This association's main aim is to create a historic trail in Chambon-sur-Lignon in France, commemorating the town's role in protecting fugitive Jews during World War Two. Laurent Dassault is personally involved with the project through the design and creation of a Memorial garden.

Laurent Dassault became a *Chevalier de la Légion d'Honneur* in France in 2003 and *Officier de l'Ordre de la Couronne* in Belgium in 2006. France then named him *Officier des Arts et des Lettres* in 2008, *Chevalier des Palmes Académiques* in 2010, *Officier de la Légion d'Honneur* in 2016 and *Officier dans l'Ordre du Mérite Agricole* in 2018.

POSITIONS CURRENTLY HELD (IN FRANCE)

Dassault group

- Groupe Industriel Marcel Dassault SA (GIMD), Member of the Supervisory Board
- Dassault Investissements, Manager
- Immobilière Dassault SA **(*)**, Chairman of the Supervisory Board
- Rond-Point Immobilier, Member of the Supervisory Board
- Sogitec Industries SA, Director
- Artcurial Développement, Co-Manager
- Artcurial SA, Director
- Arqana (Artcurial), Advisor to the Management Board

POSITIONS CURRENTLY HELD (OUTSIDE FRANCE)

Dassault group

- Dassault Belgique Aviation (Belgium), Director
- Midway Aircraft Corporation (subsidiary of Falcon Jet) (USA), Chairman
- Sitam America Corp. (USA), Director

OTHER POSITIONS AND OFFICES HELD (IN FRANCE)

- Laurent Dassault Rond-Point (SCI), Managing Partner
- Laurent Dassault Rond-Point II (SAS), Chairman
- 21 Central Partners (Benetton group), Member of the Supervisory Board
- Société Financière Louis Potel & Chabot, Non-voting Director
- SCI Les Hautes Bruyères, Partner
- Sagard Private Equity Partners SAS, Member of the Advisory Committee
- Pechel Industrie SAS, Member of the Steering Committee
- Comité des Champs-Élysées, Director
- FLCP & Associés, Member of the Supervisory Board
- Amis du Fonds Régional Art Contemporain Aquitaine, Chairman
- Amis du Musée (Centre Pompidou), Director
- Association pour la Diffusion Internationale de l'Art Français (ADIAF), Director
- Amis du Musée d'Orsay et de L'Orangerie, Vice-Chairman and Director
- Fonds pour Paris, Director
- Association pour la Mémoire des Enfants Cachés et des Justes, Member of the Board of Directors and Treasurer
- Amis de la Fondation Serge Dassault, Chairman
- Organisation pour la Prévention et la Cécité (OPC), Director
- Association des Anciens Honneurs Héréditaires, Director

OTHER POSITIONS AND OFFICES HELD (OUTSIDE FRANCE)

- Kudelski SA **(*)** (Switzerland), Director and Member of the Strategy Committee
- Skidata (Nagra Kudelski Group), Director and Member of the Strategy Committee
- La Maison (Cicurel group) (Luxembourg), Member of the Supervisory Board
- Catalyst Investments II LP, Chairman of the Advisory Board
- Lepercq, de Neuflize & Co. Inc. (USA), Director
- Real Estate SCA SICAR (Luxembourg), Chairman of the Investors Committee
- Warwyck Bank (Mauritius), Director
- Geosatis (Secure Electronic Monitoring solution) (Switzerland), Director
- CNP (Compagnie Nationale à portefeuille) (Belgium), Director
- Power Corporation of Canada, Director

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (IN FRANCE)

- Groupe Industriel Marcel Dassault SA (GIMD), Chief Executive Officer
- Dassault Wine Estates, Chairman

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (OUTSIDE FRANCE)

- The Related Party and Conduct Review Committee of Power Corporation of Canada, Member

(*) Listed company.

DOMINIQUE DELPORT, Member of the Supervisory Board

French citizen

Arduina Partners
10, rue de Penthièvre
75008 Paris – France

EXPERTISE AND EXPERIENCE

Dominique Delport is a graduate of the EM Lyon (École Supérieure de Commerce de Lyon) and a winner of the *MBA Moot Corp. International Challenge* hosted by the University of Texas, Austin. He is also the recipient of an *Emmy Award*.

He has had three distinct professional careers: television journalist, Internet entrepreneur, and head of a media agency, all of which give him expertise in content, digital and media at an international level.

Dominique Delport began his career as Deputy Chief Editor for the television channel M6 Lyon, and then became Chief Editor at M6 Lille. In 1996, he was appointed Chief Editor at M6, the second largest private television channel in France.

From 1996 to 2000, he directed the news program *6 Minutes* (four million daily viewers) and news reports including *Zone Interdite* and *Capital*.

In April 2000, he gave up his career in television to move into the world of startups, forming the streaming multimedia company Streampower, where he served as Chairman and Chief Executive Officer.

In October 2001, Streampower became a 75% subsidiary of the Rivaud Media group (Bolloré Group).

In 2003, Dominique Delport launched a daily program on Canal+, *Merci pour l'info*, and in 2004, for France 5, he created and produced the program *CULT*, an interactive televised broadcast on urban cultures featuring live videos from bloggers.

After participating in the launch of Direct 8 (TNT), Dominique Delport hosted the weekly show titled 8-Fi, a live broadcast devoted to new media and technologies.

Dominique Delport joined Media Planning Group (MPG) on February 1, 2006 as Managing Director, while retaining his position as Chairman and Chief Executive Officer at Streampower. He was appointed Chief Executive of MPG France in June 2006 and then, in February 2007, Managing Director of Havas Media France.

In February 2008, he was promoted to the position of Chairman and Managing Director of Havas Media France, a position he held until the end of 2015.

In February 2009, he was elected to a two-year term as President of the Union of Media Consulting and Purchasing (UDECAM), an organization representing all French media agencies.

Following the success of the integrated organization of Havas Media France, he was named Managing Director of the Havas Media Group global network.

In April 2016, he was appointed President of Vivendi Content and Studioplus, a position he also held until April 2018.

In March 2017, Dominique Delport was appointed Global Managing Director and Chief Client Officer of the Havas Group, a position he held until April 2018.

In April 2018, he joined Vice Media, where he served as President of International Operations and Chief Revenue Officer.

In December 2020, he left Vice Media to return to entrepreneurship, founding Arduina Partners.

POSITIONS CURRENTLY HELD (IN FRANCE)

- Arduina Partners (SAS), Chairman

OTHER POSITIONS AND OFFICES

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (IN FRANCE)

Vivendi group

- Vivendi Content SAS, President
- Studio+, Chairman
- Studio+ France, Chairman
- Vivendi Entertainment, Chairman
- Havas, Global Managing Director and Chief Client Officer
- Havas Media Africa, Chairman and member of the Executive Board
- MFG R&D SA, Chairman of the Management Board
- Havas Productions SNC, Manager
- Havas Media France, Chairman and Chief Executive Officer
- Udecam, Chairman

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (OUTSIDE FRANCE)

Vivendi group

- Arena Media Communications, Co-Manager
- Havas Media Belgium, Director
- Ze Cake Group Ltd, Chairman
- Ze Ais Group Ltd, Chairman
- Havas Sports Limited, Chairman
- Arena Blm Ltd, Chairman
- Arena Quantum Ltd, Chairman
- Cake Group Ltd, Chairman
- Elisa Interactive Ltd, Chairman
- Cake Media Ltd, Chairman
- Media Planning Ltd, Chairman
- Ais Group Ltd, Chairman
- Arena BLM Holdings Ltd (United Kingdom), Chairman
- BLM Cliverd Ltd, Director
- Forward 1 UK Ltd, Director
- BLM Two Ltd, Director
- BLM Azure Ltd, Director
- BLM Red Ltd (United Kingdom), Director
- Forward Holding Spain, Sole Director
- SLU (Spain), Sole Director
- Forward Média Peru, Director
- SAC, Director

VÉRONIQUE DRIOT-ARGENTIN, Member of the Supervisory Board whose renewal of office will be put forward for approval at the June 22, 2021 General Shareholders' Meeting – Member of the Supervisory Board – Employee of the company

French citizen

Vivendi
42, avenue de Friedland
75008 Paris – France

EXPERTISE AND EXPERIENCE

Véronique Driot-Argentin joined Compagnie Générale des Eaux in 1989 where she began her career in the press services group of the Corporate Communications Department. In 1991, she joined the Île-de-France Regional Water Authority and then, in 1994, moved to the Human Resources Department of Générale des Eaux as special assistant to the Group Head of Human Resources working in employee relations, a position she continues to hold at Vivendi.

In 2011, she began working with Vivendi's Head of Training and has been a Training Manager in the Human Resources Department since 2016.

Véronique Driot-Argentin has been the CFTC trade union delegate since 2006.

She sat on the Employment Tribunal in Paris from 2008 to 2015.

From 2014 through 2020, she was a town councilor in Villecresnes (Val-de-Marne département) and Vice President of the Social Housing and Action Management Committee.

POSITIONS CURRENTLY HELD

None

OTHER POSITIONS AND OFFICES HELD (IN FRANCE)

Vivendi group

- Group Works Council, member
- IDSE, Member of the bureau
- CFTC, trade union delegate

OTHER POSITIONS AND OFFICES HELD (OUTSIDE FRANCE)

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (IN FRANCE)

- Vivendi's Single Staff Delegation (DUP), Secretary

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (OUTSIDE FRANCE)

None

ALIZA JABÈS, Independent member of the Supervisory Board

French citizen

NUXE Group
127, rue d'Aguesseau
92100 Boulogne-Billancourt – France

EXPERTISE AND EXPERIENCE

Aliza Jabès is a graduate of the Institut d'Études Politiques de Paris. She holds an MBA from New York University (NYU).

She began her career as a financial analyst for Eli Lilly in the USA. At the start of the 1990s, she decided to go into business and took over NUXE, at the time a tiny cosmetics laboratory in Paris, with the goal of building a wide-reaching natural beauty brand. In the space of just a few years, NUXE became a leading global cosmetics group. It also has a strong position in the well-being industry, with 60 deluxe spa centers in France and abroad.

In 2007 and 2011, NUXE's strategy in innovation and industrial property was recognized and rewarded twice by the French National Institute of Industrial Property (INPI).

Aliza Jabès has regularly won awards and honors for her exceptional career.

In 2011, she received the prestigious *Entrepreneur of the Year* award from EY.In 2012, Cosmetic Executive Women (CEW) gave her the *Achiever Award* for her exceptional career in the cosmetics industry, and in 2014 she won the Trophée Femmes en Or in the "Women in Business" category, which rewarded her for her creativity and entrepreneurial spirit.

After being promoted to the rank of *Chevalier* in 2008, she was named *Officier de la Légion d'Honneur* in January 2020. She was also named *Officier de l'Ordre National du Mérite* in 2015.

POSITIONS CURRENTLY HELD (IN FRANCE)

NUXE Group

- NUXE International SAS, Chairwoman

POSITIONS CURRENTLY HELD (OUTSIDE FRANCE)

NUXE Group

- NUXE Hong Kong Limited, Managing Director
- NUXE GmbH (Germany), Manager
- NUXE Polska Sp. Zoo (Poland), Chairwoman
- NUXE Ireland DAC, Director
- NUXE UK Ltd, Managing Director
- NUXE Istanbul Kozmetik Ürünleri Ticaret Limited Sirketi (Turkey), Chairwoman
- Laboratoire NUXE Portugal Unipessoal Lda, Manager
- Laboratoire NUXE España SL, Managing Director
- NUXE Suisse SA, Director
- NUXE Belgium SA, Director
- Laboratoire NUXE Italia Srl, Director

OTHER POSITIONS AND OFFICES HELD (IN FRANCE)

- Fédération des entreprises de la beauté (FEBEA), Director
- Pharmaceutical Council of the French Syndicate of Cosmetic Products (SFCP), Chairwoman
- Commission for the award of the French Palace status prize, Member

OTHER POSITIONS AND OFFICES HELD (OUTSIDE FRANCE)

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS

None

CATHIA LAWSON-HALL, Independent member of the Supervisory Board and Chairwoman of the Audit Committee

French citizen

Société Générale
17, cours Valmy
92800 Paris-la Défense 7 – France

EXPERTISE AND EXPERIENCE

Cathia Lawson-Hall is Head of Coverage and Investment Banking for Africa at Société Générale, in charge of the overall relationship and strategic consulting with governments, large corporates and financial institutions in Africa. Previously, she was Managing Director, Co-Head of Debt Capital Markets for corporates in France, Belgium and Luxembourg. Cathia Lawson-Hall joined Société Générale in 1999 as a financial analyst covering the telecommunications and media sectors before moving into financial consulting. She has strong experience in corporate and investment banking, primarily in debt capital markets, financial analysis and advisory services.

Ms. Lawson-Hall is also an independent member of the Board of Directors of the Agence Française de Développement (AFD) and sits on the Board of Directors of Société Générale Côte d'Ivoire.

In March 2017, she was one of the six winners alongside the Mayor of London, Sadiq Khan, of the *Diversity Trophy* awarded by the Club XXI^{e} Siècle think-tank in the "career" category. In December 2015, she was named *Manager of the Year* for 2015 in the sixth edition of the *La Tribune Women's Awards*. Cathia Lawson-Hall holds a Master's degree and a postgraduate degree (DEA) in Finance from Paris Dauphine University in France.

POSITIONS CURRENTLY HELD (IN FRANCE)

- Agence Française de Développement (AFD), Independent Director

POSITIONS CURRENTLY HELD (OUTSIDE FRANCE)

- Société Générale Côte d'Ivoire, Director

OTHER POSITIONS AND OFFICES HELD (IN FRANCE)

- Société Générale, Head of Coverage and Investment Banking for Africa

OTHER POSITIONS AND OFFICES HELD (OUTSIDE FRANCE)

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (IN FRANCE)

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (OUTSIDE FRANCE)

- Société Générale Benin, Director

SANDRINE LE BIHAN, Member of the Supervisory Board whose renewal of office will be put forward for approval at the June 22, 2021 General Shareholders' Meeting – Member of the Supervisory Board, representing employee shareholders

French citizen

Vivendi
42, avenue de Friedland
75008 Paris – France

EXPERTISE AND EXPERIENCE

Sandrine Le Bihan, a trained accountant, joined Compagnie Générale des Eaux in 1992 as a manager in the Securities Department.

In 2003, she became Group Company Directory and Database Manager within Vivendi's Legal department. She works in corporate and securities laws, including employee shareholder schemes.

POSITIONS CURRENTLY HELD

None

OTHER POSITIONS AND OFFICES HELD (IN FRANCE)

Vivendi group

- "Vivendi Groupe Épargne" collective investment fund, Chairwoman and Member of the Supervisory Board
- "Opus Vivendi" collective investment fund, Member of the Supervisory Board representing the fund's unit holders
- Group Works Council, Member and member of the bureau
- Vivendi Employee Representative Committee (*Comité social et économique*), standing member and Secretary

OTHER POSITIONS AND OFFICES HELD (OUTSIDE FRANCE)

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (IN FRANCE)

- Vivendi Works Council, Deputy Secretary and Treasurer
- IDSE, Member of the bureau
- Vivendi's Single Staff Delegation (DUP), Representative and Treasurer

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (OUTSIDE FRANCE)

None

MICHÈLE REISER, Independent member of the Supervisory Board

French citizen

MRC
6, place Saint-Germain-des-Prés
75006 Paris – France

EXPERTISE AND EXPERIENCE

Michèle Reiser is a philosopher by profession. In 1975, she started a weekly literary show for young people on French TV channel FR3, which she hosted for eight years. She also had a literary column in *Le Monde de l'Éducation* and later worked regularly at *Ex Libris.*

As a filmmaker, producer and TV film author, she produced documentaries, profiles and major stories on key themes broadcast between 1983 and 2005 on France 2, France 3, France 5, Canal+ and Arte centered around major areas of interest:

- social issues – L*es Trois Mousquetaires à Shanghai* and *La Vie en rollers;*
- politics – she produced the *Un Maire, une Ville* collection with Alain Juppé in Bordeaux and Jean-Claude Gaudin in Marseille;
- psychiatric issues – *Le Cinéma de notre anxiété, Un homme sous haute surveillance,* and *Epilepsies;*
- romantic traditions – *Les Amoureux de Shanghai, L'Amour au Brésil,* and *Les Amoureux du Printemps de Prague;*
- child and adolescent development – *Premiers émois, Vis ta vie, ou les parents ça sert à rien,* and *La vérité sort de la bouche des enfants;*
- profiles – Reiser, Juppé, François Truffaut, correspondance à une voix.

She also directed musical and theater shows as well as operas, including Le Barbier de Séville with Ruggero Raimondi.

She founded Les Films du Pharaon and served as its Director from 1988 to 2005.

In January 2005, she was appointed a member of France's Audiovisual Council by the French President and presided over the Audiovisual Production, Free Private Channels, Advertising and Cinema and Music working groups over her six-year term.

From 2008 to 2012, she founded and presided over the Commission on the image of women in the media. At the end of each year, the Commission published a report emphasizing that although women have visibility, they are still confined to a particular role and that men are still the only ones whose knowledge is considered legitimate. This observation brought to light the notion of an "expert", which was the subject of the second report presented in December 2011 during a symposium at the French National Assembly titled *Les expertes, bilan d'une année d'autorégulation* (Experts: Results of One Year of Self-Regulation). The Commission was awarded permanent status by the Prime Minister in 2011.

In 2010, she co-presided over the work of the Commission on associations' access to audiovisual media, which produced a report that was submitted to the Prime Minister in January 2011.

She was a member of the Gender Equality Observatory from 2010 to 2012.

In 2013, Michèle Reiser founded the consultancy firm, MRC.

She has chaired the jury of the *Gulli Book Prize* since 2014.

In 2015, she created the Paris-Mezzo classical music festival, which became the Festival de Paris in 2017.

She published two novels with Albin Michel: *Dans le creux de ta main* in 2008, and *Jusqu'au bout du festin* in 2010, which won the *Prix de la révélation littéraire* in 2010 from Aufeminin.com.

Michèle Reiser was named *Officier de l'Ordre National du Mérite* in 2004 and in 2010 was promoted to the rank of *Chevalier de l'Ordre de la Légion d'Honneur.*

POSITIONS CURRENTLY HELD (IN FRANCE)

None

OTHER POSITIONS AND OFFICES HELD (IN FRANCE)

- MRC, Manager

OTHER POSITIONS AND OFFICES HELD (OUTSIDE FRANCE)

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (IN FRANCE)

- Radio France, Member of the Board of Directors
- Radio France, Member of the Strategic Committee

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (OUTSIDE FRANCE)

None

KATIE STANTON, Independent member of the Supervisory Board

American citizen

Moxxie Ventures
1049 El Monte Avenue, Ste C 591,
Mountain View, CA 94040
United States

EXPERTISE AND EXPERIENCE

Katie Stanton is a graduate of Rhodes College (1991) and holds a Master's degree from the School of International Public Affairs (SIPA) at Columbia University.

She is the Founder and General Partner of Moxxie Ventures, a new venture capital fund based in San Francisco.

Prior to Moxxie, Ms. Stanton held numerous executive operating positions at Twitter, Google, Yahoo, and Color.

In addition to working in Silicon Valley, she served at the White House and the State Department (under President Obama) and began her career as a banker at JP Morgan Chase.

In addition to sitting on the Supervisory Board of Vivendi, she previously served on the Board of Directors of Time Inc.

Katie Stanton is also a founding partner of #Angels.

POSITIONS CURRENTLY HELD (IN FRANCE)

None

POSITIONS CURRENTLY HELD (OUTSIDE FRANCE)

- Moxxie Ventures, Founder and General Partner

OTHER POSITIONS AND OFFICES

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (IN FRANCE)

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (OUTSIDE FRANCE)

- Twitter, Global Media Vice President
- Time Inc., Director
- Color Genomics, Chief Marketing Officer

ATHINA VASILOGIANNAKI, Employee representative on the Supervisory Board

Greek citizen

Minos – EMI SA
Mesogheion Avenue 245-247
Postal code 15451 – Neo Psychiko
Attica – Greece

EXPERTISE AND EXPERIENCE

Athina Vasilogiannaki is a lawyer specialized in intellectual property. She holds an LLM (Master of Science in Law) from the National and Kapodistrian University of Athens in Greece.

Since June 2004, she has worked as Head of Legal and Commercial Affairs at Minos-EMI/Universal Music Greece. She has also served as Legal Counsel of Universal Music Publishing Greece since September 2013 and of Universal Production Music's Greek subsidiary since April 2018.

POSITIONS CURRENTLY HELD (IN FRANCE)

None

POSITIONS CURRENTLY HELD (OUTSIDE FRANCE)

- Minos – EMI SA, Director

OTHER POSITIONS AND OFFICES HELD (IN FRANCE)

None

OTHER POSITIONS AND OFFICES HELD (OUTSIDE FRANCE)

- Vanin Bayswater Ltd (UK), Co-Director

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (IN FRANCE)

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (OUTSIDE FRANCE)

None

VINCENT BOLLORÉ, Non-voting member

French citizen

Vivendi
42, avenue de Friedland
75008 Paris – France

EXPERTISE AND EXPERIENCE

Vincent Bolloré holds a Master's degree in Law and is the Chairman and Chief Executive Officer of Financière de l'Odet SE. He was Chairman of Vivendi's Supervisory Board from June 2014 through April 2018.

In 1970, he began his career as a representative at Banque de l'Union européenne before joining Compagnie Financière Edmond de Rothschild in 1976.

In 1981, he became Chairman and Chief Executive Officer of the Bolloré Group and its paper business. Under Vincent Bolloré's management, the group became one of the world's 500 largest companies. As a listed company, the Bolloré Group holds a strong position in each of its businesses, which are organized into three divisions: Transport and Logistics, Communication and Media, and Electricity Storage. The Bolloré Group also manages a long-term investment portfolio.

POSITIONS CURRENTLY HELD (IN FRANCE)

Vivendi group

- Canal+ Group, Member of the Supervisory Board

Bolloré Group

- Bolloré Participations SE, Chairman and Chief Executive Officer
- Financière de l'Odet SE **(*)**, Chairman and Chief Executive Officer
- Somabol, Chairman
- Omnium Bolloré, Chief Executive Officer and Director
- Financière V, Chief Executive Officer and Director
- Compagnie de l'Étoile des Mers (SAS), Chairman

POSITIONS CURRENTLY HELD (OUTSIDE FRANCE)

Bolloré Group

- Nord-Sumatra Investissements, Chairman and Deputy Director
- Financière du Champ de Mars, Chairman and Deputy Director
- BB Groupe SA, Chairman of the Board of Directors
- Plantations des Terres Rouges, Director

OTHER POSITIONS AND OFFICES HELD (IN FRANCE)

- Fred & Farid Group (SAS), Permanent representative of Bolloré SE

OTHER POSITIONS AND OFFICES HELD (OUTSIDE FRANCE)

- SAFA Cameroun **(*)**, Permanent representative of Bolloré Participations SE on the Board of Directors
- Société des Caoutchoucs de Grand Bereby (SOGB) **(*)**, Vice Chairman
- Bereby Finances, Vice Chairman
- Socfinaf **(*)** (formerly Intercultures), Director
- Liberian Agricultural Company (LAC), Director
- Plantations Nord-Sumatra Ltd, Director
- Socfin **(*)** (formerly Socfinal), Director
- Socfinasia **(*)**, Director
- Socfindo, Director
- Socfin KCD, Director
- Bereby Finances, Permanent representative of Bolloré Participations on the Board of Directors
- Société Camerounaise de Palmeraies (Socapalm) **(*)**, Permanent representative of Bolloré Participations SE on the Board of Directors
- Société des Caoutchoucs de Grand Bereby (SOGB) **(*)**, Permanent representative of Bolloré Participations SE on the Board of Directors
- Brabanta, Permanent representative of Bolloré Participations SE on the Board of Directors
- Coviphama Ltd, Director
- Plantations Socfinaf Ghana, Director
- Socfin Agricultural Company, Director
- Socfinco FR, Director

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (IN FRANCE)

Vivendi group

- Vivendi **(*)**, Chairman of the Supervisory Board
- Canal+ Group, Chairman of the Supervisory Board
- Studiocanal, Member of the Supervisory Board

Bolloré Group

- Financière Moncey **(*)**, Permanent representative of Bolloré Participations SE on the Board of Directors
- Société Industrielle et Financière de l'Artois **(*)**, Permanent representative of Bolloré Participations SE on the Board of Directors
- Compagnie du Cambodge **(*)**, Permanent representative of Bolloré Participations SE on the Supervisory Board
- Bolloré **(*)**, Chairman and Chief Executive Officer and Director
- Blue Solutions **(*)**, Chairman of the Board of Directors
- Financière Moncey **(*)**, Director

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (OUTSIDE FRANCE)

- Bolloré Transport & Logistics Congo, Permanent representative of Bolloré Participations on the Board of Directors

(*) Listed company.

1.1.1.3. Family Relationships

There is a family relationship between the Chairman and a member of the Supervisory Board: Yannick Bolloré and Cyrille Bolloré are brothers. In addition, they are both sons of Vincent Bolloré, the non-voting member of the Supervisory Board. To the company's knowledge, there are no other family ties between any members of the Supervisory Board.

There is a family relationship between two members of the Supervisory Board and a member of the Management Board: Yannick and Cyrille Bolloré are cousins of Cédric de Bailliencourt. To the company's knowledge, there are no other family relationships between the Supervisory Board members and the Management Board members.

1.1.1.4. Absence of Conflicts of Interest

Each Supervisory Board member is fully committed to respecting Vivendi's interests and promoting value creation for all stakeholders. To the company's knowledge, there are no actual or potential conflicts of interest between Vivendi and any member of the Supervisory Board or Vivendi and any non-voting member in terms of their personal interests or other responsibilities.

The Supervisory Board's Internal Regulations specify that its members and non-voting members have a duty to inform the Supervisory Board and the lead independent member of any actual or potential conflict of interest they have encountered, or might encounter in the future. These rules also provide that the role of the lead independent member is to coordinate within the Corporate Governance, Nominations and Remuneration Committee, procedures for identifying, managing and preventing any actual or potential conflicts of interest within the Supervisory Board.

When the Supervisory Board discusses any matter relating, directly or indirectly, to one of its members, the member concerned may be asked to leave the Supervisory Board Meeting during the voting and deliberations. For matters relating to the Chairman of the Supervisory Board, the Vice Chairman is temporarily responsible for chairing the Meeting. For matters that may concern the non-voting member, where necessary he is asked to leave the Supervisory Board Meeting during the related discussions.

Any business relationships between the Bolloré Group and certain Vivendi subsidiaries are ordinary business relationships entered into on arm's length terms and do not cause any conflicts of interest between Vivendi and Yannick, Cyrille and Vincent Bolloré. For a description and quantification of these business relationships, please see Note 22.3 "Other Related-Party Transactions" in the Notes to the Consolidated Financial Statements for the fiscal year ended December 31, 2020, presented in Chapter 5 of this Annual Report – Universal Registration Document.

Additionally, in accordance with Article L. 225-87 of the French Commercial Code, as amended by Law No. 2019-486 of May 22, 2019 (the "Pacte Law" **(1)**), at its Meeting on November 14, 2019, the Supervisory Board adopted a formal procedure for regularly assessing whether routine agreements entered into on arm's length terms actually meet these two qualifying criteria. A description of this procedure and its implementation is set out in Section 1.2.10 of this chapter.

(1) Effective January 1, 2021, Article L. 225-87 was partially recodified as Article L. 22-10-29 of the French Commercial Code.

1.1.1.5. Absence of Any Conviction for Fraud, Liability Associated with a Business Failure, Public Accusation and/or Sanction

Over the past five years, to the company's knowledge:

- no member of the Supervisory Board has been convicted of a fraudulent offense;
- no member of the Supervisory Board has been associated with bankruptcies, receiverships or liquidations while serving on an administrative, management or supervisory body;
- no official public incrimination or sanction has been brought against or imposed on any member of the Supervisory Board; and
- no member of the Supervisory Board has been disqualified by a court from acting as a member of an administrative, management or supervisory body or from acting in the management or conduct of the affairs of any issuer.

1.1.1.6. Agreements between the company and Members of the Supervisory Board – Service Agreements

No service agreement has been entered into between a Supervisory Board member and the company or any one of its subsidiaries under which that member would receive benefits.

1.1.1.7. Loans and Guarantees Granted to Members of the Supervisory Board

The company has not granted any loans or issued any guarantees to any member of the Supervisory Board.

1.1.1.8. Internal Regulations and Jurisdiction of the Supervisory Board

Authority and Functions of the Supervisory Board pursuant to French Law and the company's by-laws

The Chairman and Vice Chairman of the Supervisory Board, elected for a period not exceeding their terms as members of the Supervisory Board, are responsible for convening the Supervisory Board as often as is required in the interest of the company and for chairing its debates.

Upon the proposal of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board appoints the members of the Management Board and sets the policy and criteria for determining, allocating and granting their compensation elements. The Management Board members may be removed at any time.

The Supervisory Board reviews and determines the company's strategic plans. It authorizes the Management Board to implement substantial acquisitions, sales, internal restructuring transactions and other transactions that could have an impact on the group's financial structure, including strategic partnership agreements. It also reviews the company's corporate social responsibility (CSR) policy.

The Supervisory Board oversees the Management Board's management of the company in compliance with the law and the company's by-laws.

It may proceed with any verification or control checks it deems appropriate and is provided with all documents it deems useful to the fulfillment of its purpose and functions.

Internal Regulations

The Internal Regulations of the Supervisory Board are a purely internal document intended to supplement the company's by-laws by setting out the Supervisory Board's operational procedures and the rights and duties of its members. It is not enforceable against third parties and may not be invoked by them against members of the Supervisory Board.

Functions and Powers of the Supervisory Board under the Internal Regulations

Based upon the recommendations of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board issues opinions on the proposed candidacies of Vivendi's Corporate Officers for positions as directors or members of the supervisory boards in other entities.

The following transactions require the prior approval of the Supervisory Board:

- disposals or sales of all or a portion of investments in companies, where any individual transaction exceeds €300 million;
- issues of securities that, directly or indirectly, give rights to the share capital of the company or issues of convertible bonds in excess of €100 million;
- issues of non-convertible bonds in excess of €500 million, except in respect of transactions for purposes of renewing debt obligations on more favorable terms than those initially granted to the company;
- share repurchase programs proposed at the Ordinary General Shareholders' Meeting, and financing transactions that are material or that may substantially alter the financial structure of the company, with the exception of financing to optimize the company's debt structure;
- granting of sureties, endorsements and guarantees by the Management Board in favor of third parties, provided that each individual obligation does not exceed €300 million and that together all obligations do not exceed €1.5 billion. This authorization, which is given to the Management Board for twelve months, is reviewed every year;
- substantial internal restructuring transactions, transactions falling outside the company's publicly disclosed strategy and strategic partnership agreements;
- setting up stock option plans, performance share plans or any other mechanisms with a similar purpose or effect;
- granting stock options or performance shares to members of the Management Board, and determining the number of shares they must own during their terms of office;
- submitting proposals to the General Shareholders' Meeting to amend the company's by-laws, allocate profits and set the dividend amount; and
- the setting of the compensation policy and its components for the members of the Management Board, and the drafting of the sections of the corporate governance report and resolutions that relate to such compensation policy to be submitted to the General Shareholders' Meeting.

1.1.1.9. Role and Responsibilities of the Lead Independent Member of the Supervisory Board

Upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board may designate a lead independent member from among the members qualified as independent by the Supervisory Board.

The lead independent member carries out this role for the term of his or her office as a member of the Supervisory Board, unless the Board decides to terminate the role or the lead independent member no longer qualifies as an independent member, for whatever reason.

The lead independent member is responsible for:

- assessing the Supervisory Board's operating procedures: the lead independent member is responsible for overseeing the assessment process, in association with the General Counsel, and for reporting on said assessment to the Board, in association with the Corporate Governance, Nominations and Remuneration Committee;
- preventing conflicts of interest: the lead independent member coordinates the oversight work carried out by the Corporate Governance, Nominations and Remuneration Committee aimed at identifying, examining and preventing any potential conflicts of interest (and managing any existing conflicts of interest) within the Supervisory Board and/or with the non-voting members of the Supervisory Board and informs the Chairman of any such conflicts of interest and reports to the Board on the work undertaken; and
- ensuring the conditions necessary for the Supervisory Board's smooth operation: the independent member ensures compliance with the Internal Regulations of the Supervisory Board and with the recommendations set out in the AFEP-MEDEF Code. He or she may make any suggestion or recommendation he or she deems useful. He or she ensures that Board members are able to fulfill their duties in the best possible manner and in the interests of all shareholders and that they receive sufficient information to fulfill such duties.

1.1.1.10. Role and Responsibilities of the Non-Voting Member of the Supervisory Board

Pursuant to Article 10-6 of Vivendi's by-laws, the Supervisory Board may appoint one or two non-voting members, enabling the company to benefit from specific experience in precise, and often highly specialized, domains. Non-voting members participate in an advisory capacity at Supervisory Board meetings. They can freely express their opinions and make an important contribution to the Board's work.

At its April 15, 2019 Meeting, the Supervisory Board, acting on the recommendation of the Chairman of the Corporate Governance, Nominations and Remuneration Committee, decided to appoint Vincent Bolloré as a non-voting member of the Board for a four-year term. Mr. Bolloré had been a voting member of the Supervisory Board up until the General Shareholders' Meeting held on that same date (April 15, 2019), when his term expired. Vincent Bolloré does not receive any compensation for his role as a non-voting Supervisory Board member.

Vincent Bolloré's expertise and experience covers the full range of skills required within the Supervisory Board, thereby providing Vivendi with the necessary 360° vision to successfully build a world-class content, media and communications group.

Following his appointment, the company ensured that the non-voting Board member was fully aware of the applicable regulations relating to market abuse, and specifically the rules concerning non-disclosure of inside information. The Supervisory Board also strengthened its procedure for managing conflicts of interest, which now provides that the non-voting member may not take part in any discussions on issues giving rise to any actual or potential, current or future, conflicts of interest. See Section 1.1.1.4 of this chapter for further details on this procedure.

Since his appointment, the non-voting member has been regularly consulted by the Supervisory Board, notably due to his experience and expertise in relation to the Group and its businesses.

1.1.1.11. Supervisory Board Information and Decisions

Members of the Supervisory Board receive all the information necessary to perform their duties. Before any meeting, they may request any further documents they consider useful. Members of the Supervisory Board have the right to obtain information under the procedures set forth below.

Information Provided Prior to Meetings of the Supervisory Board

The Chairman of the Supervisory Board, with the assistance of the General Counsel, must send appropriate information to the other members of the Supervisory Board, depending on the items on the agenda.

Information Provided to the Supervisory Board on a Regular Basis

In addition to the regular information provided to the Supervisory Board by the Management Board regarding the company's operations and significant events, as well as on Vivendi's financial position, cash flow and obligations, the Management Board provides a quarterly report to the Supervisory Board on its activities and the group's operations.

Requests for information from members of the Supervisory Board relating to specific matters are sent to the Chairman and General Counsel who, along with the Chairman of the Management Board, are responsible for responding to such requests as soon as reasonably practicable. To supplement the information provided to them, members of the Supervisory Board are entitled to meet with the Management Board and the senior managers of the company, with or without the presence of members of the Management Board, after notice has been given to the Chairman of the Supervisory Board.

Collective Nature of the Supervisory Board's Decisions and Confidentiality of Information

The Supervisory Board acts as a body with collective responsibility. Its decisions are the responsibility of all of its members. Members of the Supervisory Board and any person attending meetings of the Supervisory Board are bound by strict confidentiality obligations with respect to any company information they receive in the context of meetings of the Supervisory Board and any of its committees, or confidential information presented by the Chairman of the Supervisory Board or Management Board and identified as such.

If the Supervisory Board is aware of specific confidential information that, if made public, could have a material impact on the share price of the company or the companies under its control, within the meaning of Article L. 233-3 of the French Commercial Code, members of the Supervisory Board must refrain both from disclosing such information to any third party and from dealing in the company's securities until such information has been made public.

Pursuant to Article 11.3 of the AFEP-MEDEF Code, the Supervisory Board meets at least once a year without any of the Management Board members being present. In addition, whenever members express the need, and depending on the agenda, the Supervisory Board is entitled to meet without the presence of its Chairman.

1.1.1.12. Activities of the Supervisory Board in 2020

In 2020, the Supervisory Board met seven times, with an average attendance rate of 98.81%.

It considered among others, the following matters:

- the review of the operational progress of the group's main business activities;
- the group's internal and external growth prospects, principal strategic initiatives and opportunities;
- the regular review of acquisition and disposal projects;
- the completion of the sale of 10% of the share capital of Universal Music Group (UMG) to a consortium led by Tencent;
- the continuation of the plan to take UMG public through an IPO;
- the acquisition of a stake in Lagardère SCA;
- the extension and acquisition of certain sports rights by Canal+ Group;
- negotiations for the plan to acquire the publisher, Simon & Schuster;
- monitoring of the progress of the Telecom Italia case;
- the completion of Vivendi's conversion into a European company;
- synergies and cross-business initiatives within the group;
- the assessment of the quality and structure of the group's balance sheet;
- the review and approval of the proposals and work of the Audit Committee, as applicable;
- the review of the consolidated and statutory financial statements for fiscal year 2019, the 2020 budget, and information contained in the 2020 half-year consolidated financial statements approved by the Management Board;
- the group's cash position;
- the renewal of the EMTN program and the increase in its amount from €5 billion to €8 billion;
- the continuation and renewal of the share repurchase program;
- the review of related-party agreements approved during previous periods remaining in force in 2019;
- monitoring of the procedure for assessing routine agreements entered into on arm's length terms;
- approval of the corporate governance report;
- the review of the quarterly business reports prepared by the Management Board;
- analysis of the Covid-19 crisis measures taken by the group;
- the review and approval of the proposals and work of the Corporate Governance, Nominations and Remuneration Committee, as applicable;
- the renewal of the term of office of the Chairman of the Supervisory Board;

- the composition of the Supervisory Board and its committees;
- the review of succession plans within the group;
- the assessment of the performance of the Supervisory Board and its committees;
- the review and approval of the compensation policy and packages of the Chairman and members of the Supervisory Board;
- the review and approval of the compensation policy and packages of the Chairman and members of the Management Board;
- the grant of performance shares to members of the Management Board;
- the review of the company's equal opportunities, gender parity and diversity policy;
- analysis of the gender parity objectives set for the company's governing bodies by the Management Board (see Section 4.3.2.2 of Chapter 2 of this Annual Report – Universal Registration Document);
- the employee shareholding policy and status;
- the employee shareholding plan set up in 2020;
- the review and approval of the proposals and work of the CSR Committee, as applicable;
- the review of the company's corporate social responsibility (CSR) policy;
- the approval of the draft resolutions relating to the compensation of the members of the Supervisory Board and the Management Board, submitted to the General Shareholders' Meeting held on April 20, 2020;
- the review of the resolutions approved by the Management Board and submitted to the General Shareholders' Meeting held on April 20, 2020; and
- a review of the legal investigations and proceedings in progress, notably the dispute between Vivendi and Mediaset.

1.1.1.13. Assessment of the Supervisory Board's Performance

On a regular basis, and at least once every three years, the Supervisory Board undertakes a formal assessment of its performance alongside the Corporate Governance, Nominations and Remuneration Committee. Each year, as part of this assessment, the Corporate Governance, Nominations and Remuneration Committee also reviews the situation of each Supervisory Board member in terms of his/her individual contribution to the Board's work, the balance of skills on the Board and preventing any current or future, actual or potential, conflicts of interest.

At its Meeting on March 3, 2021, the Supervisory Board conducted an assessment of its performance based on a questionnaire issued to each member of the Supervisory Board and through individual interviews led by Vivendi's General Counsel and supervised by the lead independent member. The review highlighted that the Supervisory Board members:

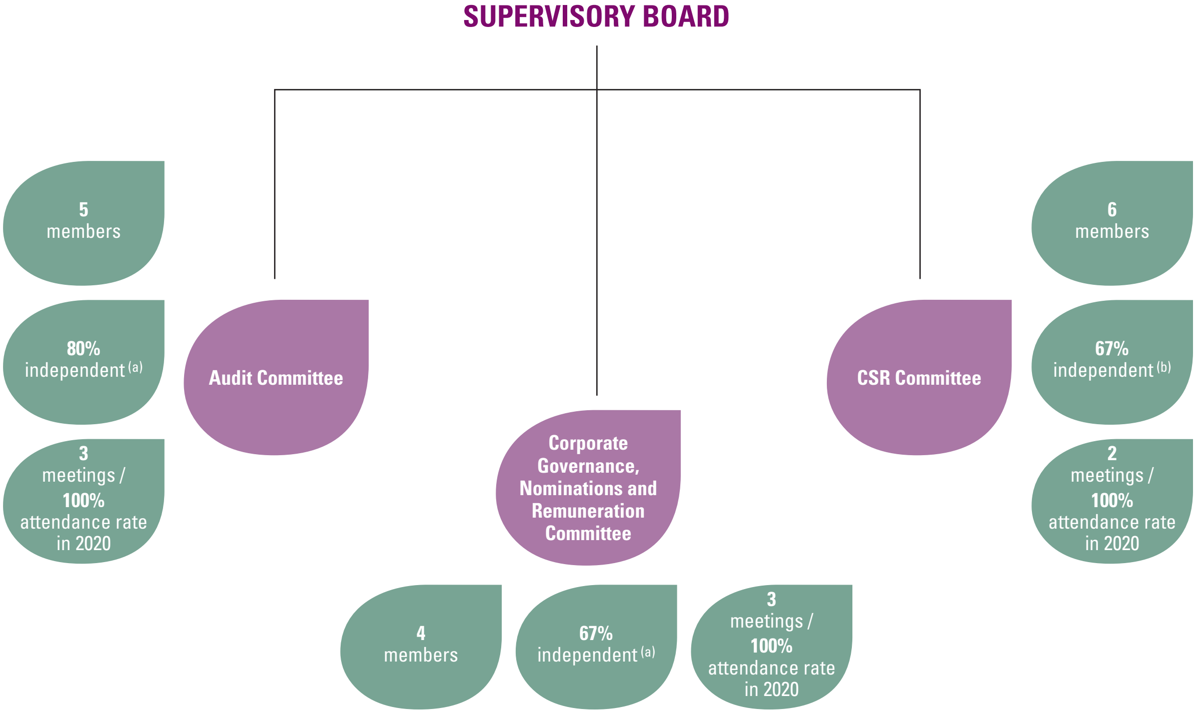
- were satisfied with the size of the Supervisory Board and its composition in terms of age, nationality and diversity of profiles and skills, but one member felt that the Supervisory Board would benefit from broader ethnic diversity;
- were satisfied with the length of notice given for Board meetings, the way in which Board meetings are conducted, the consideration given to their requests, and the allocation of work between the Board and its Committees;
- felt that they received sufficient information to fulfill their role;
- were of the view that the Board dealt with issues and subjects within its remit and that it had a satisfactory level of involvement in the company's major decisions, particularly concerning financial and strategic issues and value creation; and
- noted that the Supervisory Board is attentive to how non-financial information is treated and is mindful of social and environmental issues, which now form a much greater part of Board discussions.

Following the assessment, the Supervisory Board felt that it would be beneficial to (i) hold meetings by video-conference rather than by telephone to make the discussions more interactive, (ii) provide more information to the members of the Corporate Governance, Nominations and Remuneration Committee about changes in the applicable regulations on corporate governance and remuneration and about shareholders' expectations in these areas.

1.1.1.14. Committees of the Supervisory Board

Organization and Operating Procedures of the Committees

The Supervisory Board has established three specialized committees and decided on their composition and functions, namely: (i) the Audit Committee, (ii) the Corporate Governance, Nominations and Remuneration Committee, and (iii) the CSR Committee. The members of these committees are indicated in the respective Composition sections below. The functions of the committees may not include delegated powers granted to the Supervisory Board by law or pursuant to the company's by-laws, or reduce or limit the powers of the Management Board. Within the scope of the powers granted to it, each committee issues proposals, recommendations or advice, as required.



(a) Excluding the member representing employees.
(b) Excluding the member representing employee shareholders and the two members representing employees.

The Supervisory Board has appointed a Chairman for each committee. The three Committees of the Supervisory Board comprises Supervisory Board members, appointed by the Supervisory Board. The members are appointed on a personal basis and cannot be represented by a delegate. Each committee determines the frequency of its meetings, which are held at the registered office of the company or in any other place that may be agreed by the Chairman of the committee. Committee meetings can also be held using videoconferencing or other telecommunications means.

The Chairman of each committee sets the agenda for meetings after consultation with the Chairman of the Supervisory Board. Minutes of each committee meeting are taken under the authority of the Chairman of the relevant committee, and are sent to the members of the committee and to all other members of the Supervisory Board. Information about the committees' work is included below.

Each committee may request from the Management Board any document it deems necessary to fulfill its role and carry out its functions. The committee may carry out or commission surveys to provide information for the Supervisory Board's discussions, and may request external consulting expertise as required.

The Chairman of each committee may invite all members of the Supervisory Board to attend a committee meeting. However, only committee members can take part in its deliberations. Each committee may decide to invite any individual of its choice to its meetings, as needed.

In addition to permanent committees, the Supervisory Board may establish internal committees comprising all or some of its members, each for a limited term for transactions or assignments that are exceptional in terms of their importance or nature.

Audit Committee

Composition

The Audit Committee is currently composed of five members, four of whom are independent and all of whom have finance or accounting expertise. Details of the experience and expertise of the Supervisory Board members are provided in Section 1.1.1.2 above. The Audit Committee's members are: Cathia Lawson-Hall (Chairwoman), Cyrille Bolloré, Laurent Dassault, Michèle Reiser and Katie Stanton.

Activity

Following their appointment, members of the committee are informed as required of the accounting, financial and operational standards used within the company and the group.

In 2020, the Audit Committee met three times, in the presence of the company's Statutory Auditors, with an attendance rate of 100%. As part of its work, the Audit Committee had information meetings with the company's Statutory Auditors, the Chief Financial Officer, the General Counsel, the Senior Vice President – Legal Affairs and CSR & Compliance, the Senior Vice President – Group Consolidation and Financial Reporting, the Senior Vice President – Financing and Treasury, the Senior Vice President – Management and Business Plan Control, the Senior Vice President – Taxes, the Senior Vice President – Audit and Risks, and the Senior Vice President – Investor Relations.

Its work notably consisted of a review of:

- the financial statements for fiscal year 2019, the 2020 half-year financial statements and the Statutory Auditors' reports;
- the 2020 budget;
- the group's financial policy and financial position;
- asset impairment tests;

- the group's financial management (investment, debt and foreign exchange);
- the group's liquidity and cash position during the Covid-19 crisis;
- the process for monitoring changes in accounting standards;
- the internal audit of the headquarters and subsidiaries, and internal control procedures within the group;
- the analysis of risks and associated key audits;
- the report of the Supervisory Board on corporate governance;
- tax risks and changes in France's tax laws and regulations;
- the insurance program;
- the non-audit services provided by the Statutory Auditors and their fees;
- the risk map and the 2021 audit plan;
- deployment of the anticorruption procedure;
- monitoring of the assessment of routine agreements entered into on arm's length terms; and
- a review of the legal investigations and proceedings in progress, notably the dispute between Vivendi and Mediaset.

Corporate Governance, Nominations and Remuneration Committee

Composition

The Corporate Governance, Nominations and Remuneration Committee currently comprises four members, two of whom are independent, meaning that the majority of its members are independent **(1)**. Its members are: Philippe Bénacin (Chairman), Cyrille Bolloré, Paulo Cardoso and Aliza Jabès.

(1) The member representing employees is not taken into account.

Activity

In 2020, the Corporate Governance, Nominations and Remuneration Committee met three times, with an attendance rate of 100%.

Its work primarily focused on the following matters:

- the review and approval of the compensation policy and packages of the Chairman and members of the Supervisory Board;
- the review and approval of the compensation policy and packages of the Chairman and members of the Management Board;
- the 2019 bonuses paid in 2020;
- the Corporate Officers' expenses;
- the completion of Vivendi's conversion into a European company;
- the review of the draft resolutions approved by the Management Board and the Supervisory Board and submitted to the General Shareholders' Meeting held on April 20, 2020;
- the analysis of the results of the votes at the April 20, 2020 General Shareholders' Meeting concerning the situation of the Chairman of the Supervisory Board and the Chairman and members of the Management Board;
- implementation in 2020 of an annual plan for awarding performance shares;
- implementation in 2020 of an employee share ownership plan;
- renewal of the term of office of the Chairman of the Supervisory Board;
- the composition of the Supervisory Board and its committees;
- review of the independence of the Supervisory Board members;
- review of the succession plans within the group and the retention of key talents;
- review of the company's equal opportunities, gender parity and diversity policy;
- review of the gender parity objectives set for the company's governing bodies by the Management Board (see Section 4.3.2.2 of Chapter 2 of this Annual Report – Universal Registration Document); and
- assessment of the performance of the Supervisory Board and its committees.

Corporate Social Responsibility (CSR) Committee

Composition

The CSR Committee is currently composed of six members, two of whom are independent and all of whom have HR and CSR expertise. Details of the experience and expertise of the Supervisory Board members are provided in Section 1.1.1.2 above. The CSR Committee's members are: Paulo Cardoso (Chairman), Véronique Driot-Argentin, Cathia Lawson-Hall, Sandrine Le Bihan, Michèle Reiser and Athina Vasilogiannaki.

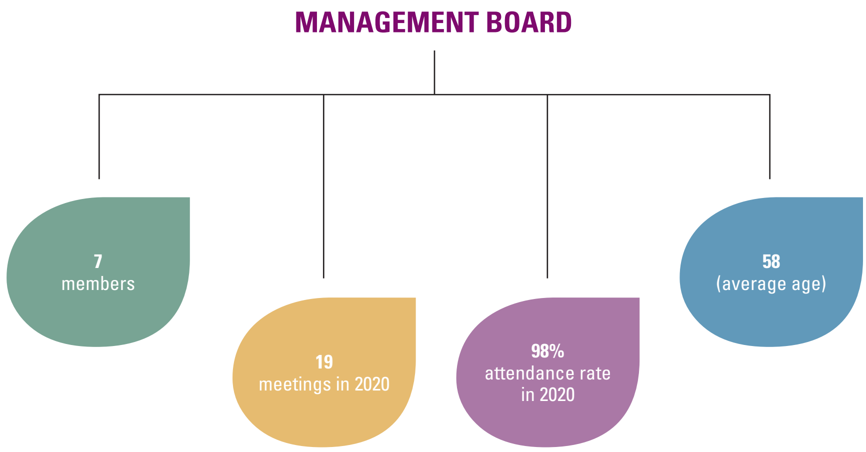
Activity

In 2020, the CSR Committee met twice, with an attendance rate of 100%.

Its work primarily focused on the following matters:

- non-financial performance reporting;
- the group's environmental strategy (for 2020-2035); and
- the group's new CSR approach.

1.2. Management Board



1.2.1. GENERAL PROVISIONS

Pursuant to Article 12 of Vivendi's by-laws, the Management Board may be composed of a minimum of two and a maximum of seven members. Members of the Management Board are appointed by the Supervisory Board to serve four-year terms. The terms of office of members of the Management Board expire no later than at the close of the General Shareholders' Meeting held to approve the financial statements for the fiscal year during which the member reaches the age of 68. However, the Supervisory Board may extend that member's term, on one or more occasions, for a period not exceeding two years in total (Article 12 of Vivendi's by-laws).

Pursuant to Article 14 of Vivendi's by-laws, each member of the Management Board may choose to attend meetings by videoconferencing or telecommunication means.

As of 2015, each member of the Management Board acts as an advisor to one or more members of the Supervisory Board. This system fosters greater dialog and exchange between Supervisory Board and Management Board members.

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1.2.2. COMPOSITION OF THE MANAGEMENT BOARD

1.2.2.1. Composition of the Management Board

Members of the Management Board are appointed by the Supervisory Board upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee. The Supervisory Board ensures that the composition of the Management Board enables it to implement the group's strategy in the best interests of all shareholders and other stakeholders.

The Management Board currently has seven members, whose terms of office are due to expire on June 23, 2022 **(1)**. The individual profiles of the Management Board members are provided below in the section entitled "Main Activities of the Current Members of the Management Board".

(1) Term renewed for a four-year period as from June 24, 2018, as decided by the Supervisory Board on May 17, 2018.

Following Vivendi's full consolidation into the financial statements of Bolloré in 2017, the Supervisory Board, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, decided that it was in the interests of all Vivendi shareholders for the Management Board to benefit from the additional experience of two representatives of the Bolloré Group, in charge of inter-group coordination in relation to accounting standards and financial communications, respectively.

Since their appointment, the remit of these representatives has been extended to include more of the Vivendi group's operational aspects:

- Gilles Alix – who stepped down from his position as Chief Executive Officer of the Bolloré Group in 2020 **(2)** – worked as from 2019 on the deal for the Tencent-led consortium to acquire a 20% stake in UMG, which was finalized between March 2020 and January 2021. He also coordinated the analysis of the plan to distribute 60% of UMG's capital and to list its shares on the regulated market of Euronext NV in Amsterdam. Additionally, Gilles Alix has become more extensively involved in developing the New Initiatives business, particularly in Africa; and
- Cédric de Bailliencourt – who stepped down from his position as Deputy Chief Executive Officer of Financière de l'Odet SE in 2019 – now also handles non-financial reporting as part of his overall task of coordinating investor relations and inter-group financial communication. He has also become more extensively involved in Vivendi's strategic financial projects, notably bank financing projects.

In addition, some Management Board members may hold operational positions within the group, notably at Gameloft, Groupe Vivendi Africa and Vivendi Village.

(2) Gilles Alix also ceased to serve as the permanent representative of Bolloré Participations SE on the Board of Directors of Bolloré SE in March 2020.

Management Board Members

Name	Primary position	Age	Date of initial appointment and most recent re-election	Number of positions held in listed companies outside the group (1)	Individual attendance rate of Management Board members	Number of shares held directly or through the PEG (2)
Arnaud de Puyfontaine	Chairman of the Management Board Member of the Management Board	56	**06/23/2018** 06/24/2014 **06/23/2018** 11/26/2013	1	100%	336,670
Gilles Alix	Member of the Management Board and Senior Vice President responsible for intergroup coordination	62	**06/23/2018** 09/01/2017	0	100%	6,486
Cédric de Bailliencourt	Member of the Management Board and Senior Vice President responsible for investor relations and inter-group financial communications	51	**06/23/2018** 09/01/2017	0	100%	10,552
Frédéric Crépin	Member of the Management Board, Group General Counsel and Group Chief Compliance Officer	51	**06/23/2018** 11/10/2015	0	100%	236,444
Simon Gillham	Member of the Management Board, Chairman of Vivendi Village and Senior Executive Vice President, Communications of Vivendi	65	**06/23/2018** 11/10/2015	0	89.5%	192,012
Hervé Philippe	Member of the Management Board and Chief Financial Officer	62	**06/23/2018** 06/24/2014	0	100%	126,234
Stéphane Roussel	Member of the Management Board and Chief Operating Officer and Chairman and Chief Executive Officer of Gameloft	59	**06/23/2018** 06/24/2014	0	100%	214,161

(1) Number of positions held in listed companies outside the Group's scope of consolidation. For a detailed list of current and previous positions, please see the section entitled "Main Activities of the Current Members of the Management Board" below.

(2) Units held in the Group Savings Plan (PEG) are valued based on Vivendi's share price at the close of business on December 31, 2020, i.e., €26.380.

Main Activities of the Current Members of the Management Board

ARNAUD DE PUYFONTAINE, Chairman of the Management Board

French citizen

Vivendi
42, avenue de Friedland
75008 Paris – France

EXPERTISE AND EXPERIENCE

Arnaud de Puyfontaine is a graduate of the ESCP Business School (1988), the Multimedia Institute (1992) and Harvard Business School (2000).

He started his career as a consultant at Arthur Andersen and then in 1989 worked as a project manager at Rhône-Poulenc Pharma in Indonesia.

In 1990, he joined Le Figaro as Deputy Director.

In 1995, as a member of the founding team of the Emap group in France, he headed *Télé Poche* and *Studio Magazine,* managed the acquisition of *Télé Star* and *Télé Star Jeux,* and launched the Emap Star Division, before becoming Chief Executive Officer of Emap France in 1998.

In 1999, he was appointed Chairman and Chief Executive Officer of Emap France, and, in 2000, joined the Executive Board of Emap plc. He led several M&A deals, and concomitantly, from 2000 to 2005, served as Chairman of EMW, the Emap/Wanadoo digital subsidiary.

In August 2006, he was appointed Chairman and Chief Executive Officer of Editions Mondadori France. In June 2007, he became General Manager of all digital business for the Mondadori group.

In April 2009, Arnaud de Puyfontaine joined the US media group Hearst as Chief Executive Officer of its UK subsidiary, Hearst UK.

In 2011, on behalf of the Hearst group, he led the acquisition from the Lagardère group of 102 magazines published abroad, and, in June 2011, was appointed Executive Vice President of Hearst Magazines International. In August 2013, he was appointed Managing Director of Western Europe. He has also been Chairman of ESCP Europe Alumni.

From January to June 2014, Arnaud de Puyfontaine was a member of the Vivendi Management Board and Senior Executive Vice President in charge of its media and content operations. Since June 24, 2014, he has been Chairman of the Management Board.

POSITIONS CURRENTLY HELD (IN FRANCE)

Vivendi group

- Universal Music France (SAS), Chairman of the Supervisory Board
- Canal+ Group, Member of the Supervisory Board
- Havas, Director
- Editis Holding, Chairman of the Board of Directors

POSITIONS CURRENTLY HELD (OUTSIDE FRANCE)

None

OTHER POSITIONS AND OFFICES HELD (IN FRANCE)

- Innit, Member of the Advisory Committee
- French-American Foundation, Honorary Chairman

OTHER POSITIONS AND OFFICES HELD (OUTSIDE FRANCE)

- Telecom Italia SpA **(*)** (Italy), Director and Member of the Strategic Committee
- Universal Music Group, Inc. (USA), Director

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (IN FRANCE)

- Antinea 6, Chairman of the Board of Directors
- Studiocanal, Member of the Supervisory Board
- Canal+ Group, Chairman of the Supervisory Board
- Canal+ Group, Vice Chairman of the Supervisory Board
- Banijay Group (SAS), Permanent representative of Vivendi on the Supervisory Committee
- Kepler, Independent Director
- Melty group, Director
- French-American Foundation, Chairman

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (OUTSIDE FRANCE)

- Telecom Italia SpA **(*)** (Italy), Executive Chairman, Director and Vice Chairman of the Board of Directors
- GVT Participaçoes SA (Brazil), Chairman of the Board of Directors
- Iceberg lux, Member of the Advisory Committee
- Gloo Networks Plc **(*)** (United Kingdom), Non-Executive Chairman
- Schibsted Media group, Independent Director

(*) Listed company.

GILLES ALIX, Member of the Management Board

French citizen

Vivendi
42, avenue de Friedland
75008 Paris – France

EXPERTISE AND EXPERIENCE

Gilles Alix is a graduate of the EM Lyon (École Supérieure de Commerce de Lyon) and is a certified public accountant.

He began his auditing career at BEFEC in 1982. He joined the Bolloré Group in 1987 as Chief Financial Officer of the film division based in Brittany. His functions were then extended to all industrial divisions, after which he was appointed Director of Management Control of the group in 1994.

From 1997, Gilles Alix held various positions in the transport and logistics division of the group, notably with SAGA and DELMAS, where he served as Chairman from 1999 to 2006. He then served as Chief Executive Officer of the Bolloré Group until December 31, 2020.

Gilles Alix was appointed to the Vivendi Management Board on September 1, 2017.

He is a *Chevalier de la Légion d'Honneur* and a *Chevalier de l'Ordre National du Mérite.*

POSITIONS CURRENTLY HELD (IN FRANCE)

Vivendi group
- Vivendi Group Africa (SAS), Chairman

Bolloré Group
- BlueElec (SAS), Chief Executive Officer
- Société Autolib' (SAS), Chairman
- Blue Project (SAS), Chairman and Member of the Management Committee
- Société Bordelaise Africaine (SAS), Chairman
- Blue Sun (SAS), Chief Executive Officer
- Financière de l'Odet SE, Director
- Compagnie des Tramways de Rouen, Director
- Sofibol, Member of the Supervisory Board
- Bolloré Energy, Permanent representative of Bolloré (SE) on the Board of Directors
- Financière de Cézembre, Permanent representative of Bolloré (SE) on the Board of Directors
- MP 42, Permanent representative of Bolloré (SE) on the Board of Directors
- Société Française Donges-Metz, Permanent representative of Bolloré (SE) on the Board of Directors
- Socotab, Permanent representative of MP 42 on the Board of Directors

POSITIONS CURRENTLY HELD (OUTSIDE FRANCE)

Vivendi group
- Universal International Music BV (Netherlands), Director
- Universal Music Group BV (Netherlands), Director
- Universal Music Group, Inc. (USA), Director

Bolloré Group
- African Investment Company, Chairman of the Board of Directors
- Participaciones y Gestion Financiera SA, Chairman of the Board of Directors
- Pargefi Helios Iberica Luxembourg, Chairman of the Board of Directors
- Bolloré Transport & Logistics Gabon (formerly Bolloré Africa Logistics Gabon), Director
- Blue Solutions Canada Inc. (formerly Bathium Canada Inc.), Director
- Empresa de Manutencion y Consignation Maritima SA, Director
- Internacional de Desarrollo Portuarios SA, Director
- Movimientos Porturios Internacionales SA, Director
- Operativa Internacional Porturia SA, Director
- Participaciones e Inversiones Porturias SA, Director
- Participaciones Ibero Internacionales SA, Director
- PDI, Director
- Progosa Investment, Director
- PTR Finances SA, Director
- Sorebol SA, Director
- SNO Investments Ltd, Director
- Pargefi Helios Iberica Luxembourg, Director
- Sorebol UK Ltd, Director
- Douala International Terminal, Permanent representative of Socopao SA on the Board of Directors
- Conakry Terminal, Permanent representative of Société de Participations Africaines on the Board of Directors
- Bolloré Transport & Logistics Congo (formerly Bolloré Africa Logistics Congo), Permanent representative of Société d'Exploitation Portuaire Africaine on the Board of Directors
- Bolloré Transport & Logistics Cameroun (formerly Bolloré Africa logistics Cameroun), Permanent representative of SDV Mining Antrak Africa on the Board of Directors
- Congo Terminal, Permanent representative of SDV Mining Antrak Africa on the Board of Directors
- La Forestière Équatoriale, Permanent representative of Société Bordelaise Africaine on the Board of Directors
- Camrail, Permanent representative of SCCF on the Board of Directors
- JSA Holding BV, Managing Director
- Blue Congo, Chairman of the Management Committee

OTHER POSITIONS AND OFFICES HELD (IN FRANCE)

- Fred & Farid Group (SAS), Director

OTHER POSITIONS AND OFFICES HELD (OUTSIDE FRANCE)

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS

- Havas Media France (SA), Director
- Havas, Permanent representative of Financière de Sainte-Marine on the Board of Directors
- Bluealliance (SAS), Chairman
- Blue Sun (SAS), Chairman
- Bluecub (SAS), Chairman
- Bluely (SAS), Chairman
- Bluelib (SAS), Chairman
- Bluestorage, Chairman
- Blue Sun, Chairman and Chief Executive Officer
- Whaller (SAS), Director – Bolloré Logistics (SAS), Director
- Blue Project, Member of the Management Committee
- Havas Media Africa (SAS), Member of the Executive Board
- Blue Solutions, Chief Executive Officer
- Bolloré Transport & Logistics Corporate, Chief Executive Officer
- Bluebus, Director
- Camrail, Director
- W&Cie, permanent representative of Bolloré
- CD Africa, Member of the Strategic Committee
- Bolloré Logistics (SE), Director
- Bolloré Transport & Logistics Senegal (formerly Bolloré Africa Logistics Senegal), Permanent representative of Société de Participations Africaines on the Board of Directors
- Bolloré Africa Logistics, Director
- Bolloré SE **(*)**, Permanent representative of Bolloré Participations on the Board of Directors

(*) Listed company.

CÉDRIC DE BAILLIENCOURT, Member of the Management Board

French citizen

Vivendi
42, avenue de Friedland
75008 Paris – France

EXPERTISE AND EXPERIENCE

Cédric de Bailliencourt is a graduate of the Bordeaux Institut d'Études Politiques. He holds a Master's degree in Political and Social Communications from the Paris-Sorbonne I University.

He has served as Chief Financial Officer of the Bolloré Group since 2008 and Vice Chairman of Bolloré SE since 2012. Between 2002 and 2017 he was also Chief Executive Officer of Financière de l'Odet SE, where he now serves as Vice Chairman. He joined the Bolloré Group in 1996 as Chairman of Bolloré Participations.

Mr. de Bailliencourt was appointed to the Vivendi Management Board on September 1, 2017.

POSITIONS CURRENTLY HELD (IN FRANCE)

Bolloré Group

- Financière de l'Odet SE **(*)**, Vice Chairman and Director
- Bolloré SE **(*)**, Vice Chairman and Director
- Compagnie du Cambodge **(*)**, Vice Chairman and Member of the Supervisory Board
- Compagnie des Tramways de Rouen, Chairman of the Board of Directors
- Financière Moncey **(*)**, Chairman of the Board of Directors
- Société des Chemins de Fer et Tramways du Var et du Gard, Chairman of the Board of Directors
- Société Industrielle et Financière de l'Artois **(*)**, Chairman of the Board of Directors
- Compagnie des Glénans, Chairman
- Compagnie de Tréguennec, Chairman
- Compagnie de Guénolé, Chairman
- Compagnie de Guilvinec, Chairman
- Compagnie de Pleuven, Chairman
- Compagnie des deux cœurs, Chairman
- Financière de Kerdevot, Chairman
- Financière V, Chairman
- Financière d'Ouessant, Chairman
- Financière du Perguet, Chairman
- Financière de Pont-Aven, Chairman
- Financière d'Iroise, Chairman
- Imperial Mediterranean, Chairman
- Compagnie de Pont-l'Abbé, Chairman
- Financière de Quimperlé, Chairman
- Compagnie de Concarneau, Chairman
- Compagnie de l'Argol, Chairman
- Compagnie de Loctudy (SAS), Chairman
- Compagnie de Sauzon (SAS), Chairman
- Socarfi, Manager
- Compagnie de Malestroit, Manager
- Bolloré Participations SE, Director
- Omnium Bolloré, Director
- Sofibol, Member of the Supervisory Board
- Socotab, Permanent representative of Bolloré SE on the Board of Directors

POSITIONS CURRENTLY HELD (OUTSIDE FRANCE)

Bolloré Group

- Redlands Farm Holding, Chairman
- Plantations des Terres Rouges, Chairman of the Board of Directors
- PTR Finances, Chairman of the Board of Directors
- SFA, Chairman of the Board of Directors
- African Investment Company, Director
- Financière du Champ de Mars, Director
- La Forestière Équatoriale **(*)**, Director
- BB Groupe, Director
- PTR Finances, Director
- Sorebol, Director
- Technifin, Director
- Pargefi Helios Iberica Luxembourg, Director
- Participaciones y gestion financiera SA, Permanent representative of Pargefi Helios Iberica Luxembourg SA on the Board of Directors
- Nord-Sumatra Investissements, Permanent representative of Bolloré Participations SE on the Board of Directors

OTHER POSITIONS AND OFFICES HELD (IN FRANCE)

- Banque Hottinguer (formerly Banque Jean-Philippe Hottinguer & Cie), Permanent representative of Compagnie du Cambodge on the Board of Directors
- SC Compagnie des voyageurs de l'impériale, Manager

OTHER POSITIONS AND OFFICES HELD (OUTSIDE FRANCE)

- Socfinde, Permanent representative of Bolloré Participations SE on the Board of Directors

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (IN FRANCE)

- Terrasia, Permanent representative of Bolloré Participations SE on the Board of Directors
- Socfin (formerly Socfinal) **(*)**, Permanent representative of Bolloré Participations SE on the Board of Directors
- Induservices SA, Permanent representative of Bolloré Participations SE on the Board of Directors
- Compagnie de Cornouaille, Chairman
- Financière de Beg Meil, Chairman
- Financière de l'Odet, Chief Executive Officer
- Compagnie du Cambodge, Chairman of the Management Board
- Blueboat (formerly Compagnie de Bénodet), Chairman
- Financière de Sainte-Marine, Chairman
- SCI Lombertie, Co-Manager
- Socfinaf (formerly Intercultures) **(*)**, Permanent representative of Bolloré Participations on the Board of Directors
- Musée National de la Marine, Director
- Vallourec **(*)**, Member of the Supervisory Board

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (OUTSIDE FRANCE)

- Socfinasia **(*)**, permanent representative of Bolloré Participations on the Board of Directors

(*) Listed company.

FRÉDÉRIC CRÉPIN, Member of the Management Board

French citizen

Vivendi
42, avenue de Friedland
75008 Paris – France

EXPERTISE AND EXPERIENCE

Frédéric Crépin is a graduate of the Institut d'Études Politiques de Paris (Sciences-Po), and holds a Master's degree in European business law from the Université Panthéon-Assas (Paris II), a Master's degree in labor and employment law from the Université Paris Ouest Nanterre La Défense (Paris X Nanterre), and an LLM degree (Master of Laws) from New York University School of Law.

Admitted to the bars of both Paris and New York, Frédéric Crépin began his career working as an attorney at several law firms. He was an associate at Siméon & Associés in Paris from 1995 to 1998 and at Weil Gotshal & Manges LLP in New York from 1999 to 2000.

From July 2000 to August 2005, Frédéric Crépin served as a Special Advisor to the General Counsel and as a member of the Legal department of Vivendi Universal before being appointed Senior Vice President and Head of the Legal department of Vivendi in August 2005. In June 2014, he was named General Counsel of the Vivendi group. In September 2015, he became General Counsel of Canal+ Group. In October 2018, he was appointed Group Chief Compliance Officer.

He was appointed to the Vivendi Management Board on November 10, 2015.

POSITIONS CURRENTLY HELD (IN FRANCE)

Vivendi group

- Canal+ Group, Member of the Supervisory Board
- Universal Music France (SAS), Member of the Supervisory Board
- Gameloft SE, Director
- Dailymotion, Director and member of the Audit Committee
- Canal Olympia, Director
- L'Olympia (SAS), Director
- SIG 116 (SAS), Chairman

POSITIONS CURRENTLY HELD (OUTSIDE FRANCE)

Vivendi group

- Vivendi Holding I LLC (United States), Director
- Vivendi Exchangeco Inc. (Canada), Vice Chairman

OTHER POSITIONS AND OFFICES HELD

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (IN FRANCE)

- Studiocanal, Member of the Supervisory Board
- SIG 73, Chairman and Chief Executive Officer and Director
- SIG 108 (SAS), Chairman
- SIG 114 (SAS), Chairman
- SIG 115 (SAS), Chairman
- SIG 117 (SAS), Chairman
- SIG 119 (SAS), Chairman
- SIG 120 (SAS), Chairman
- MyBestPro (formerly Wengo), Director
- Société d'édition de Canal+, Permanent representative of the Canal+ Group on the Board of Directors

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (OUTSIDE FRANCE)

- Telecom Italia **(*)**, Director and Member of the Strategy Committee and the Nominations and Remuneration Committee

(*) Listed company.

SIMON GILLHAM, Member of the Management Board

British citizen

Vivendi
42, avenue de Friedland
75008 Paris – France

EXPERTISE AND EXPERIENCE

Simon Gillham holds degrees from the Universities of Sussex and Bristol. In 1981, Simon Gillham began his career at Thomson where he was responsible for language and management training. In 1985 he formed his own training and communication company: York Consultants. In 1991 he was appointed Vice President Communications of Thomson Consumer Electronics and subsequently joined the CarnaudMetalbox group in 1994. In early 1999, Simon Gillham became Vice President, Global Communications of the Valeo group before taking on the role of Vice President, Communications at Havas in April 2001. He joined Vivendi in 2007, serving as Senior Executive Vice President, Communications & CSR.

Simon Gillham is Chairman of Vivendi Village. In this role, he oversees the activities of Vivendi Ticketing, l'Olympia and the Théâtre de l'Œuvre. He is also responsible for Live performance activities, Olympia Production and U Live at Vivendi Village. Simon Gilham is Chairman of the Copyrights Group in the United Kingdom.

He was appointed to the Vivendi Management Board on November 10, 2015.

He is Chairman of CA Brive Rugby Club.

POSITIONS CURRENTLY HELD (IN FRANCE)

Vivendi group

- Canal+ Group, Member of the Supervisory Board
- Universal Music France (SAS), Member of the Supervisory Board
- Dailymotion, Director
- Vivendi Village (SAS), Chairman
- L'Olympia (SAS), Chairman
- UBU Productions (SAS), Chairman
- OL Production, Director

POSITIONS CURRENTLY HELD (OUTSIDE FRANCE)

Vivendi group

- Vivendi Live Limited (United Kingdom), Chairman
- See Group Limited (United Kingdom), Chairman of the Board of Directors
- The Way Ahead Group (United Kingdom), Chairman of the Board of Directors
- UK Ticketing Ltd (United Kingdom), Chairman of the Board of Directors
- The Copyrights Group Limited (United Kingdom), Director
- Vivendi Ticketing US LLC (USA), Director
- Paddington and Company Limited (United Kingdom), Director
- Marketreach Licencing Services Limited (United Kingdom), Director
- RBSA (United Kingdom), Director

OTHER POSITIONS AND OFFICES HELD (IN FRANCE)

- CA Brive Rugby Club (CABCL), Chairman

OTHER POSITIONS AND OFFICES HELD (OUTSIDE FRANCE)

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (IN FRANCE)

- MyBestPro (formerly Wengo) (SAS), Chairman
- Studiocanal, Member of the Supervisory Board
- Watchever, Chairman of the Board of Directors
- The Franco-British Chamber of Commerce, Director
- Fnac Darty **(*)**, Permanent representative of Compagnie Financière du 42 avenue de Friedland on the Board of Directors
- See Tickets (ex Digitick), Director

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (OUTSIDE FRANCE)

None

(*) Listed company.

HERVÉ PHILIPPE, Member of the Management Board

French citizen

Vivendi
42, avenue de Friedland
75008 Paris – France

EXPERTISE AND EXPERIENCE

Hervé Philippe is a graduate of the Institut d'Études Politiques de Paris and holds a degree in Economic Sciences. He began his career with Crédit National in 1982 as account manager for business financing in the Île-de-France region.

In 1989, he joined the French market authority, the *Commission des opérations de Bourse* (COB) as manager of the French listed company sector. From 1992 to 1998, he served as Head of the Transactions and Financial Information Department.

In 1998, he joined the Sagem group, where he served first as Director of Legal and Administrative Affairs and then Chief Financial Officer (from 2001). He became a member of the Sagem SA Management Board in 2003.

Hervé Philippe was appointed Chief Financial Officer of the Havas Group in November 2005 and, in May 2010, was named Deputy Chief Executive Officer until December 31, 2013.

He has served as Vivendi's Chief Financial Officer since January 1, 2014 and as a member of its Management Board since June 24, 2014.

POSITIONS CURRENTLY HELD (IN FRANCE)

Vivendi group

- Canal+ Group, Vice Chairman of the Supervisory Board
- Compagnie Financière du 42 avenue de Friedland (SAS), Chairman
- Dailymotion, Director and Member of the Audit Committee
- Universal Music France (SAS), Member of the Supervisory Board
- Editis Holding, Member
- Havas, Director
- Banijay Group Holding (SAS), Permanent representative of Vivendi Content on the Supervisory Committee

POSITIONS CURRENTLY HELD (OUTSIDE FRANCE)

None

OTHER POSITIONS AND OFFICES HELD (IN FRANCE)

- Sifraba 2, Director
- CA Brive Rugby Club (CABCL), Director

OTHER POSITIONS AND OFFICES HELD (OUTSIDE FRANCE)

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (IN FRANCE)

- Studiocanal, Member of the Supervisory Board
- Havas, Permanent representative of Financière de Longchamp on the Board of Directors
- Antinea 6, Director
- Sifraba, Director
- Jean Bal, Director
- Harvest **(*)**, Director

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (OUTSIDE FRANCE)

- Telecom Italia SpA (Italy) **(*)**, Director

(*) Listed company.

STÉPHANE ROUSSEL, Member of the Management Board

French citizen

Vivendi
42, avenue de Friedland
75008 Paris – France

EXPERTISE AND EXPERIENCE

Stéphane Roussel is a graduate of the École des Psychologues Praticiens de Paris.

Stéphane Roussel began his career working for the Xerox group from 1985 to 1997.

From 1997 to 2004, he held positions within the Carrefour group. He was first appointed Director of Human Resources for hypermarkets in France, before becoming Director of Human Resources Development for international business and then Director of Human Resources France for the entire Carrefour group.

From 2004 to 2009, he served as SFR's Vice President of Human Resources. From 2009 to 2012, Stéphane Roussel held the position of Executive Vice President of Human Resources at Vivendi before being appointed Chairman and Chief Executive Officer of SFR in June 2012, a position he held until May 2013, at which time he joined Vivendi's General Management.

Stéphane Roussel was appointed to the Vivendi Management Board on June 24, 2014. Since November 2015, he has been Vivendi's Chief Operating Officer, after serving as its Senior Executive Vice President, Development and Organization since October 2014.

In June 2016, he was appointed Chairman and Chief Executive Officer of Gameloft SE.

POSITIONS CURRENTLY HELD (IN FRANCE)

Vivendi group

- Gameloft SE, Chairman and Chief Executive Officer
- Canal+ Group, Member of the Supervisory Board
- Dailymotion, Director
- Universal Music France (SAS), Member of the Supervisory Board
- Banijay Group (SAS), Member of the Supervisory Committee
- Keysquare, Member of the Supervisory Committee

POSITIONS CURRENTLY HELD (OUTSIDE FRANCE)

None

OTHER POSITIONS AND OFFICES HELD (IN FRANCE)

- Wetechcare, Chairman
- Le Cercle de l'Excellence RH, Chairman
- Les entreprises pour la Cité, Director
- La Charte de la Diversité, Spokesman

OTHER POSITIONS AND OFFICES HELD (OUTSIDE FRANCE)

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (IN FRANCE)

- Vivendi Group Africa (SAS), Chairman
- Studiocanal, Member of the Supervisory Board
- Numericable-SFR, Permanent representative of Compagnie Financière du 42 avenue de Friedland on the Board of Directors
- Fondation SFR, Member of the Board of Directors
- Digitick SA, Chairman of the Board of Directors
- Arpejeh, President
- Fnac Darty **(*)**, Permanent representative of Vivendi on the Board of Directors

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS (OUTSIDE FRANCE)

- Telecom Italia SpA (Italy) **(*)**, Director
- GVT Participações SA (Brazil), Director
- GVT Management (USA), Chairman
- Vivendi group Africa Benin (SAS), Chairman

(*) Listed company.

1.2.3. FAMILY RELATIONSHIPS

Cédric de Bailliencourt, a member of the Management Board, is a cousin of Yannick Bolloré, Chairman of the Supervisory Board, and of Cyrille Bolloré, a member of the Supervisory Board (see Section 1.1.1.3 of this chapter).

To the company's knowledge, no other family relationships exist between any of the members of the Management Board, or between any of them and any member of the Supervisory Board.

1.2.4. ABSENCE OF CONFLICTS OF INTEREST

To the company's knowledge, there are no actual or potential conflicts of interest between Vivendi and any member of the Management Board with regard to their personal interests or other responsibilities. During Management Board meetings, Cédric de Bailliencourt, Vice Chairman of the Board of Directors of Bolloré SE, and Gilles Alix, a Director of Financière de l'Odet SE, do not take part in any discussions relating to transactions that could be carried out with the Bolloré Group.

Management Board members are obliged to inform the Group Chief Compliance Officer of any actual or potential conflict of interest they have encountered, or might encounter in the future.

1.2.5. ABSENCE OF ANY CONVICTION FOR FRAUD, LIABILITY ASSOCIATED WITH A BUSINESS FAILURE OR PUBLIC INCRIMINATION AND/OR SANCTION

Over the past five years, to the company's knowledge, no member of the Management Board has been convicted of any fraudulent offense, no official public incrimination or sanction has been brought against any member of the Management Board, no member of the Management Board has been involved in any bankruptcies, receiverships or liquidations while serving on an administrative, management or supervisory body, or has been disqualified by a court from acting as a member of an administrative, management or supervisory body or from acting in the management or conduct of the affairs of any issuer.

1.2.6. AGREEMENTS BETWEEN THE COMPANY AND MEMBERS OF THE MANAGEMENT BOARD – SERVICE AGREEMENTS

As Corporate Officers, members of the Management Board are bound by an employment contract with the company, with the exception of Arnaud de Puyfontaine, who waived the benefit of his employment contract, in compliance with the recommendations of the AFEP-MEDEF Code, following his appointment as Chairman of the Management Board by the Supervisory Board, at its meeting held on June 24, 2014.

No member of the Management Board is party to a service agreement entered into with Vivendi SE or any of its subsidiaries, pursuant to which that member may be entitled to receive any benefits.

1.2.7. LOANS AND GUARANTEES GRANTED TO MEMBERS OF THE MANAGEMENT BOARD

The company has not granted any loans or issued any guarantees to any member of the Management Board.

1.2.8. JURISDICTION AND INTERNAL REGULATIONS OF THE MANAGEMENT BOARD

■ 1.2.8.1. Authority of the Management Board Pursuant to French Law and the company's by-laws

With respect to third parties, the Management Board is granted the broadest powers to act in any circumstance on behalf of the company, subject to the scope of the company's corporate purpose and to those situations where such power is expressly granted by law to the Supervisory Board or the Shareholders' Meetings, and to matters that require the prior approval of the Supervisory Board.

■ 1.2.8.2. Internal Regulations

The Internal Regulations of the Management Board is a purely internal document intended to ensure that the company's Management Board functions properly and adheres to the most recent rules and regulations to promote good corporate governance. It is not enforceable against third parties and may not be invoked by them against members of the Management Board.

1.2.9. FUNCTIONS AND ACTIVITIES OF THE MANAGEMENT BOARD IN 2020

The Management Board is responsible for the day-to-day management of the company, the conduct of its business and the implementation of its strategy. Pursuant to the applicable laws, the company's by-laws and the Supervisory Board's internal rules, the Management Board must obtain prior authorization from the Supervisory Board for certain transactions and projects (see Section 1.1.1.8 above).

To perform its management functions and duties, the Management Board relies on several internal committees comprising operational officers or directors at the headquarters and at the group's main subsidiaries.

In 2020, the Management Board met a total of 19 times, with an attendance rate of 98.49%. Its work included examining:

- the group's internal and external growth prospects;
- the principal strategic opportunities and initiatives;
- the activities of the group's main subsidiaries;
- the completion of the sale of 10% of UMG's share capital to a consortium led by Tencent;
- the continuation of the plan to take UMG public via an IPO;
- the acquisition of a stake in Lagardère SCA;
- negotiations for the plan to acquire the publisher, Simon & Schuster;
- the acquisition of 100% of the Prisma Media group;
- the progress of the Telecom Italia case;
- the proposed agreements between UMG and Bob Dylan;
- the completion of Vivendi's conversion into a European company;
- the assessment of the quality and structure of the group's balance sheet;
- the review and approval of the statutory and consolidated financial statements for fiscal year 2019, the 2020 and 2021 budgets, the 2020 half-year financial statements and the 2020 quarterly revenue information;
- the group's financial position;
- the group's cash position;
- the group's financial communications;
- the renewal of the EMTN program and the increase in its amount;
- the extension of Vivendi's revolving bank credit facility;
- the continuation and renewal of the share repurchase program;
- the intra-group treasury management agreement between Vivendi SE and Bolloré SE;
- reviewing the management report and the non-financial performance statement;
- the preparation of quarterly activity reports for the Supervisory Board;
- analysis of the Covid-19 crisis measures taken by the group;
- the work of the group's Internal Audit Department;
- the group's compensation policy;
- the implementation in 2020 of an annual performance share plan and an employee share ownership plan;
- the development and retention of key talent;
- gender parity and diversity within the group;
- setting gender parity objectives for the group's governing bodies (see Section 4.3.2.2 of Chapter 2 of this Annual Report – Universal Registration Document);
- the CSR risk map and Vivendi's social and environmental challenges;
- the notice to the General Shareholders' Meeting held on April 20, 2020; and
- a review of the legal investigations and proceedings in progress, notably the dispute between Vivendi and Mediaset.

1.2.10. INTERNAL COMMITTEES

In order to perform its management functions and duties, the Management Board relies on several internal committees comprising operational officers or directors at the headquarters and at the group's main subsidiaries.

1.2.10.1. Executive Committee

An Executive Committee, presided over by the Chairman of the Management Board and comprising 15 members, including five women (33%), meets each month with the Management Board members. Its members, each within his/her fields of expertise, assist the Management Board in implementing strategic activities and contribute to the action plans issued by the headquarters and the principal business units.

Its members are:

- Bernard Bacci, Group Head of Taxes;
- Florent de Cournuaud, Senior Vice President, Management and Business Plan Control;
- Laurence Daniel, Senior Vice President, Mergers and Acquisitions;
- Jean-Louis Erneux, Vice President, Press Relations and New Media;
- Stéphanie Ferrier, Vice President, Facilities;
- Félicité Herzog, Senior Vice President, Strategy & Innovation;
- Xavier Le Roy, Executive Vice President, Investor Relations and Corporate Development;
- Caroline Le Masne, Senior Vice President, Legal Affairs and CSR & Compliance, Vivendi group;
- Ilenia Michelotti, Vice President, Mergers and Acquisitions;
- Mathieu Peyceré, Executive Vice President, Group Human Resources;
- Marc Reichert, Group Financing & Treasury Director;
- Pierre Le Rouzic, Senior Vice President, Group Consolidation and Financial Reporting;
- Bruno Thibaudeau, Senior Vice President, Business Development & Strategy;
- Vincent Vallejo, Senior Vice President, Audit & Special Projects; and
- Frédéric Vallois, Vice President, Internal Communications & Editorial.

1.2.10.2. Management Committees

Every month, as part of a rigorous review process at the end of each month, the executive managers of all group business units (Universal Music Group, Canal+ Group, Havas, Editis, Gameloft, Vivendi Village and Nouvelles Initiatives) are required to present to the Management Board their results for the month, an analysis of their operational and strategic positioning, their financial targets established in the budget and the monitoring of the completion of such financial targets, their action plans, and other key matters of interest.

1.2.10.3. Investment Committee

Composition

The Investment Committee comprises the Chairman and members of the Management Board, key managers at the headquarters and, when appropriate, the Chief Operating Officers and Chief Financial Officers of the business units.

Powers

The Investment Committee reviews all investment and disposal transactions. This procedure applies to all transactions, whatever the amount, including the acquisition or disposal of equity interests and the launch of new businesses, and to any other financial commitment such as the purchase of rights or real estate agreements.

Any transaction involving amounts greater than €100 million and €300 million must receive the prior approval of the Management Board and the Supervisory Board, respectively.

Activity in 2020

The Investment Committee meets twice a month. The examination of any transaction relies on the work and presentations made beforehand by the Finance Department.

1.2.10.4. Compliance Committee

As part of the group's Compliance Program, the Compliance Committee is responsible for risk identification and prevention measures and procedures, as required by French Law No. 2016-1691 of December 9, 2016 (the "Sapin II Act"), French Law No. 2017-399 of March 27, 2017 on anticorruption and the duty of care, and EU General Data Protection Regulation No. 2016/679 ("GDPR"). In the exercise of its duties, it works closely with the Risk Committee.

Composition

The Compliance Committee comprises at least five members: the Senior Vice President – Legal Affairs and CSR & Compliance, the Chief Data Officer, the Senior Vice President – Audit & Risks, the Vice President – Compliance & Integrated Reporting, and the Group Chief Compliance Officer, who chairs the Committee.

Powers

The Compliance Committee meets at least twice a year. Its role is to make recommendations to the Management Board, contribute to its decisions and issue opinions, notably in relation to the implementation, deployment and monitoring of corruption prevention and detection measures and the personal data protection program.

Activity in 2020

The Committee met twice in 2020. Its work during the year mainly focused on reviewing the main operating entities' risk maps and monitoring the work of the Audit Compliance unit.

1.2.10.5. Risk Committee

The role of the Risk Committee is to identify and review risk management systems within business units that are likely to have an influence on the achievement of the group's objectives.

Composition

The committee is chaired by the Chairman of Vivendi's Management Board and has the following permanent members: the Chief Operating Officer, the Chief Financial Officer, the General Counsel, the Chairman of Vivendi Village and Senior Executive Vice President, Communications for Vivendi, the Senior Vice President responsible for inter-group coordination, the Senior Vice President responsible for investor relations and inter-group financial communications, the Senior Vice President, Audit and Risks, the Vice President, CSR and Compliance, and the Head of Insurance. Business unit representatives are invited to committee meetings depending on the agenda.

Powers

The role of the Vivendi Risk Committee is to make recommendations to the Management Board in the following areas:

- the identification and assessment of the risks potentially arising from activities carried out within the group, such as regulatory risks, social and environmental risks, risks related to ethics, competition and conflicts of interest, and risks related to the security of information systems;
- the examination of the adequacy of the risk coverage and the level of residual risk;
- the review of insurable risks and the insurance program; and
- the review of risk factors and forward-looking statements in the documents issued by the group, in liaison with the Compliance Committee.

A report on the work of the Risk Committee is put before the Audit Committee of Vivendi's Supervisory Board.

All the documents submitted to the Risk Committee were brought to the attention of the Statutory Auditors. The Statutory Auditors also receive, at the meetings of the Audit Committee, a summary of the work of the Risk Committee.

Activity in 2020

The Risk Committee met twice in 2020. Its work during the year mainly involved reviewing the impact of the Covid-19 crisis on the group, the use of home working and notably managing the related cyber risks, the management of liquidity and customer risk within the group's businesses, anticorruption measures and insurance.

1.2.10.6. Financial Information and Communication Procedures Committee

This committee is responsible for the review and validation of financial information before its release.

Composition

The committee is presided over by the Group General Counsel. Its members are appointed by the Chairman of the Management Board. At a minimum, the committee is made up of the Vivendi executives holding the following positions:

- Group General Counsel;
- Chief Financial Officer;
- Senior Vice President responsible for investor relations and inter-group financial communications;
- Senior Vice President, Communications;
- Senior Vice President, Consolidation and Financial Reporting;
- Senior Vice President, Financing and Treasury;
- Senior Vice President, Audit & Risks;
- Senior Vice President, Legal Affairs and CSR & Compliance; and
- Executive Vice President, Investor Relations and Corporate Development.

Members of the Committee may appoint additional members who are managers from the above-mentioned departments, or alternates. The Committee currently comprises 15 regular attendees.

Powers

The committee assists the Chairman of the Management Board and the group's Chief Financial Officer in ensuring that Vivendi fulfills its disclosure requirements with respect to investors, the public and the regulatory and market authorities, specifically the AMF and Euronext Paris in France.

In pursuing its duties and objectives, the committee ensures that Vivendi has established adequate controls and procedures so that:

- any financial information that must be disclosed to investors, the public or the regulatory authorities is reported within the deadlines set forth by applicable laws and regulations;
- all corporate communications are subject to appropriate verification pursuant to the procedures set up by the Committee;
- all information requiring disclosure to investors or appearing in the documents recorded or filed with any regulatory authority is communicated to the company's senior management, including the Chairman of the Management Board and the group's Chief Financial Officer, prior to disclosure so that decisions regarding such information can be made in a timely manner;

- assessments of Vivendi's procedures and those of its business units for controlling information as well as internal control procedures, are monitored under the supervision of the Chairman of the Management Board and the Group's Chief Financial Officer;
- the Chairman of the Management Board and the group's Chief Financial Officer are advised of any major procedural issues of which the Committee should be informed, and which are likely to affect Vivendi's procedures for controlling information and its internal control procedures. The Committee issues recommendations, where necessary, for changes to be made to these controls and procedures. The committee monitors the implementation of changes approved by the Chairman of the Management Board and the group's Chief Financial Officer; and
- more generally, the Chairman of the Management Board and the group's Chief Financial Officer are assured that they will receive any information they might request.

Activity in 2020

The committee meets at the request of the Chairman of the Management Board, the Chief Financial Officer, the Chairman of the committee or one of its members. Meetings are held following each meeting of the Audit Committee and are coordinated with the schedule for disclosing financial information on the group's results. In 2020, the committee met five times. Its proceedings primarily consisted of:

- examining the annual and semi-annual account certification letters signed by the Chairman and Chief Financial Officer of each of the group's business units;
- reviewing the financial information published in the annual and half-year financial statements and the quarterly revenue statements and the information published in the Annual Report – Universal Registration Document; and
- reviewing the business report and the non-financial performance statement.

The committee reports on its work to the Chairman of the Management Board and informs the Audit Committee, as necessary.

1.2.10.7. Special Committee Responsible for Regularly Assessing Routine Agreements Entered into on Arm's Length Terms

This Special Committee was formed following the Supervisory Board's decision on November 14, 2019 to set up a formal procedure for regularly assessing whether the group's routine agreements entered into on arm's length terms actually meet these two qualifying criteria.

The Special Committee reports on its assessments to the Audit Committee, which then presents a summary to the Supervisory Board. The Supervisory Board will verify on a yearly basis whether the procedure is still appropriate, and will make any necessary updates.

Under this procedure, which was introduced in accordance with Article L. 225-87 of the French Commercial Code, as amended by French Law No. 2019-486 of May 22, 2019 (the "Pacte Law" **(1)**):

- the two cumulative qualifying criteria, (i.e., whether agreements are routine and are entered into on arm's length terms), will be assessed by the teams concerned within each operating entity, depending on the type of services covered by the agreement(s);
- the decision whether or not to qualify agreements as routine and entered into on arm's length terms must be taken when the agreements are signed, with the assistance, where required, of teams from the Group General Counsel's Department and the Legal Affairs Department; and
- be classified as routine, agreements must cover the following types of subjects: administrative assistance or management services, treasury management or lending/borrowing transactions, tax consolidation agreements, invoicing in connection with divestments or acquisitions, invoicing relating to routine activities of operating entities.

The procedure takes into account the analysis of related-party and routine agreements issued by the French Institute of Statutory Auditors in February 2014 and has been relayed to the legal affairs and finance departments of all the group's main operating entities.

Composition

Chaired by the Group's General Counsel and Chief Compliance Officer, the Special Committee is made up of the following members: the Senior Vice President – Legal Affairs and CSR & Compliance; the Senior Vice President – Management and Business Plan Control; the Senior Vice President – Taxes; the Senior Vice President – Consolidation and Financial Reporting; the Senior Vice President – Finance and Treasury; and the Senior Vice President – Corporate and Securities Law.

The Committee's members may seek advice from any other members of the group or from external parties. As specified in Article L. 225-87 of the French Commercial Code **(1)**, and in accordance with the above-mentioned procedure, any persons who are directly or indirectly concerned by one of these agreements is not permitted to take part in its assessment.

Powers

The Special Committee's role is to regularly assess – prior to the group's annual and half-yearly financial statements being approved for issue – whether routine agreements entered into on arm's length terms meet the two applicable qualification criteria. For the purpose of its assessments, the committee takes into account the financial flows generated by the performance of the agreements as well as the type of agreements concerned and the contracting parties.

It notably takes into consideration the information that the group already requires its entities to report twice a year concerning related-party agreements.

Activity

The Special Committee met three times in 2020, including prior to the annual and half-yearly financial statements being approved for issue. It did not identify any agreements that did not meet the criteria for qualifying as routine agreements entered into on arm's length terms and which should therefore have been submitted for approval to the Supervisory Board in accordance with Article L. 225-86 of the French Commercial Code.

The intra-group transactions carried out between Vivendi subsidiaries and subsidiaries of the Bolloré Group – which fully consolidates Vivendi in its financial statements – involve routine commercial relations and mainly cover:

- income from communication services provided by Havas to the Bolloré Group; and
- expenses related to (i) transport services provided by the Bolloré Group for UMG and the Canal+ Group; (ii) rental payments, notably for Havas in France and CanalOlympia in Africa; and (iii) air transport services rendered as part of the economic interest grouping of which Vivendi and the Bolloré Group are members.

The Special Committee decided that these intra-group transactions did not give rise to any conflicts of interest. For a description and quantification of these business relationships, please see Note 23.3 "Other Related-Party Transactions" in the Notes to the Consolidated Financial Statements for the fiscal year ended December 31, 2020, presented in Chapter 5 of this Annual Report – Universal Registration Document.

(1) Effective January 1, 2021, Article L. 225-87 was partially recodified as Article L. 2 2-10-29 of the French Commercial Code.

SECTION 2. COMPENSATION AND BENEFITS OF VIVENDI'S CORPORATE OFFICERS (*)

This section constitutes an integral part of the corporate governance report drawn up in accordance with Articles L. 225-68 and L. 22-10-20 of the French Commercial Code (Code de commerce), which was reviewed by the Supervisory Board at its Meeting held on March 3, 2021.

2.1. Compensation policy for 2021 for Vivendi's Corporate Officers

This section sets out the compensation policy applicable to Vivendi's corporate officers, which will be submitted for approval at the June 22, 2021 General Shareholders' Meeting, in accordance with Article L. 22-10-26 of the French Commercial Code **(1)**. This policy is submitted for shareholder approval every year and whenever any significant amendments are made to it. If the 2021 policy is not approved, the previously-approved policy will continue to apply. Pursuant to the same article, on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board may decide not to apply the compensation policy for corporate officers if exceptional circumstances arise, provided that such non-application is (i) temporary, (ii) in the company's best interests and (iii) necessary to guarantee the company's sustainability and/or viability. Any use of this possibility by the Supervisory Board must be disclosed as provided for in sub-section 10 of Article L. 22-10-9 I. of the French Commercial Code **(2)**.

In accordance with Article L. 22-10-34 I. of the French Commercial Code **(3)**, the information referred to in Article L. 22-10-9 I. of said Code **(4)** – which is set out in the corporate governance report – will be submitted in a resolution to the June 22, 2021 General Shareholders' Meeting. If this information is not approved, a revised policy will be put to the vote at the next General Shareholders' Meeting, and payment of the compensation allocated to the members of the Supervisory Board for 2021 will be suspended until the revised policy is approved.

Pursuant to Article L. 22-10-34 II. of the French Commercial Code **(5)**, payment in 2021 of the variable portion of the compensation of the Chairman and the members of the Management Board in respect of 2020 is subject to approval at the General Shareholders' Meeting of June 22, 2021. In addition, payment in 2022 of variable compensation for 2021 and any extraordinary compensation for that year will be subject to approval at the Annual General Shareholders' Meeting to be held in 2022. For this reason, the compensation policy does not provide for any deferral or clawback of variable compensation payments.

(*) For purposes of this report, the term "corporate officer(s)" refers to the Chairman and members of Vivendi's Supervisory Board and the Chairman and members of Vivendi's Management Board.

(1) Previously Article L. 225-82-2 of the French Commercial Code.

(2) Previously sub-section 10 of Article L. 225-37-3 I. of the French Commercial Code.

(3) Previously Article L. 225-100 II. of the French Commercial Code.

(4) Previously Article L. 225-37-3 I. of the French Commercial Code.

(5) Previously Article L. 225-100 III. of the French Commercial Code.

2.1.1. COMPENSATION POLICY FOR THE CHAIRMAN AND MEMBERS OF THE SUPERVISORY BOARD

■ 2.1.1.1. General information

Since 2017, the compensation policy for the Chairman and members of the Supervisory Board has been put to the vote each year at the General Shareholders' Meeting. The policy is drawn up by the Supervisory Board, based on the recommendations of the Corporate Governance, Nominations and Remuneration Committee and on the procedures described below. As part of the process for drawing up this policy, the terms and conditions of the compensation and employment of the company's employees are reviewed annually, notably taking into account the ratio between the compensation of the Chairman of the Supervisory Board and the average and median salaries paid within the company (see Section 2.6 of this chapter).

In accordance with Article 7-2 of the company's by-laws, each Supervisory Board member is required to own a minimum of 1,000 Vivendi shares throughout his or her term of office **(6)**. This holding requirement forms part of an overall strategy of fostering loyalty among Supervisory Board members and closely aligning their interests with those of the company and the other shareholders over the long term.

If, during a given year, a new Chairman or member of the Supervisory Board is elected, or an existing Chairman or member is re-elected, the compensation policy in force at that time applies to them with immediate effect.

Should any major amendments be made to the compensation policy their implementation is subject to approval at the following Annual General Shareholders' Meeting.

■ 2.1.1.2. Compensation of the Chairman of the Supervisory Board

Since Vivendi became a *société anonyme* with a Management Board and Supervisory Board in 2005, the Chairman of the Supervisory Board's compensation has taken into account his degree of involvement in preparing and leading Board meetings and defining and developing the group's strategy, as well as his role in analyzing proposed acquisitions of controlling or minority interests. His compensation is set by the Supervisory Board, without the Chairman attending the Meeting concerned, based on the recommendation of the Corporate Governance, Nominations and Remuneration Committee. The Chairman of the Supervisory Board receives remuneration for his role as Chairman of the Board, which is allocated in accordance with Articles L. 225-83 and L. 22-10-27 of the French Commercial Code (formerly called attendance fees) and is deducted from his total compensation.

At its Meeting held on March 3, 2021, on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board decided to keep the Chairman of the Supervisory Board's compensation for 2021 at €400,000, from which the amount of his remuneration as Chairman of the Board (€60,000) (formerly called attendance fees) is deducted. His total compensation has remained unchanged since 2014. The Chairman's total compensation is paid on a half-yearly basis, in arrears.

(6) Excluding the member representing employee shareholders and the members representing employees.

2.1.1.3. Compensation of Members of the Supervisory Board

In accordance with Articles L. 225-83 and L. 22-10-27 of the French Commercial Code, the remuneration allocated to members of the Supervisory Board is based on actual attendance at meetings of the Board and its Committees and on the number of meetings held. The aggregate amount of this remuneration is €1.5 million, unchanged since it was first set at the April 24, 2008 General Shareholders' Meeting. This way of allocating Board members' remuneration encourages attendance at meetings and involvement in the work of the Board and its Committees and helps align their interests with those of the company and its shareholders. The remuneration allocated to the members of the Supervisory Board is paid on a half-yearly basis, in arrears.

At its Meeting held on June 24, 2014, the Supervisory Board decided that the total amount of remuneration paid to its members would be allocated as follows: each member of the Supervisory Board receives a fixed annual amount of €60,000; each member of the Audit Committee receives an annual amount of €40,000 (€55,000 for its Chairman); each member of the Corporate Governance, Nominations and Remuneration Committee receives an annual amount of €30,000 (€45,000 for its Chairman); and each member of the CSR Committee receives an annual amount of €20,000 (€30,000 for its Chairman). The amount allocated to each Supervisory Board member in accordance with these rules is calculated in proportion to their time spent as a member of the Board in any given year.

The aggregate gross amount (before tax and amounts withheld at source) of the remuneration paid to all of the Supervisory Board members for 2020 was €1,150,000. This amount is itemized in Section 2.2.1.2 below.

In addition to the above remuneration, Supervisory Board members may receive other compensation from the company for special assignments or services.

Members of the Supervisory Board who hold an executive corporate officer's position in a related company within the meaning of Article L. 225-197-2 of the French Commercial Code or who have an employment contract with Vivendi SE or a related company may be granted performance shares under the conditions set out in Articles L. 225-197-1 and L. 22-10-59 of the French Commercial Code.

A member of the Supervisory Board, together with the employee shareholder representative and the employee representative designated by the Employee Representative Committee, appointed in accordance with Articles L. 225-71 and L. 225-79-2 of the French Commercial Code, respectively, hold permanent employment contracts with the company pursuant to which they receive compensation commensurate with their positions in the company (salary, incentive plans and performance shares, as applicable). In accordance with the company-level collective agreement in force within Vivendi, their employment contracts may be terminated subject to (i) three months' notice as from the notification date of resignation or dismissal (other than in the event of gross or willful misconduct) and (ii) the conditions provided for in the French Labor Code *(Code du travail)*.

2.1.1.4. Proposed resolution to be submitted at the General Shareholders' Meeting of June 22, 2021

Approval of the compensation policy for the Chairman and members of the Supervisory Board for 2021

Having reviewed the corporate governance report drawn up pursuant to Articles L. 225-68 and L. 22-10-20 of the French Commercial Code, which describes the compensation policy for corporate officers, in accordance with Article L. 22-10-26 II. (previously L. 225-82-2 II.) of the French Commercial Code, the General Shareholders' Meeting approves the compensation policy for the Chairman and members of the Supervisory Board for 2021, as set out in Chapter 4, Sections 2.1 and 2.1.1, of the 2020 Annual Report – Universal Registration Document.

2.1.2. COMPENSATION POLICY FOR THE CHAIRMAN AND MEMBERS OF THE MANAGEMENT BOARD

2.1.2.1. General information

Since 2017, the compensation policy for the Chairman and members of the Management Board has been put to the vote each year at the General Shareholders' Meeting. The policy is drawn up by the Supervisory Board, based on the recommendations of the Corporate Governance, Nominations and Remuneration Committee and on the procedures described below. As part of the process for drawing up this policy, the terms and conditions of the compensation and employment of the company's employees are reviewed annually, notably taking into account the ratio between the compensation of the Chairman and members of the Management Board and the average and median salaries paid within the company (see Section 2.6 of this chapter).

If, during a given year, a new Chairman or member of the Management Board is elected, or an existing Chairman or member is re-elected, the compensation policy in force at that time applies to them with immediate effect. The compensation components of new Management Board members (except when replacing the Chairman or a previous member) are set based on their position and level of responsibility, in accordance with the principles and criteria applicable for determining and allocating compensation set out in this section.

Should any major amendments be made to the compensation policy for the Chairman and members of the Management Board, their implementation is subject to approval at the following Annual General Shareholders' Meeting.

Improvements made to the policy for 2021

At its Meeting held on March 3, 2021, the Supervisory Board, on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, reviewed and reinforced certain aspects of the compensation policy applicable to the Chairman and members of the Management Board for 2021. The amendments – which took into consideration the feedback from discussions with several of Vivendi's investor shareholders, notably following the General Shareholders' Meeting of April 20, 2020 – included:

- for performance share grants (long-term compensation), introduction of a new objective concerning the reduction in Vivendi's carbon footprint, which is different from the objective applicable to short-term annual variable compensation (see "Performance Share Grants" in Section 2.1.2.2. below); and
- for the determination of (short term) annual variable compensation, adoption of more challenging environmental, social and governance (ESG) objectives, which have a 12% weighting since 2020 versus 5% previously (see "Annual Variable Compensation" in Section 2.1.2.2. below).

These amendments, which have strengthened Vivendi's compensation policy for 2021, supplement those made in previous years, which were as follows:

- for performance share grants, application of a cap of 150% of the fixed compensation of the Chairman and each member of the Management Board;

- determining differentiated financial criteria for the assessment of short-term compensation (variable portion) and long-term compensation (performance share grants);
- for performance share grants, removing the possibility of offsetting the results of each of the two indicators (internal and external) against each other;
- removing the option given to beneficiaries who leave the company to maintain all their rights to performance shares during the three-year vesting period;
- the right for the Supervisory Board to reduce, as applicable, the vesting rate of performance shares in light of specific circumstances that would not be reflected in the achievement level of the criteria set for the internal indicator; and
- increasing the minimum achievement level of performance objectives conditioning the payment of severance compensation to the Chairman of the Management Board.

In 2021, Vivendi will pursue its dialog with shareholders in line with its policy of transparency concerning corporate officers' compensation.

The purpose of the policy is to more effectively align corporate officers' compensation with shareholder interests, in both the short and long term, which in turn contributes to the company's strategy and its long-term well-being. With this in mind, the three main focuses are:

- the quantitative balance of compensation, with particular attention paid to variable and long-term portions in line with the group's development and growth;
- the quality and relevance of the criteria used to determine the annual variable portion. These criteria are based on financial and non-financial objectives proposed by the Corporate Governance, Nominations and Remuneration Committee and set by the Supervisory Board, which notably take into account ESG issues; and
- the group's long-term development, through performance share grants that are subject to an internal indicator based on criteria linked to the group's medium-term financial performance, and to an external indicator based on criteria aimed at bringing management interests closer in line with those of shareholders.

The policy will apply when determining the compensation of the executive management of major subsidiaries, with different weightings and criteria that are adapted to their business operations and their level of responsibility.

2.1.2.2. Compensation Components of Members of the Management Board

Fixed Portion

Each year, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board sets the compensation of the members of the Management Board based on the level of responsibility of each member and taking into account benchmarking studies carried out by independent firms on the practices applied by a panel of French and international companies that are comparable with Vivendi **(1)** or that operate in the same business sectors **(2)**.

The companies in this panel all operate in the digital content creation or distribution sectors (media, telecommunications, advertising or data management), have an operating presence on at least three continents with a decentralized structure and are comparable to Vivendi in terms of their revenue and number of employees. The panel also takes into account other factors such as the diversity and complexity of each company's businesses, or their sensitivity to demand.

Annual Variable Compensation

The annual variable compensation of the Management Board members is based on precise, measurable and appropriate financial and non-financial criteria. In order to provide dynamic support to the group's efforts, the weighting assigned to the criteria used in calculating the annual variable portion of compensation is set by the Corporate Governance, Nominations and Remuneration Committee, and reflects the importance of and progress made in strategic efforts.

In order to align application of the compensation policy with the performance of the Chairman and members of the Management Board, on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board may, if appropriate, take certain exceptional factors into account that are not reflected in the achievement rates for performance criteria used to determine variable compensation but that have had a material favorable or adverse effect on Vivendi's performance. Under no circumstances will the amount awarded for each performance criterion exceed the ceiling set in the compensation policy. Shareholders will be informed of any such factors before being asked to vote on the proposed annual variable compensation payments at the Annual General Shareholders' Meeting to be held in 2022.

Financial criteria

Financial criteria are based on the financial indicators that the Corporate Governance, Nominations and Remuneration Committee has deemed most relevant for assessing the financial performance of the group and its major subsidiaries, whose businesses are based on a very similar economic model: the sale of content and services. These indicators are as follows:

- group EBITA, which is an indicator of the operating performance of the Group's activities, and therefore their underlying trends; and
- cash flow from operations after interest and tax (group CFAIT), which provides a measure of the cash flow generated from actual operating activities.

These indicators give an accurate measurement of the performance and income recorded by each business unit, in line with Vivendi's value creation and overall strategy. Where appropriate, achievement rates may be adjusted to take into account certain non-recurring factors. Shareholders will be informed of any such factors before being asked to vote on the proposed annual variable compensation payments at the Annual General Shareholders' Meeting to be held in 2022.

Non-financial criteria

The applicable non-financial criteria are based on the strategic assignments allocated to Vivendi's executive corporate officers. They are set in line with the group's overall strategy and the action plans defined for each business unit.

They allow for the assessment of the ability of officers to implement and complete planned disposals or acquisitions, undertake the necessary strategic realignments in an increasingly competitive environment, and identify new directions with regard to content and services offerings.

(1) Direct competitors: Lagardère, Publicis, RELX Group (United Kingdom), Thomson Reuter (Canada) and WPP (United Kingdom).

(2) Competitors in the telecommunications and data management sector: Atos, Veon (Netherlands), BT (United Kingdom), Capgemini, Mediaset (Italy), CGI (Canada), SAP (Germany) and Telenor (Norway).

Criteria for 2021

At its Meeting held on March 3, 2021, on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board set the following objectives and weightings:

- financial criteria (60% weighting):
  - 35%: group EBITA **(1)**,
  - 25%: cash flow from operations after interest and tax (group CFAIT);
- non-financial criteria (40% weighting):
  - 10%: lead the project for the 2021 initial public offering of UMG shares:
    - 5% (50% of the maximum) if the IPO price values UMG at €30 billion,
    - 10% (100% of the maximum) if the IPO price values UMG at €36 billion or more,
    - arithmetical calculation is made if the overall value of UMG reaches between €30 billion and €36 billion;
  - 10%: continue developing Vivendi's strategy following distribution of 60% of UMG's capital, with adoption of the equity story by:
    - shareholders (5%),
    - other stakeholders (5%);
  - 8%: reduce the group's exposure to risk (legal and tax disputes):
    - successfully end the group's main legal disputes **(2)** (4%),
    - successfully end the group's main tax disputes (4%),
  - 12%: implement measures addressing ESG issues.

The ESG objectives are aligned with Vivendi's sustainable development priorities and also with the performance objectives of the main operational directors at the group's headquarters (see Chapter 2 of this Annual Report – Universal Registration Document). The detailed objectives are as follows:

- environmental (5%): reduce Vivendi's carbon footprint, based on indicators related to standard electricity use and CO_2 emissions as a proportion of the group's revenue.
- social (4%): promote talent, and diversity, based on indicators related to:
  - the portion of local program financing at Canal+ Group and diversity representation in Havas' advertising campaigns,
  - increased gender diversity within the group's management bodies **(3)** and among other top management positions; and
- governance (3%): deploy the compliance program, based on indicators related to employee anticorruption training, personal data protection measures, and the roll out of risk mapping processes in accordance with France's Sapin II Act.

Shareholders will be informed of corporate officers' achievement rates for the financial and non-financial criteria at the Annual General Shareholders' Meeting to be held in 2022, before being asked to vote on the proposed annual variable compensation payments to be made in 2022.

Weighting of the variable portion (unchanged from 2020)

For 2021, the variable portion is equal to 80% of fixed compensation if the objectives are achieved, with a maximum of 100% if the objectives are substantially exceeded. In all circumstances, and for each of the objectives (financial and non-financial), if the threshold of 50% is not reached, the weighting of that objective in calculating the variable portion of compensation will be zero.

(1) Different criterion to that applied for more long-term components (performance share grant in 2020) – Adjusted net income per share.

(2) Excluding Mediaset.

(3) See Section 4.3.2.2. of Chapter 2 of this Annual Report – Universal Registration Document.

The table below shows the final amounts allocated with respect to each criterion, depending on the achievement rates for that criterion.

		Performance achievement rate				
		< Threshold (50%)	≥ Threshold (50%) < Target (80%)	Target (80%)	> Target (80%) < Maximum (100%)	≥ Maximum (100%)
Criteria weighting	**FINANCIAL CRITERIA**					
	Group EBITA	0%	0%-28%	28%	28%-35%	35%
	Group CFAIT	0%	0%-20%	20%	20%-25%	25%
	Total financial criteria	**0%**	**0%-48%**	**48%**	**48%-60%**	**60%**
	NON-FINANCIAL CRITERIA					
	Lead the project for the 2021 initial public offering of UMG shares	0%	0%-8%	8%	8%-10%	10%
	Continue developing Vivendi's strategy following distribution of 60% of UMG's capital	0%	0%-8%	8%	8%-10%	10%
	Reduce the group's exposure to risk (legal and tax disputes)	0%	0%-6.5%	6.5%	6.5%-8%	8%
	Implement measures addressing ESG issues	0%	0%-9.5%	9.5%	9.5%-12%	12%
	Total non-financial criteria	**0%**	**0%-32%**	**32%**	**32%-40%**	**40%**
	Total	**0%**	**0%-80%**	**80%**	**80%-100%**	**100%**

Performance share grants

Purpose

In the event that no extraordinary compensation is paid for 2021 and subject to approval at the Annual General Shareholders' Meeting to be held in 2022 (see "Extraordinary compensation related to the proposed distribution and listing of UMG shares" below), annual compensation will be supplemented by deferred compensation that reflects the company's longer-term challenges, to bring the interests of management in line with those of shareholders. This deferred compensation will take the form of performance share grants, which will vest subject to an internal indicator made up of several criteria separate from those that apply to annual variable compensation (short-term), and subject to an external indicator. The two indicators, internal and external, apply to executive corporate officers as well as to all employee beneficiaries.

The number of rights granted each year is dependent on the position and level of responsibility of each member of the Management Board. The fair value of the rights is calculated in accordance with IFRS 2, which takes into account the opening price on the date on which the rights were granted, the period of acquisition, the expected dividend yield and the holding period. The value of each allocation may not exceed 150% of the fixed portion of the compensation of the Chairman and of each member of the Management Board.

On the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board approves the criteria for the final grant of performance shares and sets the limits (threshold, target and maximum) for calculating the level of performance to be achieved, thus determining whether the shares vest in full or in part.

For the performance shares that may be granted in 2021, if no extraordinary compensation is paid for the year, vesting would be subject to the following performance conditions:

- the internal indicator (70% weighting) would be linked to:
  - adjusted net income per share **(1)** (40%),
  - cash flow from operations after interest and tax (group CFAIT) (20%) over the three-year vesting period,
  - the reduction in Vivendi's carbon footprint, as determined using indicators that measure the decrease in business travel over the period **(2)** (10%); and
- the external indicator (30% weighting) would be based on the change in Vivendi's share price relative to the STOXX® Europe Media index (20%) and the CAC 40 index (10%) over the three-year vesting period.

Achievement of these objectives would be assessed over a three-year period. Shareholders would be informed of performance in relation to these objectives at the Annual General Shareholders' Meeting to be held in 2024.

Weighting	Indicators
70	**Internal indicator: financial objectives**
40	Adjusted net income per share
20	Cash flow from operations after interest and tax (group CFAIT)
10	Reduction in Vivendi's carbon footprint, as determined using indicators that measure the decrease in business travel over the period
30	**External indicator: average stock market indices performance (*)**
20	STOXX® Europe Media index
10	CAC 40

(*) Reinvested dividends.

Calculation

As has been the case since the 2019 performance share grant, the number of performance shares that will vest after the three-year vesting period, subject to the presence of the beneficiary in the group, is determined as follows (without any possibility of offsetting the results of each of the two indicators (internal and external) against each other):

- all of the shares will vest if the achievement rate for each indicator (internal and external) is 100% or higher;
- no shares will vest if the achievement rate for each indicator (internal and external) is below 50%; and
- if the achievement rate for each indicator (internal and external) is between 50% and 100%, then the number of shares that will vest will be calculated proportionately.

No shares will vest if the achievement rate for each of the two indicators (internal and external) is below 50%.

(1) A different criterion to that used for short-term components (variable portion for 2021) – Group EBITA.

(2) See Section 4.1.2.1. of Chapter 2 of this Annual Report – Universal Registration Document.

The table below shows the final number of shares that will vest with respect to each indicator and each criterion based on the performance achievement rates.

		Performance achievement rate				
		< Threshold (50%)	**≥ Threshold (50%) < Objective (100%)**	**Objective (100%)**	**> Objective (100%) < Maximum**	**≥ Maximum**
Criteria weighting	**INTERNAL INDICATOR (a)**					
	Adjusted net income per share	0%	0%-40%	40%	40%-70% **(*)**	70% **(*)**
	Group CFAIT	0%	0%-20%	20%	20%-40% **(*)**	40% **(*)**
	Reduction in Vivendi's carbon footprint	0%	0%-10%	10%	10%-20% **(*)**	20% **(*)**
	Total internal indicator	**0%**	**0%-70%**	**70%**	**70%**	**70%**
	EXTERNAL INDICATOR (b)					
	STOXX® Europe Media index	0%	0%-20%	20%	20%-40% **(**)**	40% **(**)**
	CAC 40	0%	0%-10%	10%	10%-20% **(**)**	20% **(**)**
	Total external Indicator	**0%**	**0%-30%**	**30%**	**30%**	**30%**
	Total (c)	**0%**	**0%-100%**	**100%**	**100%**	**100%**

(*) The weighting of this criterion will be increased to 200% if the target is substantially exceeded, subject to the overall cap applicable to the internal indicator (70%).

(**) The weighting of this criterion will be increased to 200% if the target is substantially exceeded, subject to the overall cap applicable to the external indicator (30%).

(a) Capped at 70%.

(b) Capped at 30%.

(c) Capped at 100%.

See Section 2.3.4 of this chapter for the achievement rates assessed for each indicator for the 2018 plans.

The table below shows the impact in previous years of applying performance criteria and setting the threshold and target applicable to each of these criteria to the vesting rate of performance share plans.

Year of Vesting	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Reference period for the assessment of performance criteria	2013-2014	2014-2015	2015-2017	2016-2018	2017-2019	2018-2020
Vesting rate	76%	75%	75%	75%	75%	75%

Vesting conditions for performance shares held by executive corporate officers

Following the assessment of achievement of the performance criteria linked to the plans, performance shares vest at the end of a three-year period (since 2015), subject to the beneficiaries being present in the company during the vesting period. The shares must also be held by the beneficiaries for an additional two-year period (holding period).

Since the 2019 grants, beneficiaries can no longer retain their rights to performance shares if they resign or leave the company at the initiative of the company. However, these rights may be retained proportionately to the beneficiaries' presence within the group during the vesting period, provided that the applicable performance conditions are met at the end of the three-year vesting period **(1)**.

Extraordinary compensation related to the proposed distribution and listing of UMG shares

As announced on February 13, 2021, Vivendi's Management Board is currently examining a plan to distribute 60% of UMG's share capital and list it by year-end 2021. This examination is the result of discussions with Vivendi's key institutional shareholders who, for several years now, have sought the split or distribution of UMG to better reflect the value of Vivendi assets, particularly those linked to its music business. At Vivendi's Extraordinary General Shareholders' Meeting held on March 29, 2021 with a quorum of 73.33% of shareholders, the resolution amending the by-laws was adopted by a 99.98% majority of the votes cast.

This favorable vote allows Vivendi to now distribute dividends, interim dividends, reserves or premiums by way of the delivery of UMG shares. If the decision is made to go ahead with the proposed distribution and listing of UMG shares currently being examined, another General Meeting will be called in 2021 to consult shareholders about the project plan to its execution.

At its Meeting on March 3, 2021, on the recommendation of the Governance, Nominations and Remuneration Committee, the Supervisory Board approved the principle of paying extraordinary compensation to the Chairman and members of the Management Board, as follows:

- the extraordinary compensation is subject to completion, before year-end 2021, of the plan to distribute 60% of UMG's share capital and the plan to list UMG on Euronext NV in Amsterdam; and
- if the extraordinary compensation is paid, no performance shares will be granted for 2021 to the Chairman and members of the Management Board.

Payment of the extraordinary compensation would be conditional upon the above plans being completed and the Chairman and members of the Management Board still being with the group at December 31, 2021. The extraordinary compensation would be capped at 200% of the fixed compensation of the Chairman and each member of the Management Board.

(1) For the Chairman of the Management Board, see the section below entitled "Conditional Severance Payment for the Chairman of the Management Board upon Termination of his Position"

Pursuant to Article L. 22-10-34 II. of the French Commercial Code **(1)**, payment of extraordinary compensation for 2021 would be subject to approval at the Annual General Shareholders' Meeting to be held in 2022.

In accordance with the alignment principle, the extraordinary compensation would also be paid, on the same basis, to employees and corporate officers eligible for annual performance share grants **(2)**.

Benefits-in-Kind in Addition to Compensation

Benefits-in-kind granted to the Chairman and members of the Management Board may include the use of a company car (with no chauffeur provided), profit sharing (under Vivendi's collective agreement), a time savings account (CET), employer contribution to excess Social Security charges and GSC coverage (job-loss insurance for the Chairman of the Management Board who has waived his employment contract).

Signing Bonus – Deferred Compensation

Signing Bonus

When Management Board members are hired externally, the Supervisory Board may, on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, award them a signing bonus in cash or in performance shares to compensate for the loss of deferred compensation in their previous functions outside the Vivendi group.

Long-Term Cash Incentive

No long-term cash incentive plan has been granted to members of the Management Board.

Non-Compete Payments

Members of the Management Board are not entitled to non-compete benefits.

Conditional Severance Payment for the Chairman of the Management Board upon Termination of his Position

At its Meeting held on February 27, 2015, the Supervisory Board noted that Arnaud de Puyfontaine no longer held an employment contract, which was waived following his appointment as Chairman of the Management Board, nor was he entitled to any termination benefits if he were to be removed from office. Consequently, on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Board resolved that if the company were to terminate Arnaud de Puyfontaine's duties, he would be entitled to a severance payment which would be subject to performance conditions as recommended in the AFEP-MEDEF Code. This severance payment would not be payable in the event of willful misconduct *(faute lourde),* resignation or retirement and would be capped at a gross amount equal to eighteen months of his target compensation (on the basis of his most recent fixed compensation and his last annual bonus earned over a full year).

At its Meeting held on February 14, 2019, on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board decided:

- to increase the achievement rate of performance criteria set for the severance compensation from 80% to 90%; and
- to remove the possibility of maintaining all rights to performance shares should he leave the company. These rights are maintained, where applicable, in proportion to his presence in the company during the vesting period, provided that the applicable performance conditions are met at the end of the three-year vesting period.

If the bonus paid during the reference period (the 12-month period preceding notification of departure) is:

- greater than the target bonus, the calculation of the compensation will only take into account the amount of the target bonus; or
- less than the target bonus, the amount of the compensation will, in any event, be capped at two years of the compensation actually received (in compliance with the AFEP-MEDEF Code) and may not exceed 18 months of the target compensation.

This compensation would not be payable if the group's financial results (adjusted net income and cash flow from operations) were less than 90% (compared to 80% previously) of the budget over the two years prior to departure and if Vivendi's stock performance were less than 90% (compared to 80% previously) of the average performance of a composite index (50% CAC 40 and 50% Euro Stoxx® Media) over the last twenty-four months.

The Chairman of the Management Board is not entitled to any other severance payment from any company in the group's scope of consolidation (within the meaning of Article L. 233-16 of the French Commercial Code).

Severance Payment for Members of the Management Board

Members of the Management Board who have an employment contract with the company are not entitled to any type of severance payment due to termination of their office. Except for the Chairman of the Management Board, the executive corporate officers are contractually entitled to a severance payment in the event of termination of their employment contract at Vivendi's initiative. These payments are limited to 18 months' salary and consist of a fixed amount and a target variable.

With the exception of the Chairman, the members of the Management Board all hold employment contracts with the company. In accordance with the company-level collective agreement in force within Vivendi, termination of their employment contract is subject to (i) three months' notice as from the notification date of resignation or dismissal (other than in the event of gross or willful misconduct) and (ii) the conditions provided for in the applicable regulations.

The members of the Management Board are not entitled to any other severance payment from any company in the group's scope of consolidation (within the meaning of Article L. 233-16 of the French Commercial Code).

Supplemental pension plan

As is the case for a number of Vivendi's other senior executives, the Chairman and the members of the Management Board are eligible to participate in the defined-benefit supplemental pension plan that was set up on January 1, 2020 pursuant to Article L. 137-11-2 of the French Social Security Code *(Code de la Sécurité sociale).* Their entitlement to benefits under the plan was included in the 2020 compensation policy for the Chairman and the members of the Management Board approved at the General Shareholders' Meeting of April 20, 2020 (eighteenth and nineteenth resolutions).

The main terms of this supplemental pension plan are as follows: (i) a minimum of three years' seniority with the company, (ii) accrual of benefits on an annual basis of 1.5% **(3)**, (iii) reference compensation used for calculating the pension benefit: fixed and variable compensation received during the year concerned, subject to a dual cap: reference compensation capped at 60 times the French Social Security annual ceiling (€2,468,160 in 2021) and accrued benefits limited to 25% of the reference compensation, and (iv) reversionary option in the event of the beneficiary's death. These terms may change depending on the implementing legislation for Government Order No. 2019-697 dated July 3, 2019 on corporate supplemental pension plans.

(1) Previously Article L. 225-100 III. of the French Commercial Code.

(2) In 2020, 1.660 million performance shares were granted to 607 beneficiaries, not including the Chairman or the members of the Management Board.

(3) Benefits accrue based on seniority, at an annual rate calculated as follows:
– 0% for the tranche ≤ 4 times the Social Security annual ceiling (€164,544 in 2021);
– 3% for the tranche >4 times but ≤ 8 times the Social Security annual ceiling (€329,088 in 2021); and
– 1.5% for the tranche >8 times the Social Security annual ceiling.

The Supervisory Board decided to make the increase in the benefit entitlement of the Chairman and members of the Management Board under this supplemental pension plan, for which they are eligible, contingent on the following criteria, which will be assessed each year: no increase in benefits will apply if, for the year under consideration, the group's financial results (adjusted net income and cash flow from operations) amount to less than 80% of the budget and if Vivendi's stock market performance is less than 80% of the average performance of a composite index (50% CAC 40 and 50% Euro Stoxx® Media).

The cumulative amount of benefits accrued under this supplemental pension plan and those accrued up to December 31, 2019 under the previous plan set up in December 2005 **(1)** may not exceed the amount that a beneficiary would have originally received on the exit date under the former plan. In all circumstances, the annual pension annuity may not exceed 25% of 60 times the Social Security annual ceiling (compared with 30% in the previous plan).

The other disclosures required under Article D. 22-10-16 of the French Commercial Code **(2)** are provided in Section 2.2.2.3 of this chapter.

With the exception of the retirement termination payments provided for in the company-level collective agreement in force within Vivendi, the members of the Management Board are not entitled, under their employment contract, to any other pension benefits from any company in the group's scope of consolidation (within the meaning of Article L. 233-16 of the French Commercial Code).

Calculation of compensation for 2021

Chairman of the Management Board

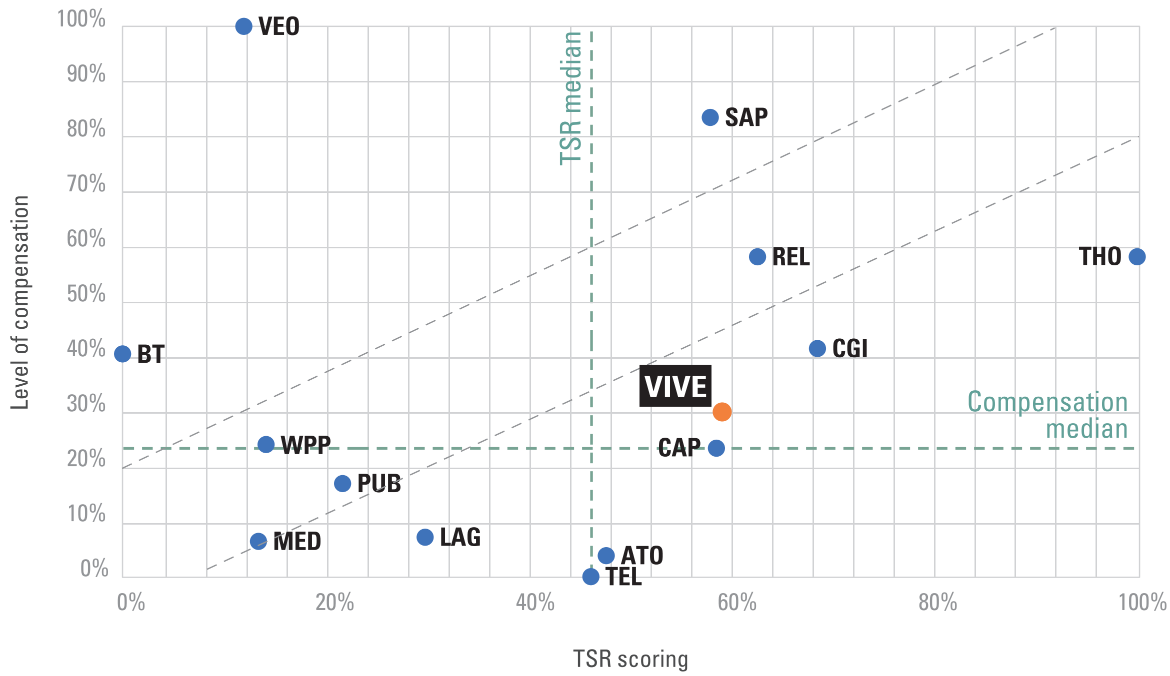
At its Meeting held on March 3, 2021, on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board set the compensation of the Chairman of the Management Board for 2021 as follows:

- fixed compensation: €2,000,000 **(3)** This amount takes into account the compensation levels observed for the panel of companies included in the benchmarking study **(4)**, as well as the Chairman's increased involvement in defining Vivendi's new strategy to speed the pace of growth in 2021, through the growing integration of the group's businesses and their transformation; and
- variable compensation: target of 80% of fixed compensation if objectives are met and a maximum of 100% if the objectives are substantially exceeded **(5)**.

As explained above, at the March 3 Meeting, the Supervisory Board decided that if the Chairman is awarded extraordinary compensation in 2021, he will not receive any performance shares for the year (see "Extraordinary compensation" and "Performance share grants").

The chart below, based on Total Shareholder Return (TSR), shows Vivendi's position, which is close to the median of the panel of companies used in the benchmarking study **(4)** to set the components of compensation for the Chairman of the Management Board for 2021 (based on target variable compensation equal to 80% of fixed compensation and extraordinary compensation estimated at 100% of fixed compensation).

2015-2020: adjusted share price



Source: Cabinet Boracay.

(1) As is the case for a number of Vivendi's other senior executives, the Chairman and the members of the Management Board have retained their benefit entitlement accrued in the period to December 31, 2019 under the defined-benefit supplemental pension plan that was set up in December 2005 and approved by the General Shareholders' Meeting of April 20, 2006, following the application of the new provisions set out in Article L. 137-11 of the French Social Security Code based on Government Order No. 2019-697 dated July 3, 2019 concerning corporate supplemental pension plans (see "Supplemental pension plan" in Section 2.1.2.2 of Chapter 3 of the Annual Report – Universal Registration Document for the year ended December 31, 2019).

(2) Previously Article L. 225-29-3 of the French Commercial Code, incorporating Decree No. 2019-1235 dated November 27, 2019 into the Code.

(3) Compared with €1,400,000 in 2020.

(4) See "Fixed compensation" above.

(5) In all circumstances, and for each of the objectives (financial and non-financial), if the 50% threshold is not reached, the weighting of that objective in calculating the variable portion of compensation will be zero.

Members of the Management Board

At its Meeting held on March 3, 2021, on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board set the following fixed and variable compensation components for 2021 for the Management Board members:

	Fixed compensation (in euros)	**Variable compensation** (in euros)		**Performance shares (1)**
		Target	**Maximum**	
Gilles Alix **(2)**	1,170,000	80%	100%	-
Cédric de Bailliencourt **(3)**	400,000	80%	100%	-
Frédéric Crépin **(3)**	800,000	80%	100%	-
Simon Gillham **(3)**	750,000	80%	100%	-
Hervé Philippe **(3)**	940,000	80%	100%	-
Stéphane Roussel **(3)**	1,000,000	80%	100%	-

(1) As explained above, at the March 3 Meeting, the Supervisory Board decided that if the members of the Management Board are awarded extraordinary compensation in 2021, they will not receive any performance shares for the year (see "Extraordinary compensation" and "Performance share grants" above).

(2) Gilles Alix stepped down from his position as Chief Executive Officer of the Bolloré Group in 2020 and now devotes all of his time to his position at Vivendi. Consequently, since January 1, 2021, he no longer receives any compensation from the Bolloré Group. Since his appointment in 2017, Gilles Alix has increased his involvement in developing the New Initiatives division, especially in Africa. In addition, as from 2019, he helped set up the acquisition, by a consortium led by Tencent, of a 20% stake in UMG, which was finalized between March 2020 and January 2021. He also coordinated the analysis of the plan to distribute 60% of UMG's share capital to the shareholders of Vivendi SE and the plan to list UMG on Euronext NV in Amsterdam (see Section 1.2.2 of this chapter).

The table below presents the breakdown of his fixed compensation between Vivendi and Bolloré, showing the reduction in the compensation paid by Bolloré since 2019:

	2019		**2020**		**2021**
	Vivendi	**Bolloré**	**Vivendi**	**Bolloré**	**Vivendi**
(in euros)	600,000	1,151,360	700,000	701,360	1,170,000
Total	**1,751,360**		**1,401,360**		**1,170,000**

(3) Compensation unchanged compared to 2020.

2.1.2.3. Proposed resolution to be submitted at the General Shareholders' Meeting of June 22, 2021

Approval of the compensation policy for the Chairman of the Management Board for 2021

Having reviewed the corporate governance report drawn up pursuant to Article L. 225-68 and Article L. 22-10-20 of the French Commercial Code, which describes the compensation policy for coporate officers, in accordance with Article L. 22-10-26 II. (previously Article L. 225-82-2 II.) of the French Commercial Code, the General Shareholders' Meeting approves the compensation policy for the Chairman of the Management Board for 2021, as described in Chapter 4, Sections 2.1 and 2.1.2, of the 2020 Annual Report – Universal Registration Document.

Approval of the compensation policy for members of the Management Board for 2021

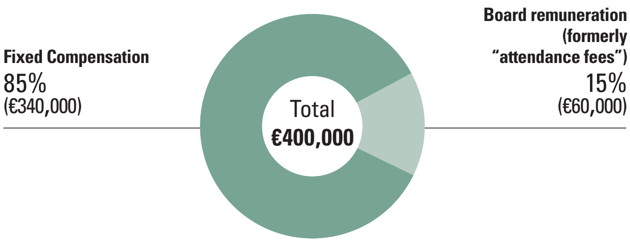
Having reviewed the corporate governance report drawn up pursuant to Article L. 225-68 and Article L. 22-10-20 of the French Commercial Code, which describes the compensation policy for coporate officers, in accordance with Article L. 22-10-26 II. (previously Article L. 225-82-2 II.) of the French Commercial Code, the General Shareholders' Meeting approves the compensation policy for the members of the Management Board for 2021, as described in Chapter 4, Sections 2.1 and 2.1.2, of the 2020 Annual Report – Universal Registration Document.

2.2. Components of Compensation and Benefits Paid During or Allocated for 2020 to Vivendi's Corporate Officers

This section describes the implementation for 2020 of the compensation policy applicable to the Chairman and members of the Supervisory Board and to the Chairman and members of the Management Board, which was approved in the seventeenth to nineteenth resolutions of the April 20, 2020 General Shareholders' Meeting.

2.2.1. COMPONENTS OF COMPENSATION OF THE CHAIRMAN AND MEMBERS OF THE SUPERVISORY BOARD

2.2.1.1. Compensation of the Chairman of the Supervisory Board – 2020



The gross compensation of the Chairman of the Supervisory Board amounted to €400,000 for 2020, including €60,000 in Board remuneration (formerly attendance fees) (unchanged from 2019). At its Meeting held on March 3, 2021, on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board decided not to change the compensation of the Chairman of the Supervisory Board for 2021.

Yannick Bolloré is not eligible for any non-compete or severance payments or any supplemental pension plan either in his position as Chairman of Vivendi's Supervisory Board or his executive role within the Havas group.

Summary table

The table below sets out all of the components of the compensation received by Yannick Bolloré within the Vivendi group **(1)**:

- in his capacity as Chairman of the Supervisory Board of Vivendi: for 2019, Yannick Bolloré's compensation (which remained unchanged between 2019 and 2020) amounted to €400,000;
- in his capacity as Chairman and Chief Executive Officer of Havas: the fixed portion of Yannick Bolloré's compensation remained unchanged between 2019 and 2020 (€1,050,000). The variable portion, which is capped at 100% of the fixed portion, is contingent on achieving performance conditions based on financial criteria (60% weighting) and non-financial criteria (40% weighting) approved by the Board of Directors of Havas;
  - variable compensation paid in 2019 for 2018: €370,000 (35% of the 2018 fixed portion),
  - variable compensation paid in 2020 for 2019: €600,000 (57% of the 2019 fixed portion),
  - variable compensation paid in 2021 for 2020: €420,000 (40% of the 2020 fixed portion).

In his capacity as Chairman and Chief Executive Officer of Havas, Yannick Bolloré was also awarded 15,000 Vivendi performance shares in 2020 and 18,000 in 2019, under the same terms and conditions as the group's other employees and executive corporate officers (see Note 20.1, "Plans granted by Vivendi" in the Notes to the Consolidated Financial Statements for the fiscal year ended December 31, 2020 in Chapter 5 of this Annual Report – Universal Registration Document).

The vesting of these performance shares is subject to the achievement of performance conditions based on an internal indicator (with different criteria from those applicable to his annual variable compensation) and an external indicator. These two indicators – one internal and one external – are applicable to all group employees who participate in the performance share plan. The criteria are presented in the Annual Report – Universal Registration Document for the year ended December 31, 2019 (page 144, for the 2020 performance share grants) and for the year ended December 31, 2018 (page 152, for the 2019 performance share grants).

(1) Components of the compensation paid or allocated by companies controlled by Vivendi SE, within the meaning of Article L. 233-16 of the French Commercial Code.

Summary table of gross compensation paid (before tax and social security contributions) and the value of performance shares granted to the Chairman of the Supervisory Board during 2019 and 2020 (AMF Recommendations, Table 1)

(in euros)	2019	2020
Gross compensation paid **(*)**	**(1)** 1,828,993	**(2)** 2,062,197
Book value of stock options granted	n/a	n/a
Book value of performance shares granted **(3)**	348,660	325,200
Total	**2,117,653**	**2,387,397**

n/a: not applicable.

(*) The Chairman of the Supervisory Board's compensation is paid on a half-yearly basis in arrears.

(1) Includes (i) €400,000 paid for Yannick Bolloré's duties as Chairman of Vivendi SE's Supervisory Board and (ii) €1,428,993 for his duties as Chairman and Chief Executive Officer of Havas (including €8,993 of benefits-in-kind).

(2) Includes (i) €400,000 paid for Yannick Bolloré's duties as Chairman of Vivendi SE's Supervisory Board and (ii) €1,662,197 for his duties as Chairman and Chief Executive Officer of Havas (including €12,197 of benefits-in-kind).

(3) The book value is calculated based on the number of performance shares. The value per performance share used for this table corresponds to the value recognized in the financial statements in accordance with IFRS 2 (see Note 20 to the Consolidated Financial Statements for fiscal year ended December 31,2020 in Chapter 5 for a description of the measurement of equity-settled instruments). This per-share value is €19.37 for the February 2019 plan and €21.68 for the February 2020 plan.

2.2.1.2. Board remuneration allocated in accordance with Article L. 225-83 of the French Commercial Code

Individual breakdown of the aggregate board remuneration allocated to members of the Supervisory Board (in euros – rounded)

			Individual attendance rate at Supervisory Board and Committee meetings in 2020			
Members of the Supervisory Board	**Amounts paid for 2019 (*)**	**Amounts paid for 2020 (*)**	**Supervisory Board**	**Audit Committee**	**Corporate Governance, Nominations and Remuneration Committee**	**CSR Committee**
Yannick Bolloré, Chairman **(1)**	60,000	60,000	100%	-	-	-
Philippe Bénacin, Vice Chairman	97,500	105,000	100%	-	100%	-
Tarak Ben Ammar **(a)**	20,000	n/a	n/a	n/a	-	-
Cyrille Bolloré **(b)**	92,500	130,000	100%	100%	100%	-
Vincent Bolloré **(c)**	37,500	n/a	n/a	n/a	n/a	-
Paulo Cardoso	120,000	120,000	100%	-	100%	100%
Laurent Dassault **(d)**	n/a	70,000	100%	100%	-	-
Dominique Delport	60,000	60,000	100%	-	-	-
Véronique Driot-Argentin **(2)**	80,000	80,000	100%	-	-	100%
Aliza Jabès	82,500	90,000	100%	-	100%	-
Cathia Lawson-Hall	135,000	135,000	100%	100%	-	100%
Sandrine Le Bihan	80,000	80,000	100%	-	-	100%
Michèle Reiser	120,000	120,000	100%	100%	-	100%
Katie Stanton	100,000	92,500	85.71%	100%	-	-
Athina Vasilogiannaki **(e)**	n/a	7,500	100%	-	-	-
Total	**1,085,000**	**1,150,000**				

n/a: not applicable.

(*) The remuneration allocated to the Supervisory Board's members is paid on a half-yearly basis, in arrears.

(a) Member of the Supervisory Board and the Audit Committee until April 15, 2019.

(b) Member of the Supervisory Board, the Audit Committee and the Corporate Governance, Nominations and Remuneration Committee since April 15, 2019.

(c) Member of the Supervisory Board, the Audit Committee and the Corporate Governance, Nominations and Remuneration Committee until April 15, 2019.

(d) Member of the Supervisory Board and the Audit Committee since April 20, 2020.

(e) Member of the Supervisory Board since September 23, 2020.

(1) For a breakdown of the total compensation of the Chairman of the Supervisory Board, please refer to the summary tables on compensation in Section 2.2.1.1. of this chapter.

(2) In 2020, as a Vivendi employee, Véronique Driot-Argentin received €76,175 in gross compensation and €8,199 in profit sharing.

2.2.2. COMPONENTS OF THE COMPENSATION OF THE CHAIRMAN AND MEMBERS OF THE MANAGEMENT BOARD

2.2.2.1. Status and compensation of the Chairman of the Management Board – 2020

In compliance with the recommendations of the AFEP-MEDEF Code of Corporate Governance, Arnaud de Puyfontaine waived the benefit of his employment contract following his appointment as Chairman of the Management Board by the Supervisory Board at its Meeting held on June 24, 2014.

At its Meeting held on February 13, 2020, the Supervisory Board set Arnaud de Puyfontaine's fixed and variable compensation and benefits-in-kind for 2020 as follows:

- fixed compensation: €1,400,000 (unchanged from 2019);
- variable compensation: target of 80% of fixed compensation if objectives are met and a maximum of 100% if the objectives are substantially exceeded **(1)**;
- eligibility for performance share grants, which are subject to the satisfaction of conditions set by the Supervisory Board and which will vest and be transferable in accordance with the rules of the applicable performance share plan;
- use of a company car;
- payment of travel and other expenses incurred in the performance of his duties;
- eligibility for the Social Security, AGIRC and ARRCO pension plans, as well as the personal risk insurance plans (health, disability and life insurance) set up for the company's employees, and subject to the same terms and conditions; and
- eligibility for the supplemental pension plan set up in 2020, for which increases in benefits are subject to performance conditions (see Section 2.1.2).

At its Meeting held on March 3, 2021, the Supervisory Board, on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, reviewed the achievement of the financial targets and priority actions used to calculate the variable portion of compensation allocated to the Chairman of the Management Board for 2020. Concerning the financial objectives, the Supervisory Board noted that the points scored comfortably exceeded the maximum, in light of the capital gain and proceeds from the sale of 10% of the capital of UMG, which completed on March 31, 2020. However, to take into account the theoretical achievement rate for the financial objectives that had been set prior to considering the capital gain and proceeds from such sale, on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board decided to reduce the group EBITA weighting from 35 to 30 points and the group CFAIT weighting from 25 to 16 points, representing 46 points in total for the group financial objectives (target 48 – maximum 60). Details of the calculation are provided in the table below.

(1) For each objective (financial objectives and priority actions), if the threshold of 50% is not reached, its weighting in the determination of the variable portion of compensation is zero.

Calculation of variable compensation for 2020

Weighting (in points)			**2020 objectives** (in millions of euros) **(1)**							
Objectives met	**Maximum**	**Indicators**	**Threshold 50%**	**Target 80%**	**Maximum 100%**	**2020 theoretical**	**2020 actual**	**Points obtained**	**Proposed points**	**Corresponding amount** (in euros)
48	**60**	**Group financial objectives**						**60**	**46**	**644,000**
30	35	Group EBITA	1,780	1,874	1,967	1,627	**(2)** 4,012	35	**(4)** 30	420,000
18	25	Cash flow from operations after interest and tax (group CFAIT)	1,052	1,108	1,163	548	**(3)** 3,390	25	**(4)** 16	224,000
32	**40**	**Priority actions of the Vivendi Management team**	**Achievement rate**					**34**	**34**	**476,000**
6.5	8	Strategic and financial partnership for developing UMG's business.	Objectives of developing relations with China's Tencent and selling an additional stake in UMG (above the 10% already sold) based on a total enterprise value of €30 billion, comfortably exceeded.					8	8	112,000
5.5	7	Significant progress regarding the situation in Italy	Positive outcome for Telecom Italia; not yet decisive for Mediaset.					5.5	5.5	77,000
5.5	7	Continue to encourage activity between business units and develop revenue and cost synergies	Several integration initiatives completed (Gameloft and UMG with Apple: Editis with Canal+ Group)					6	6	84,000
5.0	6	Reduce the group's exposure to risk (legal and tax disputes, excluding Mediaset)	Successful measures for legal and tax disputes					5	5	70,000
9.5	12	Implement measures addressing ESG issues.	Environment (5%): 12% reduction in standard electricity use and 13% reduction in carbon emissions in relation to group revenue (above expectations). Social (2%): 60% of UMG sales generated by local content; 42% of creative positions held by women at Havas; 44% of local program financing at Canal+ Group (below expectations). Governance (2.5%): over 75% of employees given antibribery and corruption training; measures to protect personal data more than 90% successful; implementation of action plans for the deployment of risk maps nearly 100% complete (in line with expectations).					9.5	9.5	133,000
80	**100**	**Total (financial objectives and priority actions)**						**94**	**80**	**1,120,000**

(1) At constant exchange rates.

(2) Group EBITA plus the €2,385 million gain on the sale of 10% of UMG on March 31, 2020.

(3) Group CFAIT plus the €2,842 million proceeds from the sale of 10% of UMG on March 31, 2020.

(4) To take into account the theoretical achievement rate for the financial objectives that had been set prior to considering the capital gain and proceeds from the sale of 10% of UMG on March 31, 2020, the Supervisory Board decided to reduce the group EBITA weighting from 35 to 30 points and the group CFAIT weighting from 25 to 16 points, representing 46 points in total for the group financial objectives (target 48 – maximum 60).

At its Meeting held on March 3, 2021, based on the points retained for each of the above criteria, the Supervisory Board set the variable compensation for the Chairman of the Management Board for 2020 at 80% of his fixed compensation. The amount of variable compensation due to the Chairman of the Management Board for 2020, which will be paid in 2021, subject to approval at the General Shareholders' Meeting on June 22, 2021, therefore totals €1,120,000 before taxes and Social Security contributions.

On February 13, 2020, on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board granted 40,000 performance shares to Arnaud de Puyfontaine **(1)**. The vesting of these performance shares is subject to the achievement of performance conditions.

These conditions are based on two indicators – one internal and one external. The internal indicator has a 70% weighting and is based on (i) adjusted net income per share (50%) and (ii) cash flow from operations after interest and tax (group CFAIT) (20%) for the period between January 1, 2020 and December 31, 2022. The external indicator has a 30% weighting and is based on Vivendi's stock market performance between January 1, 2020 and December 31, 2022 relative to the Stoxx® Europe Media index (20%) and the CAC 40 index (10%).

(1) The value of the benefit for each performance share granted in 2020 is €21.68. This estimated value per share is given for information purposes only. It is calculated using the binomial model used to measure the value of share-based payments pursuant to IFRS 2. This theoretical value does not necessarily represent the gain that could be made on the future sale of the shares, which will depend on the share price on the vesting date (in 2023) and the date of sale of the shares (as of 2025).

2.2.2.2. Status and compensation of members of the Management Board – 2020

With the exception of the Chairman, the members of the Management Board hold employment contracts. At its Meeting held on March 3, 2021, on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board reviewed the achievement of the financial objectives and priority actions used to calculate the variable portion of compensation for members of the Management Board (target of 80%, maximum of 100%) for 2020 **(1)**.

Concerning the financial objectives, the Supervisory Board noted that the points scored comfortably exceeded the maximum, in light of the capital gain and proceeds from the sale of 10% of the capital of UMG, which was completed on March 31, 2020. However, to take into account the theoretical achievement rate for the financial objectives that had been set prior to considering the capital gain and proceeds, on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board decided to reduce the group EBITA weighting from 35 to 30 points and the group CFAIT weighting from 25 to 16 points, representing 46 points in total for the group financial objectives (target 48 – maximum 60).

Based on the points retained for each criterion, the variable compensation of the Management Board members for 2020 was set at 80% of their fixed compensation (see table above – Calculation of variable compensation for 2020).

(1) For each objective, if the threshold of 50% is not reached, its weighting in the determination of the variable portion of compensation is zero.

The amount of variable compensation due to each Management Board member for 2020, subject to approval at the General Shareholders' Meeting of June 22, 2021, is set forth below:

Fixed and variable compensation of Management Board members for 2020
Number of performance shares granted in 2020

		Variable compensation (in euros)				
	Fixed compensation (in euros)	**Target**	**Maximum**	**Achieved**	**Variable (*)** (in euros)	**Performance shares (**)**
Gilles Alix	700,000	80%	100%	80%	560,000	20,000
Cédric de Bailliencourt	400,000	80%	100%	80%	320,000	-
Frédéric Crépin	800,000	80%	100%	80%	640,000	35,000
Simon Gillham	750,000	80%	100%	80%	600,000	30,000
Hervé Philippe	940,000	80%	100%	80%	752,000	20,000
Stéphane Roussel	1,000,000	80%	100%	80%	800,000	40,000

(*) Payment is subject to the approval of the General Shareholders' Meeting of June 22, 2021.

(**) The value of the benefit for each performance share granted in 2020 is €21.68. This estimated value per share is given for information purposes only. It is calculated using the binomial model used to measure the value of share-based payments pursuant to IFRS 2. This theoretical value does not necessarily represent the gain that could be made on the future sale of the shares, which will depend on the share price on the vesting date (in 2023) and the date of sale of the shares (as of 2025).

2.2.2.3. Disclosures required by Article D. 22-10-16 of the French Commercial Code (*)

	Seniority within the group as of December 31, 2020 (in years)	Annuity growth rate in 2020 (in %) **(1)**	Annuity accrued for 2020 (in euros) **(2)**	Amount of annuity as of December 31, 2020 (before income tax and payroll taxes – in euros)
Arnaud de Puyfontaine	7	1.50%	37,022	**(3)** 371,345
Gilles Alix	14	1.50%	18,600	**(4)** 237,975
Cédric de Bailliencourt	4	1.50%	11,400	**(5)** 63,900
Frédéric Crépin	21	1.50%	22,800	**(6)** 442,800
Simon Gillham	20	1.50%	21,375	**(7)** 402,000
Hervé Philippe	16	1.50%	26,790	**(8)** 438,040
Stéphane Roussel	17	1.50%	34,350	**(9)** 606,350

(*) Previously Article D. 225-29-3 of the French Commercial Code, incorporating Decree No. 2019-1235 dated November 27, 2019 into the Code.

(1) Under the supplemental pension plan set up on January 1, 2020 pursuant to Article L. 137-11-2 of the French Social Security Code, benefits accrue for each year of service at an annual rate determined as follows:

– 0% for the tranche ≤ 4 times the Social Security annual ceiling (€164,544 in 2020);

– 3% for the tranche >4 times but ≤8 times the Social Security annual ceiling (€329,088 in 2020); and

– 1.5% for the tranche >8 times the Social Security annual ceiling.

(2) Benefits accrued under the supplemental pension plan set up on January 1, 2020 pursuant to Article L. 137-11-2 of the French Social Security Code.

(3) Including €334,323 for benefits accrued as of December 31, 2019 under the previous supplemental pension plan, pursuant to Article L. 137-11 of the French Social Security Code.

(4) Including €219,375 for benefits accrued as of December 31, 2019 under the previous supplemental pension plan, pursuant to Article L. 137-11 of the French Social Security Code.

(5) Including €52,500 for benefits accrued as of December 31, 2019 under the previous supplemental pension plan, pursuant to Article L. 137-11 of the French Social Security Code.

(6) Including €420,000 for benefits accrued as of December 31, 2019 under the previous supplemental pension plan, pursuant to Article L. 137-11 of the French Social Security Code.

(7) Including €380,625 for benefits accrued as of December 31, 2019 under the previous supplemental pension plan, pursuant to Article L. 137-11 of the French Social Security Code.

(8) Including €411,250 for benefits accrued as of December 31, 2019 under the previous supplemental pension plan, pursuant to Article L. 137-11 of the French Social Security Code.

(9) Including €572,000 for benefits accrued as of December 31, 2019 under the previous supplemental pension plan, pursuant to Article L. 137-11 of the French Social Security Code.

Calculation of the annuity growth rate for the supplemental pension plan – 2020

At its Meeting on March 3, 2021, the Supervisory Board noted that one of the performance criteria had been met for the determination of the annuity growth rate under the supplemental pension plan set up on January 1, 2020 pursuant to Article L. 137-11-2 of the French Social Security Code. As the objectives were exceeded, the rate for 2020 was approved.

	2020		
Financial criteria (in millions of euros)	**Objectives**	**Achieved**	**Achievement rate**
Adjusted net income	1,409	**(1)** 3,613	256%
Cash flow from operations	1,230	**(2)** 3,538	288%
Average stock market indices performance **(3)**	-5.3%	+5.2%	n/a

n/a: not applicable.

(1) Group EBITA plus the €2,385 million gain on the sale of 10% of UMG on March 31, 2020.

(2) Group CFAIT plus the €2,842 million proceeds from the sale of 10% of UMG on March 31, 2020.

(3) Composite index – CAC 40 (50% weighting) and STOXX® Europe Media (50% weighting), reinvested dividends.

The provision recorded in 2020 for members of the Management Board under this pension plan totaled €11.7 million.

2.2.3. HIGHEST COMPENSATION PAID WITHIN THE GROUP

In 2020, the compensation of Vivendi's five highest-paid employees in France totaled €9.4 million, including benefits-in-kind.

In 2020, the total compensation for the five highest-paid employees in the group as a whole was €88.8 million, including benefits-in-kind. None of the Management Board members were among these five highest-paid employees.

2.3. Performance shares granted to the Chairman and members of the Management Board

In 2020, performance share grants consisted of 1.660 million shares, corresponding to 0.140% of the company's share capital. Performance shares granted to members of the Management Board are presented in the table below. They represent 0.016% of the share capital and 11.14% of the overall grant.

The total number of shares granted each year to all beneficiaries pursuant to the authorization given by the General Shareholders' Meeting of April 19, 2018 (twenty-seventh resolution) cannot exceed 0.33% of the share capital on the grant date, and 0.035% for members of the Management Board.

2.3.1. PERFORMANCE SHARES GRANTED TO THE CHAIRMAN AND MEMBERS OF THE MANAGEMENT BOARD IN 2020: PLAN 2020-02-1 OF FEBRUARY 13, 2020 (AMF RECOMMENDATIONS, TABLE 6)

	Number of rights to performance shares granted during the year	Value of rights under the method used for the consolidated financial statements (in euros) (a)	Vesting date of the rights	Date of availability of shares	Performance conditions (b)
Arnaud de Puyfontaine	40,000	867,200	02/14/2023	2/17/2025	Yes
Gilles Alix	20,000	433,600	02/14/2023	2/17/2025	Yes
Cédric de Bailliencourt	-	-	-	-	-
Frédéric Crépin	35,000	758,800	02/14/2023	2/17/2025	Yes
Simon Gillham	30,000	650,400	02/14/2023	2/17/2025	Yes
Hervé Philippe	20,000	433,600	02/14/2023	2/17/2025	Yes
Stéphane Roussel	40,000	867,200	02/14/2023	2/17/2025	Yes
Total	**185,000**	**4,010,800**	**n/a**	**n/a**	**n/a**

n/a: not applicable.

(a) The value per performance share, calculated pursuant to IFRS 2, was €21.68.

Vesting of the performance shares granted in 2020 will be reviewed in 2023, in accordance with the applicable plan rules. These performance shares will not be available until 2025.

(b) Assessed over three years.

2.3.2. HISTORY OF PERFORMANCE SHARES GRANTED (AMF RECOMMENDATIONS, TABLE 8)

	2020	2019	2018	2017	2016
Date of the General Shareholders' Meeting approving the share grant	AGM 04/19/2018	AGM 04/19/2018	AGM 04/19/2018	AGM 04/21/2016	AGM 04/21/2016
Date of the Supervisory Board Meeting	02/13/2020	02/14/2019	05/17/2018	02/23/2017	05/11/2016
Grant date	02/13/2020	02/14/2019	05/17/2018	02/23/2017	05/11/2016
Maximum number of performance shares that may be granted pursuant to the authorization of the General Shareholders' Meeting	11,845,762	13,062,341	13,000,447	12,870,878	13,686,208
Maximum number of performance shares that may be granted during the year based on grants already made	3,909,101	4,310,572	4,290,147	4,247,389	4,516,448
Total number of performance shares granted	1,595,050	1,600,830	1,631,750	1,547,750	1,320,440
Number of rights canceled due to the departure of beneficiaries	4,100	24,760	7,500	19,500	22,030
Number of performance shares awarded to the Chairman and members of the Management Board					
Arnaud de Puyfontaine, Chairman	40,000	40,000	**(c)** 50,000	**(b)** 50,000	**(a)** 95,000
Gilles Alix	20,000	-	-	n/a	n/a
Cédric de Bailliencourt	-	-	-	n/a	n/a
Frédéric Crépin	35,000	35,000	**(c)** 35,000	**(b)** 40,000	**(a)** 50,000
Simon Gillham	30,000	30,000	**(c)** 30,000	**(b)** 30,000	**(a)** 50,000
Hervé Philippe	20,000	20,000	**(c)** 20,000	**(b)** 40,000	**(a)** 50,000
Stéphane Roussel	40,000	40,000	**(c)** 40,000	**(b)** 40,000	**(a)** 50,000
Vesting date	02/14/2023	02/15/2022	05/18/2021	02/24/2020	05/13/2019
Date of availability	2/17/2025	02/16/2024	05/19/2023	02/25/2022	05/14/2021

n/a: not applicable.

(a) As the achievement rate for the performance criteria was 75% for 2016, 2017 and 2018, the number of shares that vested on May 13, 2019 was 71,250 and 37,500, respectively.

(b) As the achievement rate for the performance criteria was 75% for 2017, 2018 and 2019, the number of shares that vested on February 24, 2020 was limited to 37,500, 30,000, 22,500, 30,000 and 30,000, respectively.

(c) As the achievement rate for the performance criteria was 75% for 2018, 2019 and 2020, the number of shares to vest on May 18, 2021 will be limited to 37,500, 26,250, 22,500, 15,000 and 30,000, respectively (see Section 2.3.4 of this chapter).

2.3.3. PERFORMANCE SHARES THAT BECAME AVAILABLE IN 2020, FOR THE CHAIRMAN AND THE MEMBERS OF THE MANAGEMENT BOARD DURING THEIR TERM OF OFFICE (AMF RECOMMENDATIONS, TABLE 7)

Performance Shares that became available for each Management Board Member (2015 plans)	Plan number and date	Number of shares that became available	Vesting conditions
Arnaud de Puyfontaine	2015/2-1 2/27/2015	52,500	Yes
Gilles Alix	n/a	n/a	n/a
Cédric de Bailliencourt	n/a	n/a	n/a
Frédéric Crépin	2015/2-2 2/27/2015	37,500	Yes
Simon Gillham	2015/2-2 2/27/2015	18,750	Yes
Hervé Philippe	2015/2-1 2/27/2015	37,500	Yes
Stéphane Roussel	2015/2-1 2/27/2015	37,500	Yes

n/a: not applicable, no grants in 2015

2.3.4. ASSESSMENT OF PERFORMANCE CRITERIA FOR 2018, 2019 AND 2020 FOR SHARES THAT WILL VEST IN 2021 UNDER THE 2018 PERFORMANCE SHARE PLAN – PLAN 2018-05-1

At its Meeting held on March 3, 2021, based on a review by the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board approved the achievement rates of the objectives for 2018, 2019 and 2020 (cumulative) relating to the performance shares granted to the members of the Management Board by the Supervisory Board on May 17, 2018. All of the plan's performance criteria were comfortably met (see table below). However, as the negative impact of the situation in Italy for the period is not reflected in the group's financial results, the Supervisory Board decided that only 75% of the performance shares originally granted under the 2018 plan would vest. Consequently, 43,750 rights to performance shares granted to members of the Management Board in 2018 were canceled.

2018-2020 Objectives					Theoretical Vivendi	Actual Vivendi	Rate obtained	Proposed rate	Number of vested shares (1)
Weighting	**Indicators**	**Threshold**	**Target**	**Maximum**					
70	**Internal indicator: financial objectives**								
35	Group EBIT	1,485	1,650	1,815	1,468	**(2)** 3,853	**(*)** 70%	**(**)** 35%	-
35	Cash flow from operations after interest and tax (group CFAIT)	855	950	1,045	548	**(3)** 3,390	**(*)** 70%	**(**)** 32%	-
Total internal indicator								**67%**	**-**
30	**External indicator: average stock market indices performance (4)**	**Threshold**	**Achieved indices**	**Maximum**	**Actual Vivendi**		**Rate obtained**	**Proposed rate**	**Number of vested shares (1)**
20	STOXX® Europe Media	8.3%	11.89%	15.5%	26.09%		**(*)** 40%	40%	-
10	CAC 40	9.8%	14.06%	18.3%	26.09%		**(*)** 20%	20%	-
Total external Indicator								**60%**	**-**
Total internal and external indicators (capped at 100%)								**100%**	**-**
Total rate achieved (after accounting for the negative impact of the situation in Italy over the period)								**75%**	**-**

(1) See Section 2.3.2 of this chapter.

(2) Group EBITA plus the €2,385 million gain on the sale of 10% of UMG on March 31, 2020.

(3) Group CFAIT plus the €2,842 million proceeds from the sale of 10% of UMG on March 31, 2020.

(4) Reinvested dividends.

(*) The criterion's weighting is increased to 200% when the objective is significantly exceeded.

(**) To take into account the theoretical achievement rate for the financial objectives (internal indicator) that had been set prior to considering the capital gain and proceeds from the sale of 10% of UMG on March 31, 2020, the Supervisory Board decided to reduce the group EBITA weighting from 70% to 35% and the group CFAIT weighting from 70% to 32%, representing 67% in total for the internal indicator (target 70% – maximum 100%).

2.3.5. STOCK OPTION GRANTS TO MEMBERS OF THE MANAGEMENT BOARD

The company has not granted any stock options since 2013.

2.3.6. STOCK OPTIONS EXERCISED IN 2020 BY CORPORATE OFFICERS (AMF RECOMMENDATIONS, TABLE 5)

In 2020, Frédéric Crépin exercised 25,000 stock options at a price of €15.80 (Plan 2010/04).

2.3.7. REQUIREMENTS FOR CORPORATE OFFICERS TO HOLD SHARES RECEIVED UPON EXERCISE OF STOCK OPTIONS AND VESTING OF PERFORMANCE SHARES

At its Meeting held on March 6, 2007, pursuant to Articles L. 225-185 and L. 225-197-1 of the French Commercial Code, the Supervisory Board approved rules for members of the Management Board in relation to holding shares received on exercised stock options and vested performance shares granted since 2007.

Members of the Management Board must hold, in a registered account and until the end of their term of office, a number of shares received from the exercise of stock options and the grant of performance shares since the 2007 plan was adopted. These must be equal to at least 20% of the net capital gain recorded each year (if a gain is recorded) from exercise of the stock options or sale of the performance shares.

2.3.8. CONDITIONS SPECIFIC TO VIVENDI

At its Meeting held on February 27, 2015, on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board decided to amend the rules on the obligation for corporate officers and other senior executives of the group to hold Vivendi shares:

Under these new rules, within a maximum of five years after they take up their positions:

- the Chairman and the members of the Management Board must hold, in a registered account, a number of shares equal to one year of their gross fixed compensation and target bonus for as long as they are with the group; and
- other group-level executive managers and the senior executives of each operating subsidiary must hold, in a registered account, a number of shares equal to six months of their gross fixed compensation and target bonus, for as long as they are with the group.

2.3.9. LARGEST PERFORMANCE SHARE GRANTS AND STOCK OPTION EXERCISES IN 2020, OTHER THAN TO/BY CORPORATE OFFICERS (AMF RECOMMENDATIONS, TABLE 9)

The ten largest performance share grants to beneficiaries other than corporate officers totaled 219,500 shares, representing 13.223% of the total number of performance shares granted in 2020 and 0.018% of the company's share capital. The ten largest stock option exercises, other than by corporate officers, amounted to a total of 239,629 options exercised at a weighted-average unit price of €15.61.

2.4. Compensation Summary Tables

2.4.1. SUMMARY OF GROSS COMPENSATION PAID (BEFORE TAXES AND SOCIAL SECURITY CONTRIBUTIONS) AND VALUE OF PERFORMANCE SHARES GRANTED TO EACH MEMBER OF THE MANAGEMENT BOARD DURING 2019 AND 2020 (AMF RECOMMENDATIONS, TABLE 1)

(in euros)	2019	2020
Arnaud de Puyfontaine **Chairman of the Management Board**		
Gross compensation paid	2,475,372	2,685,318
Book value of stock options granted	n/a	n/a
Book value of performance shares granted **(a)**	774,800	867,200
Total	**3,250,172**	**3,552,518**
Gilles Alix (1) **Member of the Management Board and Senior Vice President in charge of intergroup coordination**		
Gross compensation paid **(2)**	803,628	1,260,431
Book value of stock options granted	n/a	n/a
Book value of performance shares granted **(a)**	n/a	433,600
Total	**803,628**	**1,694,031**
Cédric de Bailliencourt (1) **Member of the Management Board and Senior Vice President in charge of investor relations and intergroup financial communication**		
Gross compensation paid **(3)**	563,430	780,432
Book value of stock options granted	n/a	n/a
Book value of performance shares granted **(a)**	n/a	n/a
Total	**563,430**	**780,432**
Frédéric Crépin **Member of the Management Board and Group General Counsel**		
Gross compensation paid	1,476,371	1,571,653
Book value of stock options granted	n/a	n/a
Book value of performance shares granted **(a)**	677,950	758,800
Total	**2,154,321**	**2,330,453**
Simon Gillham **Member of the Management Board, Chairman of Vivendi Village and Senior Executive Vice President, Communications of Vivendi**		
Gross compensation paid	1,334,656	1,449,118
Book value of stock options granted	n/a	n/a
Book value of performance shares granted **(a)**	581,100	650,400
Total	**1,915,756**	**2,099,518**
Hervé Philippe **Member of the Management Board and Chief Financial Officer**		
Gross compensation paid	1,670,861	1,812,222
Book value of stock options granted	n/a	n/a
Book value of performance shares granted **(a)**	387,400	433,600
Total	**2,058,261**	**2,245,822**

(in euros)	2019	2020
Stéphane Roussel **Member of the Management Board and Chief Operating Officer**		
Gross compensation paid	2,264,879	2,349,405
Book value of stock options granted	n/a	n/a
Book value of performance shares granted **(a)**	774,800	867,200
Total	**3,039,679**	**3,216,605**

n/a: not applicable.

(1) Member of the Management Board since September 1, 2017.

(2) Proportionate amount of the variable compensation based on a rate of 50%: €187,500 paid in 2019 in respect of 2018.

(3) Proportionate amount of the variable compensation based on a rate of 50%: €150,000 paid in 2019 in respect of 2018.

(a) The book value is calculated based on the number of performance shares. The value per performance share used for this table corresponds to the value recognized in the financial statements in accordance with IFRS 2 (see Note 20 to the Consolidated Financial Statements for the fiscal year ended December 31, 2020 in Chapter 5 for a description of the measurement of equity-settled instruments). This per-share value is €19.37 for the February 2019 plan and €21.68 for the February 2020 plan

2.4.2. SUMMARY TABLE OF COMPENSATION (BEFORE TAXES AND SOCIAL SECURITY CONTRIBUTIONS) OF MEMBERS OF THE MANAGEMENT BOARD DURING 2019 AND 2020 (AMF RECOMMENDATIONS, TABLE 2)

	2019		2020	
(in euros)	**Amounts paid**	**Amounts allocated**	**Amounts paid**	**Amounts allocated**
Arnaud de Puyfontaine, Chairman of the Management Board				
Fixed compensation	1,400,000	1,400,000	1,400,000	1,400,000
Variable compensation for 2018	1,050,000	-	-	-
Variable compensation for 2019	-	1,260,000	1,260,000	-
Variable compensation for 2020	-	-	-	1,120,000
Other compensation	n/a	n/a	n/a	n/a
Board remuneration (formerly "attendance fees")	n/a	n/a	n/a	n/a
Benefits **(*)**	25,372	25,372	25,318	25,318
Total	**2,475,372**	**2,685,372**	**2,685,318**	**2,545,318**
Gilles Alix, Member of the Management Board (1)				
Fixed compensation	600,000	600,000	700,000	700,000
Variable compensation for 2018	**(2)** 187,500	-	-	-
Variable compensation for 2019	-	540,000	540,000	-
Variable compensation for 2020	-	-	-	560,000
Other compensation	n/a	n/a	n/a	n/a
Board remuneration (formerly "attendance fees")	n/a	n/a	n/a	n/a
Benefits **(**)**	16,128	16,128	20,431	20,431
Total	**803,628**	**1,156,128**	**1,260,431**	**1,280,431**
Cédric de Bailliencourt, Member of the Management Board (1)				
Fixed compensation	400,000	400,000	400,000	400,000
Variable compensation for 2018	**(2)** 150,000	-	-	-
Variable compensation for 2019	-	360,000	360,000	-
Variable compensation for 2020	-	-	-	320,000
Other compensation	n/a	n/a	n/a	n/a
Board remuneration (formerly "attendance fees")	n/a	n/a	n/a	n/a
Benefits (**)	13,430	13,430	20,432	20,432
Total	**563,430**	**773,430**	**780,432**	**740,432**
Frédéric Crépin, Member of the Management Board				
Fixed compensation	800,000	800,000	800,000	800,000
Variable compensation for 2018	600,000	-	-	-
Variable compensation for 2019	-	720,000	720,000	-
Variable compensation for 2020	-	-	-	640,000
Other compensation	n/a	n/a	n/a	n/a
Board remuneration (formerly "attendance fees")	**(3)** 35,000	**(3)** 35,000	**(3)** 29,166	**(3)** 29,166
Benefits (**)	41,371	41,371	22,487	22,487
Total	**1,476,371**	**1,596,371**	**1,571,653**	**1,491,653**

	2019		2020	
(in euros)	**Amounts paid**	**Amounts allocated**	**Amounts paid**	**Amounts allocated**
Simon Gillham, Member of the Management Board				
Fixed compensation	750,000	750,000	750,000	750,000
Variable compensation for 2018	562,500	-	-	-
Variable compensation for 2019	-	675,000	675,000	-
Variable compensation for 2020	-	-	-	600,000
Other compensation	n/a	n/a	n/a	n/a
Board remuneration (formerly "attendance fees")	n/a	n/a	n/a	n/a
Benefits **(**)**	22,156	22,156	24,118	24,118
Total	**1,334,656**	**1,447,156**	**1,449,118**	**1,374,118**
Hervé Philippe, Member of the Management Board				
Fixed compensation	940,000	940,000	940,000	940,000
Variable compensation for 2018	705,000	-	-	-
Variable compensation for 2019	-	846,000	846,000	-
Variable compensation for 2020	-	-	-	752,000
Other compensation	n/a	n/a	n/a	n/a
Board remuneration (formerly "attendance fees")	n/a	n/a	n/a	n/a
Benefits **(**)**	25,861	25,861	26,222	26,222
Total	**1,670,861**	**1,811,861**	**1,812,222**	**1,718,222**
Stéphane Roussel, Member of the Management Board				
Fixed compensation	1,000,000	1,000,000	1,000,000	1,000,000
Variable compensation for 2018	750,000	-	-	-
Variable compensation for 2019	-	900,000	900,000	-
Variable compensation for 2020	-	-	-	800,000
Other compensation	**(4)** 450,000	**(4)** 390,000	**(4)** 390,000	**(4)** 390,000
Board remuneration (formerly "attendance fees")	**(3)** 35,000	**(3)** 35,000	**(3)** 29,166	**(3)** 29,166
Benefits-in-kind **(**)**	29,879	29,879	30,239	30,239
Total	**2,264,879**	**2,354,879**	**2,349,405**	**2,249,405**

n/a: not applicable.

(1) Member of the Management Board since September 1, 2017.

(2) Considering the positions held in 2018 by Gilles Alix and Cédric de Bailliencourt within Bolloré Group, and on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, on February 15, 2018, the Supervisory Board decided that their fixed and variable compensation for 2018 would be calculated on a 50% proportionate basis (see Section 2.2.2.1 of Chapter 2 of the 2018 Annual Report – Registration Document).

(3) Attendance fees paid by Gameloft SE.

(4) Compensation paid by Gameloft SE.

(*) Benefits-in-kind include the use of a company car (without a chauffeur) and GSC coverage (job-loss insurance for corporate officers).

(**) Benefits-in-kind include, as applicable, the use of a company car (with no chauffeur), profit sharing, employer contribution to excess Social Security charges, and partial liquidation of the time savings account (CET).

2.4.3. SUMMARY OF COMMITMENTS GIVEN TO THE CHAIRMAN AND MEMBERS OF THE MANAGEMENT BOARD (AMF RECOMMENDATIONS, TABLE 11)

	Employment contract		Eligibility for supplemental pension plan (1)		Compensation or other benefits due or that may become due at the end of a term in office		Non-compete payment	
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Arnaud de Puyfontaine Chairman of the Management Board		**(2)** X	X		**(3)** X			X
Gilles Alix Member of the Management Board	X		X			X		X
Cédric de Bailliencourt Member of the Management Board	X		X			X		X
Frédéric Crépin Member of the Management Board	X		X			X		X
Simon Gillham Member of the Management Board	X		X			X		X
Hervé Philippe Member of the Management Board	X		X			X		X
Stéphane Roussel Member of the Management Board	X		X			X		X

(1) Subject to plan terms and conditions and to the criteria governing the annual annuity growth rate (see Sections 2.1.2.2 and 2.2.2.3).

(2) Arnaud de Puyfontaine waived the benefit of his employment contract following his appointment as Chairman of the Management Board by the Supervisory Board on June 24, 2014.

(3) Commitment approved at the General Shareholders' Meetings held on April 17, 2015 and April 15, 2019.

2.5. Compensation and benefits paid or allocated in 2020 to be submitted to the General Shareholders' Meeting of June 22, 2021 in accordance with Article L. 22-10-34 II. of the French Commercial Code

2.5.1. YANNICK BOLLORÉ – CHAIRMAN OF THE SUPERVISORY BOARD

Components of compensation paid during 2020 or allocated for that year	Amount or value (before taxes and Social Security contributions)	Description
Fixed compensation	€340,000	Gross fixed compensation set by the Supervisory Board on February 13, 2020 on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, in accordance with the principles and criteria applicable for setting the compensation of the members of the Supervisory Board and its Chairman for 2020, as approved by the Supervisory Board at its February 13, 2020 Meeting and by the General Shareholders' Meeting of April 20, 2020 (seventeenth resolution).
2020 variable compensation	n/a	The Chairman of the Supervisory Board does not receive any variable compensation.
2019 variable compensation	n/a	The Chairman of the Supervisory Board did not receive any variable compensation.
Deferred variable compensation	n/a	The Chairman of the Supervisory Board does not receive any deferred variable compensation.
Multi-year variable compensation	n/a	The Chairman of the Supervisory Board does not receive any multi-year variable compensation.
Extraordinary compensation	n/a	The Chairman of the Supervisory Board does not receive any extraordinary compensation.
Stock options	n/a	The company has not granted any stock options since 2013. In addition, pursuant to French Law, the Chairman of the Supervisory Board is not eligible for stock option grants.
Performance shares	n/a	Pursuant to French Law, due to his corporate office, the Chairman of the Supervisory Board is not eligible for performance share grants.
Board remuneration (formerly attendance fees)	€60,000	Fixed amount.
Benefits-in-kind	n/a	The Chairman of the Supervisory Board does not receive any benefits-in-kind.

Deferred compensation	Amount	Description
Severance payment	n/a	The Chairman of the Supervisory Board is not entitled to receive any severance payment in respect of his corporate office.
Non-compete payment	n/a	The Chairman of the Supervisory Board is not entitled to receive any non-compete payment.
Supplemental pension plan	n/a	The Chairman of the Supervisory Board is not eligible for Vivendi's supplemental defined-benefit pension plan.

n/a: not applicable.

Proposed resolution to be submitted at the General Shareholders' Meeting of June 22, 2021

Approval of the components of compensation and benefits-in-kind paid during or allocated for 2020 to Yannick Bolloré, Chairman of the Supervisory Board

Having reviewed the corporate governance report drawn up pursuant to Articles L. 225-68 and L. 22-10-20 of the French Commercial Code, in accordance with Article L. 22-10-34 II. (previously Article L. 225-100 III.) of the French Commercial Code, the General Shareholders' Meeting approves the components making up the total compensation and benefits paid during or allocated for 2020 to Yannick Bolloré in his capacity as Chairman of the Supervisory Board, as set out in Chapter 4, Section 2.5, paragraph 2.5.1, of the 2020 Annual Report – Universal Registration Document.

2.5.2. ARNAUD DE PUYFONTAINE – CHAIRMAN OF THE MANAGEMENT BOARD

Components of compensation paid during 2020 or allocated for that year	Amount or value (before taxes and Social Security contributions)	Description
Fixed compensation	€1,400,000	Gross fixed compensation set by the Supervisory Board on February 13, 2020 on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, in accordance with the principles and criteria applicable for setting the compensation of the Chairman of the Management Board for 2020, as approved by the Supervisory Board on February 13, 2020 and by the General Shareholders' Meeting of April 20, 2020 (eighteenth resolution).
2020 variable compensation	€1,120,000	At its Meeting held on March 3, 2021, based on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board reviewed the achievement rates for the financial and non-financial criteria used to determine the Chairman of the Management Board's variable compensation for 2020. His variable compensation represents 80% of his fixed compensation (see Section 2.2.2.1 of this chapter).
2019 variable compensation	€1,260,000	Amount paid following approval by the General Shareholders' Meeting of April 20, 2020 (tenth resolution), in accordance with Article L. 225-100 III of the French Commercial Code (as applicable at that date).
Deferred variable compensation	n/a	The Chairman of the Management Board does not receive any deferred variable compensation.
Multi-year variable compensation	n/a	The Chairman of the Management Board does not receive any multi-year variable compensation.
Extraordinary compensation	n/a	The Chairman of the Management Board does not receive any extraordinary compensation.
Stock options	n/a	The company has not granted any stock options since 2013.
Performance shares	€867,200 (book value)	40,000 performance shares granted by the Supervisory Board on February 13, 2020 as proposed by the Corporate Governance, Nominations and Remuneration Committee. The vesting of these performance shares is subject to the achievement of performance conditions over a period of three consecutive years (2020-2022), as assessed at the end of that period. These conditions are based on the following internal and external indicators (without any possibility of offsetting the results of each of the two indicators against each other). The internal indicator has a 70% weighting and is based on (i) adjusted net income per share (50%) and (ii) cash flow from operations after interest and tax (group CFAIT) (20%). The external indicator has a 30% weighting and is based on Vivendi's stock market performance between January 1, 2020 and December 31, 2022 relative to the STOXX® Europe Media index (20%) and the CAC 40 index (10%) (see Section 2.2.2.1 of this chapter).
Board remuneration (formerly "attendance fees")	n/a	In accordance with Article L. 225-83 of the French Commercial Code, Arnaud de Puyfontaine does not receive any remuneration for his role as Chairman of the Management Board.
Benefits-in-kind	€25,318	Company car (with no chauffeur), job-loss insurance (GSC) and employer contribution to excess Social Security charges.

Deferred compensation	Amount	Description
Severance payment	None	Conditional commitment in the event of termination at the initiative of the company, subject to performance conditions (see Section 2.2.2.1 of this chapter).
Non-compete payment	None	The Chairman of the Management Board is not entitled to receive any non-compete payment.
Supplemental pension plan	None	As is the case for a number of Vivendi's other senior executives, the Chairman of the Management Board is eligible to participate in the supplemental pension plan that was set up on January 1, 2020 pursuant to Article L. 137-11-2 of the French Social Security Code. Dual cap: 25% of reference compensation (fixed plus variable) capped at 60 times the Social Security maximum. Annuity growth rate in 2020, based on seniority within the group: 1.50% subject to performance criteria. Potential annuity accrued in 2020: €37,022 (see Section 2.2.2.3 of this chapter).

n/a: not applicable.

Proposed resolution to be submitted at the General Shareholders' Meeting of June 22, 2021

Approval of the components of compensation and benefits-in-kind paid during or allocated for 2020 to Arnaud de Puyfontaine, Chairman of the Management Board

Having reviewed the corporate governance report drawn up pursuant to Articles L. 225-68 and L. 22-10-20 of the French Commercial Code, in accordance with Article L. 22-10-34 II. (previously Article L. 225-100 III.) of the French Commercial Code, the General Shareholders' Meeting approves the components making up the total compensation and benefits paid during or allocated for 2020 to Arnaud de Puyfontaine in his capacity as Chairman of the Management Board, as set out in Chapter 4, Section 2.5, paragraph 2.5.2 of the 2020 Annual Report – Universal Registration Document.

2.5.3. GILLES ALIX – MEMBER OF THE MANAGEMENT BOARD

Components of compensation paid during 2020 or allocated for that year	Amount or value (before taxes and Social Security contributions)	Description
Fixed compensation	€700,000	Gross fixed compensation set by the Supervisory Board on February 13, 2020 on the recommendation of the Corporate Governance, Nominations and Remuneration Committee in accordance with the principles and criteria applicable for setting the compensation of the members of the Management Board for 2020, as approved by the Supervisory Board on February 13, 2020 and by the General Shareholders' Meeting of April 20, 2020 (nineteenth resolution).
2020 variable compensation	€560,000	At its Meeting held on March 3, 2021, based on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board reviewed the achievement rates of the financial and non-financial criteria used to determine the amount of Gilles Alix's variable compensation for 2020. His variable compensation represents 80% of his fixed compensation (see Section 2.2.2.2 of this chapter).
2019 variable compensation	€540,000	Amount paid following approval by the General Shareholders' Meeting of April 20, 2020 (eleventh resolution), in accordance with Article L. 225-100 III of the French Commercial Code (as applicable at that date).
Deferred variable compensation	n/a	Gilles Alix does not receive any deferred variable compensation.
Multi-year variable compensation	n/a	Gilles Alix does not receive any multi-year variable compensation.
Extraordinary compensation	n/a	Gilles Alix did not receive any extraordinary compensation.
Stock options	n/a	The company has not granted any stock options since 2013.
Performance shares	€433,600 (book value)	20,000 performance shares granted by the Supervisory Board on February 13, 2020 as proposed by the Corporate Governance, Nominations and Remuneration Committee. The vesting of these performance shares is subject to the achievement of performance conditions over a period of three consecutive years (2020-2022), as assessed at the end of that period. These conditions are based on the following internal and external indicators (without any possibility of offsetting the results of each of the two indicators against each other). The internal indicator has a 70% weighting and is based on (i) adjusted net income per share (50%) and (ii) cash flow from operations after interest and tax (group CFAIT) (20%). The external indicator has a 30% weighting and is based on Vivendi's stock market performance between January 1, 2020 and December 31, 2022 relative to the STOXX® Europe Media index (20%) and the CAC 40 index (10%) (see Section 2.2.2.2 of this chapter).
Board remuneration (formerly "attendance fees")	n/a	In accordance with Article L. 225-83 of the French Commercial Code, Gilles Alix does not receive any remuneration in his capacity as member of the Management Board.

Deferred compensation	Amount	Description
Severance payment	None	Gilles Alix is not entitled to receive any severance payment in respect of his corporate office. He is entitled to a severance payment equal to eighteen months' salary + target bonus under his employment contract.
Non-compete payment	None	Gilles Alix is not entitled to receive any non-compete payment.
Supplemental pension plan	None	As is the case for a number of Vivendi's other senior executives, Gilles Alix is eligible to participate in the supplemental pension plan that was set up on January 1, 2020 pursuant to Article L. 137-11-2 of the French Social Security Code. Dual cap: 25% of reference compensation (fixed plus variable) capped at 60 times the Social Security maximum. Annuity growth rate in 2020, based on seniority within the group: 1.50% subject to performance criteria. Potential annuity accrued in 2020: €18,600 (see Section 2.2.2.3 of this chapter).

n/a: not applicable.

Proposed resolution to be submitted at the General Shareholders' Meeting of June 22, 2021

Approval of the components of compensation and benefits-in-kind paid during or allocated for 2020 to Gilles Alix, member of the Management Board

Having reviewed the corporate governance report drawn up pursuant to Articles L. 225-68 and L. 22-10-20 of the French Commercial Code, in accordance with Article L. 22-10-34 II. (previously Article L. 225-100 III.) of the French Commercial Code, the General Shareholders' Meeting approves the components making up the total compensation and benefits paid during or allocated for 2020 to Gilles Alix in his capacity as member of the Management Board, as set out in Chapter 4, section 2.5, paragraph 2.5.3 of the 2020 Annual Report – Universal Registration Document.

2.5.4. CÉDRIC DE BAILLIENCOURT – MEMBER OF THE MANAGEMENT BOARD

Components of compensation paid during 2020 or allocated for that year	Amount or value (before taxes and Social Security contributions)	Description
Fixed compensation	€400,000	Gross fixed compensation set by the Supervisory Board on February 13, 2020 on the recommendation of the Corporate Governance, Nominations and Remuneration Committee in accordance with the principles and criteria applicable for setting the compensation of the members of the Management Board for 2020, as approved by the Supervisory Board on February 13, 2020 and by the General Shareholders' Meeting of April 20, 2020 (nineteenth resolution).
2020 variable compensation	€320,000	At its Meeting held on March 3, 2021, on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board reviewed the achievement rates of the financial and non-financial criteria used to determine the amount of Cédric de Bailliencourt's variable compensation for 2020. This amount represents 80% of his fixed compensation (see Section 2.2.2.2 of this chapter).
2019 variable compensation	€360,000	Amount paid following approval by the General Shareholders' Meeting of April 20, 2020 (twelfth resolution), in accordance with Article L. 225-100 III of the French Commercial Code (as applicable at that date).
Deferred variable compensation	n/a	Cédric de Bailliencourt does not receive any deferred variable compensation.
Multi-year variable compensation	n/a	Cédric de Bailliencourt does not receive any multi-year variable compensation.
Extraordinary compensation	n/a	Cédric de Bailliencourt did not receive any extraordinary compensation.
Stock options	n/a	The company has not granted any stock options since 2013.
Performance shares	n/a	Cédric de Bailliencourt was not granted any performance shares in 2020.
Board remuneration (formerly "attendance fees")	n/a	In accordance with Article L. 225-83 of the French Commercial Code, Cédric de Bailliencourt does not receive any remuneration for his role as a member of the Management Board.
Benefits-in-kind	€20,432	No company car; profit sharing (under Vivendi SE's collective agreement) and employer contribution to excess Social Security charges.

Deferred compensation	Amount	Description
Severance payment	None	Cédric de Bailliencourt is not entitled to receive any severance payment in respect of his corporate office. He is entitled to a severance payment equal to eighteen months' salary + target bonus under his employment contract.
Non-compete payment	None	Cédric de Bailliencourt is not entitled to receive any non-compete payment.
Supplemental pension plan	None	As is the case for a number of Vivendi's other senior executives, Cédric de Bailliencourt is eligible to participate in the supplemental pension plan that was set up on January 1, 2020 pursuant to Article L. 137-11-2 of the French Social Security Code. Dual cap: 25% of reference compensation (fixed plus variable) capped at 60 times the Social Security maximum. Annuity growth rate in 2020, based on seniority within the group: 1.50% subject to performance criteria. Potential annuity accrued in 2020: €11,400 (see Section 2.2.2.3 of this chapter).

n/a: not applicable.

Proposed resolution to be submitted at the General Shareholders' Meeting of June 22, 2021

Approval of the components of compensation and benefits-in-kind paid during or allocated for 2020 to Cédric de Bailliencourt, member of the Management Board

Having reviewed the corporate governance report drawn up pursuant to Articles L. 225-68 and L. 22-10-20 of the French Commercial Code, in accordance with Article L. 22-10-34 II. (previously Article L. 225-100 III.) of the French Commercial Code, the General Shareholders' Meeting approves the components making up the total compensation and benefits paid during or allocated for 2020 to Cédric de Bailliencourt in his capacity as member of the Management Board, as set out in Chapter 4, section 2.5, paragraph 2.5.4 of the 2020 Annual Report – Universal Registration Document.

2.5.5. FRÉDÉRIC CRÉPIN – MEMBER OF THE MANAGEMENT BOARD

Components of compensation paid during 2020 or allocated for that year	Amount or value (before taxes and Social Security contributions)	Description
Fixed compensation	€800,000	Gross fixed compensation set by the Supervisory Board on February 13, 2020 based on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, in accordance with the principles and criteria applicable for setting the compensation of the members of the Management Board for 2020, as approved by the Supervisory Board on February 13, 2020 and by the General Shareholders' Meeting of April 20, 2020 (nineteenth resolution).
2020 variable compensation	€640,000	At its Meeting held on March 3, 2021, on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board reviewed the achievement rates of the financial and non-financial criteria used to determine Frédéric Crépin's variable compensation for 2020. His variable compensation represents 80% of his fixed compensation (see Section 2.2.2.2 of this chapter).
2019 variable compensation	€720,000	Amount paid following approval by the General Shareholders' Meeting of April 20, 2020 (thirteenth resolution), in accordance with Article L. 225-100 III of the French Commercial Code (as applicable at that date).
Deferred variable compensation	n/a	Frédéric Crépin does not receive any deferred variable compensation.
Multi-year variable compensation	n/a	Frédéric Crépin does not receive any multi-year variable compensation.
Extraordinary compensation	n/a	Frédéric Crépin did not receive any extraordinary compensation.
Stock options	n/a	The company has not granted any stock options since 2013.
Performance shares	€758,800 (book value)	35,000 performance shares granted by the Supervisory Board on February 13, 2020 as proposed by the Corporate Governance, Nominations and Remuneration Committee. The vesting of these performance shares is subject to the achievement of performance conditions over a period of three consecutive years (2020-2022), as assessed at the end of that period. These conditions are based on the following internal and external indicators (without any possibility of offsetting the results of each of the two indicators against each other). The internal indicator has a 70% weighting and is based on (i) adjusted net income per share (50%) and (ii) cash flow from operations after interest and tax (group CFAIT) (20%). The external indicator has a 30% weighting and is based on Vivendi's stock market performance between January 1, 2020 and December 31, 2022 relative to the STOXX® Europe Media index (20%) and the CAC 40 index (10%) (see Section 2.2.2.2 of this chapter).
Board remuneration (formerly "attendance fees")	n/a	In accordance with Article L. 225-83 of the French Commercial Code, Frédéric Crépin does not receive any remuneration for his role as a member of the Management Board.
Benefits-in-kind	€22,487	No company car; profit sharing (under Vivendi SE's collective agreement); employer contribution to excess Social Security charges; and partial liquidation of the time savings account (CET).

Deferred compensation	Amount	Description
Severance payment	None	Frédéric Crépin is not entitled to receive any severance payment in respect of his corporate office. He is entitled to a severance payment equal to eighteen months' salary + target bonus under his employment contract.
Non-compete payment	None	Frédéric Crépin is not entitled to receive any non-compete payment.
Supplemental pension plan	None	As is the case for a number of Vivendi's other senior executives, Frédéric Crépin is eligible to participate in the supplemental pension plan that was set up on January 1, 2020 pursuant to Article L. 137-11-2 of the French Social Security Code. Dual cap: 25% of reference compensation (fixed plus variable) capped at 60 times the Social Security maximum. Annuity growth rate in 2020, based on seniority within the group: 1.50% subject to performance criteria. Potential annuity accrued in 2020: €22,800 (see Section 2.2.2.3 of this chapter).

n/a: not applicable.

Proposed resolution to be submitted at the General Shareholders' Meeting of June 22, 2021

Approval of the components of compensation and benefits-in-kind paid during or allocated for 2020 to Frédéric Crépin, member of the Management Board

Having reviewed the corporate governance report drawn up pursuant to Articles L. 225-68 and L. 22-10-20 of the French Commercial Code, in accordance with Article L. 22-10-34 II. (previously Article L. 225-100 III.) of the French Commercial Code, the General Shareholders' Meeting approves the components making up the total compensation and benefits paid during or allocated for 2020 to Frédéric Crépin in his capacity as member of the Management Board, as set out in Chapter 4, section 2.5, paragraph 2.5.5 of the 2020 Annual Report – Universal Registration Document.

2.5.6. SIMON GILLHAM – MEMBER OF THE MANAGEMENT BOARD

Components of compensation paid during 2020 or allocated for that year	Amount or value (before taxes and Social Security contributions)	Description
Fixed compensation	€750,000	Gross fixed compensation set by the Supervisory Board on February 13, 2020 based on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, in accordance with the principles and criteria applicable for setting the compensation of the members of the Management Board for 2020, as approved by the Supervisory Board on February 13, 2020 and by the General Shareholders' Meeting of April 20, 2020 (nineteenth resolution).
2020 variable compensation	€600,000	At its Meeting held on March 3, 2021, based on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board reviewed the achievement rates of the financial and non-financial criteria used to determine the amount of Simon Gillham's variable compensation for 2020. His variable compensation represents 80% of his fixed compensation (see Section 2.2.2.2 of this chapter).
2019 variable compensation	€675,000	Amount paid following approval by the General Shareholders' Meeting of April 20, 2020 (fourteenth resolution), in accordance with Article L. 225-100 III of the French Commercial Code (as applicable at that date).
Deferred variable compensation	n/a	Simon Gillham does not receive any deferred variable compensation.
Multi-year variable compensation	n/a	Simon Gillham does not receive any multi-year variable compensation.
Extraordinary compensation	n/a	Simon Gillham did not receive any extraordinary compensation.
Stock options	n/a	The company has not granted any stock options since 2013.
Performance shares	€650,400 (book value)	30,000 performance shares granted by the Supervisory Board on February 13, 2020 as proposed by the Corporate Governance, Nominations and Remuneration Committee. The vesting of these performance shares is subject to the achievement of performance conditions over a period of three consecutive years (2020-2022), as assessed at the end of that period. These conditions are based on the following internal and external indicators (without any possibility of offsetting the results of each of the two indicators against each other). The internal indicator has a 70% weighting and is based on (i) adjusted net income per share (50%) and (ii) cash flow from operations after interest and tax (group CFAIT) (20%). The external indicator has a 30% weighting and is based on Vivendi's stock market performance between January 1, 2020 and December 31, 2022 relative to the STOXX® Europe Media index (20%) and the CAC 40 index (10%) (see Section 2.2.2.2 of this chapter).
Board remuneration (formerly "attendance fees")	n/a	In accordance with Article L. 225-83 of the French Commercial Code, Simon Gillham does not receive any remuneration for his role as member of the Management Board.
Benefits-in-kind	€24,118	No company car; profit sharing (under Vivendi SE's collective agreement) and employer contribution to excess Social Security charges.

Deferred compensation	Amount	Description
Severance payment	None	Simon Gillham is not entitled to receive any severance payment in respect of his corporate office. He is entitled to a severance payment equal to eighteen months' salary + target bonus under his employment contract.
Non-compete payment	None	Simon Gillham is not entitled to receive any non-compete payment.
Supplemental pension plan	None	As is the case for a number of Vivendi's other senior executives, Simon Gillham is eligible to participate in the supplemental pension plan that was set up on January 1, 2020 pursuant to Article L. 137-11-2 of the French Social Security Code. Dual cap: 25% of reference compensation (fixed plus variable) capped at 60 times the Social Security maximum. Annuity growth rate in 2020, based on seniority within the group: 1.50% subject to performance criteria. Potential annuity accrued in 2020: €21,375 (see Section 2.2.2.3 of this chapter).

n/a: not applicable.

Proposed resolution to be submitted at the General Shareholders' Meeting of June 22, 2021

Approval of the components of compensation and benefits-in-kind paid during or allocated for 2020 to Simon Gillham, member of the Management Board

Having reviewed the corporate governance report drawn up pursuant to Articles L. 225-68 and L. 22-10-20 of the French Commercial Code, in accordance with Article L. 22-10-34 II. (previously Article L. 225-100 III.) of the French Commercial Code, the General Shareholders' Meeting approves the components making up the total compensation and benefits paid during or allocated for 2020 to Simon Gillham in his capacity as member of the Management Board, as set out in Chapter 4, section 2.5, paragraph 2.5.6 of the 2020 Annual Report – Universal Registration Document.

2.5.7. HERVÉ PHILIPPE – MEMBER OF THE MANAGEMENT BOARD

Components of compensation paid during 2020 or allocated for that year	Amount or value (before taxes and Social Security contributions)	Description
Fixed compensation	€940,000	Gross fixed compensation set by the Supervisory Board on February 13, 2020 based on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, in accordance with the principles and criteria applicable for setting the compensation of the members of the Management Board for 2020, as approved by the Supervisory Board on February 13, 2020 and by the General Shareholders' Meeting of April 20, 2020 (nineteenth resolution).
2020 variable compensation	€752,000	At its Meeting held on March 3, 2021, on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board reviewed the achievement rates of the financial and non-financial criteria used to determine the amount of Hervé Philippe's variable compensation for 2020. His variable compensation represents 80% of his fixed compensation (see Section 2.2.2.1 of this chapter).
2019 variable compensation	€846,000	Amount paid following approval by the General Shareholders' Meeting of April 20, 2020 (fifteenth resolution), in accordance with Article L. 225-100 III of the French Commercial Code (as applicable at that date).
Deferred variable compensation	n/a	Hervé Philippe does not receive any variable deferred compensation.
Multi-year variable compensation	n/a	Hervé Philippe does not receive any multi-year variable compensation.
Extraordinary compensation	n/a	Hervé Philippe did not receive any extraordinary compensation.
Stock options	n/a	The company has not granted any stock options since 2013.
Performance shares	€433,600 (book value)	20,000 performance shares granted by the Supervisory Board on February 13, 2020 as proposed by the Corporate Governance, Nominations and Remuneration Committee. The vesting of these performance shares is subject to the achievement of performance conditions over a period of three consecutive years (2020-2022), as assessed at the end of that period. These conditions are based on the following internal and external indicators (without any possibility of offsetting the results of each of the two indicators against each other). The internal indicator has a 70% weighting and is based on (i) adjusted net income per share (50%) and (ii) cash flow from operations after interest and tax (group CFAIT) (20%). The external indicator has a 30% weighting and is based on Vivendi's stock market performance between January 1, 2020 and December 31, 2022 relative to the STOXX® Europe Media index (20%) and the CAC 40 index (10%) (see Section 2.2.2.2 of this chapter).
Board remuneration (formerly "attendance fees")	n/a	In accordance with Article L. 225-83 of the French Commercial Code, Hervé Philippe does not receive any remuneration for his role as a member of the Management Board.
Benefits-in-kind	€26,222	Company car (with no chauffeur); profit sharing (under Vivendi SE's collective agreement) and employer contribution to excess Social Security charges.

Deferred compensation	Amount	Description
Severance payment	None	Hervé Philippe is not entitled to receive any severance payment in respect of his corporate office. He is entitled to a severance payment equal to eighteen months' salary + target bonus under his employment contract.
Non-compete payment	None	Hervé Philippe is not entitled to receive any non-compete payment.
Supplemental pension plan	None	As is the case for a number of Vivendi's other senior executives, Hervé Philippe is eligible to participate in the supplemental pension plan that was set up on January 1, 2020 pursuant to Article L. 137-11-2 of the French Social Security Code. Dual cap: 25% of reference compensation (fixed plus variable) capped at 60 times the Social Security maximum. Annuity growth rate in 2020, based on seniority within the group: 1.50% subject to performance criteria. Potential annuity accrued in 2020: €26,790 (see Section 2.2.2.3 of this chapter).

n/a: not applicable.

Proposed resolution to be submitted at the General Shareholders' Meeting of June 22, 2021

Approval of the components of compensation and benefits-in-kind paid during or allocated for 2020 to Hervé Philippe, member of the Management Board

Having reviewed the corporate governance report drawn up pursuant to Articles L. 225-68 and L. 22-10-20 of the French Commercial Code, in accordance with Article L. 22-10-34 II. (previously Article L. 225-100 III.) of the French Commercial Code, the General Shareholders' Meeting approves the components making up the total compensation and benefits paid during or allocated for 2020 to Hervé Philippe in his capacity as member of the Management Board, as set out in Chapter 4, section 2.5, paragraph 2.5.7 of the 2020 Annual Report – Universal Registration Document.

2.5.8. STÉPHANE ROUSSEL – MEMBER OF THE MANAGEMENT BOARD

Components of compensation paid during 2020 or allocated for that year	Amount or value (before taxes and Social Security contributions)	Description
Fixed compensation	€1,000,000	Gross fixed compensation set by the Supervisory Board on February 13, 2020 based on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, in accordance with the principles and criteria applicable for setting the compensation of the members of the Management Board for 2020, as approved by the Supervisory Board on February 13, 2020 and by the General Shareholders' Meeting of April 20, 2020 (nineteenth resolution).
2020 variable compensation	€800,000	At its Meeting held on March 3, 2021, on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board reviewed the achievement rates of the financial and non-financial criteria used to determine the amount of Stéphane Roussel's variable compensation for 2020. His variable compensation represents 80% of his fixed compensation (see Section 2.2.2.1 of this chapter).
2019 variable compensation	€900,000	Amount paid following approval by the General Shareholders' Meeting of April 20, 2020 (sixteenth resolution), in accordance with Article L. 225-100 III of the French Commercial Code (as applicable at that date).
Deferred variable compensation	n/a	Stéphane Roussel does not receive any deferred variable compensation.
Multi-year variable compensation	n/a	Stéphane Roussel does not receive any multi-year variable compensation.
Extraordinary compensation	n/a	Stéphane Roussel did not receive any extraordinary compensation.
Stock options	n/a	The company has not granted any stock options since 2013.
Performance shares	€867,200 (book value)	40,000 performance shares granted by the Supervisory Board on February 13, 2020 as proposed by the Corporate Governance, Nominations and Remuneration Committee. The vesting of these performance shares is subject to the achievement of performance conditions over a period of three consecutive years (2020-2022), as assessed at the end of that period. These conditions are based on the following internal and external indicators (without any possibility of offsetting the results of each of the two indicators against each other). The internal indicator has a 70% weighting and is based on (i) adjusted net income per share (50%) and (ii) cash flow from operations after interest and tax (group CFAIT) (20%). The external indicator has a 30% weighting and is based on Vivendi's stock market performance between January 1, 2020 and December 31, 2022 relative to the STOXX® Europe Media index (20%) and the CAC 40 index (10%) (see Section 2.2.2.2 of this chapter).
Board remuneration (formerly "attendance fees")	n/a	Stéphane Roussel does not receive any remuneration for his role as a member of the Management Board.
Benefits-in-kind	€30,239	Company car (with no chauffeur); profit sharing (under Vivendi SE's collective agreement) and employer contribution to excess Social Security charges.

Deferred compensation	Amount	Description
Severance payment	None	Stéphane Roussel is not entitled to receive any severance payment in respect of his corporate office. He is entitled to a severance payment equal to eighteen months' salary + target bonus under his employment contract.
Non-compete payment	None	Stéphane Roussel is not entitled to receive any non-compete payment.
Supplemental pension plan	None	As is the case for a number of Vivendi's other senior executives, Stéphane Roussel is eligible to participate in the supplemental pension plan that was set up on January 1, 2020 pursuant to Article L. 137-11-2 of the French Social Security Code. Dual cap: 25% of reference compensation (fixed plus variable) capped at 60 times the Social Security maximum. Annuity growth rate in 2020, based on seniority within the group: 1.50% subject to performance criteria. Potential annuity accrued in 2020: €34,350 (see Section 2.2.2.3 of this chapter).

n/a: not applicable.

Proposed resolution to be submitted at the General Shareholders' Meeting of June 22, 2021

Approval of the components of compensation and benefits-in-kind paid during or allocated for 2020 to Stéphane Roussel, member of the Management Board

Having reviewed the corporate governance report drawn up pursuant to Articles L. 225-68 and L. 22-10-20 of the French Commercial Code, in accordance with Article L. 22-10-34 II. (previously Article L. 225-100 III.) of the French Commercial Code, the General Shareholders' Meeting approves the components making up the total compensation and benefits paid during or allocated for 2020 to Stéphane Roussel in his capacity as member of the Management Board, as set out in Chapter 4, section 2.5, paragraph 2.5.8 of the 2020 Annual Report – Universal Registration Document.

2.6. Comparison between the compensation of executive corporate officers and the average and median salaries of employees

The scope of the information presented below covers the salaried employees of Vivendi SE pursuant to sub-sections 6 and 7 of Article L. 22-10-9 I. of the French Commercial Code **(1)** and salaried employees in France **(2)** pursuant to the guidelines on executive pay ratio reporting published by AFEP in February 2021. Vivendi has employees in close to 80 countries with widely varying situations. For this reason, limiting the reporting scope to Vivendi SE and employees in France is considered the only way of making meaningful comparisons.

The comparison is based on the fixed and variable compensation and benefits paid by Vivendi SE and its French subsidiaries for positions held during the reporting period (2016 to 2020), plus the book value of performance shares granted during the period **(3)**. The amounts shown for the Chairman of the Supervisory Board and the Chairman and members of the Management Board of Vivendi SE correspond exclusively to the amounts paid or allocated to them for their services on the Supervisory Board or Management Board (for 2020, see sections 2.2.1.1, 2.2.2.1 and 2.2.2.2 of this chapter for details).

The average and median compensation of salaried employees has been calculated on a full-time equivalent basis, which corresponds to a full year of annual compensation. The calculation does not include any severance payments, non-compete payments, or accrued pension benefits, in accordance with the AFEP guidelines on executive pay ratio reporting published in February 2021.

(1) Previously sub-sections 6 and 7 of Article L. 225-37-3 of the French Commercial Code.

(2) Employees in France: 10,725 out of a total group workforce of 42,526 as of December 31, 2020.

(3) The book value is calculated based on the number of performance shares. The value per performance share used for this table corresponds to the value recognized in the financial statements in accordance with IFRS 2 (see Note 20 to the Consolidated Financial Statements for the fiscal year ended December 31, 2020 in Chapter 5 for a description of the measurement of equity-settled instruments). This per-share value is €14.68 for the May 2016 plan, €14.37 for the February 2017 plan, €19.85 for the May 2018 plan, €19.37 for the February 2019 plan and €21.68 for the February 2020 plan.

(ratios)	**2020**	**2019**	**2018**	**2017 (1)**	**2016**
Chairman of the Supervisory Board (2)					
% change in compensation	0.00%	0.00%	0.00%	0.00%	0.00%
Legal scope (Vivendi SE)					
Mean pay ratio	*2.36*	*2.57*	*2.70*	*2.80*	*2.82*
Median pay ratio	*4.92*	*4.77*	*4.88*	*4.84*	*4.92*
Geographic scope (France)					
Mean pay ratio	*6.01*	*6.11*	*6.30*	*6.34*	*6.50*
Median pay ratio	*8.00*	*8.02*	*8.25*	*8.22*	*8.39*
Chairman of the Management Board					
% change in compensation	+3.15%	+2.88%	**(3)** +17.73%	-24.06%	+10.34%
Legal scope (Vivendi SE)					
Mean pay ratio	*20.94*	*20.90*	*22.59*	*19.93*	*26.36*
Median pay ratio	*43.70*	*38.72*	*40.82*	*34.38*	*46.07*
Geographic scope (France)					
Mean pay ratio	*53.35*	*52.60*	*52.76*	*45.05*	*60.81*
Median pay ratio	*71.01*	*69.06*	*69.01*	*58.44*	*78.51*
Members of the Management Board					
Gilles Alix (4)					
% change in compensation	**(5)** +70.92%	+12.07%	-1.73%	n/a	n/a
Legal scope (Vivendi SE)					
Mean pay ratio	*9.98*	*6.37*	*5.97*	*6.31*	*n/a*
Median pay ratio	*20.84*	*11.81*	*10.79*	*10.88*	*n/a*
Geographic scope (France)					
Mean pay ratio	*25.44*	*15.14*	*13.94*	*14.26*	*n/a*
Median pay ratio	*33.86*	*19.88*	*18.23*	*18.50*	*n/a*
Cédric de Bailliencourt (4)					
% change in compensation	+9.39%	+0.80%	-1.71%	n/a	n/a
Legal scope (Vivendi SE)					
Mean pay ratio	*4.60*	*4.59*	*4.78*	*5.05*	*n/a*
Median pay ratio	*9.60*	*8.50*	*8.63*	*8.71*	*n/a*

(ratios)	2020	2019	2018	2017 (1)	2016
Geographic scope (France)					
Mean pay ratio	*11.72*	*10.90*	*11.16*	*11.41*	*n/a*
Median pay ratio	*15.60*	*14.31*	*14.59*	*14.80*	*n/a*
Frédéric Crépin					
% change in compensation	+8.59%	+1.00%	+10.07%	-13.76%	**(6)** +97.58%
Legal scope (Vivendi SE)					
Mean pay ratio	*13.56*	*13.63*	*14.16*	*13.36*	*15.57*
Median pay ratio	*28.31*	*25.25*	*25.59*	*23.05*	*27.20*
Geographic scope (France)					
Mean pay ratio	*34.56*	*32.37*	*33.07*	*30.20*	*35.90*
Median pay ratio	*46.00*	*42.50*	*43.26*	*39.18*	*46.35*
Simon Gillham					
% change in compensation	+9.59%	+2.25%	+17.23%	-17.87%	**(6)** +110.99%
Legal scope (Vivendi SE)					
Mean pay ratio	*12.37*	*12.32*	*12.65*	*11.20*	*13.70*
Median pay ratio	*25.83*	*22.82*	*22.85*	*19.33*	*23.95*
Geographic scope (France)					
Mean pay ratio	*31.53*	*29.26*	*29.53*	*25.32*	*31.61*
Median pay ratio	*41.97*	*38.42*	*38.62*	*32.85*	*40.80*
Hervé Philippe					
% change in compensation	+9.11%	-1.52%	-6.97%	-12.76%	+5.20%
Legal scope (Vivendi SE)					
Mean pay ratio	*13.24*	*13.23*	*14.11*	*15.75*	*18.13*
Median pay ratio	*27.62*	*25.42*	*25.49*	*27.16*	*31.69*
Geographic scope (France)					
Mean pay ratio	*33.73*	*31.44*	*32.94*	*35.59*	*41.82*
Median pay ratio	*44.89*	*41.27*	*43.09*	*46.18*	*54.00*
Stéphane Roussel					
% change in compensation	+9.50%	-0.73%	+9.36%	-11.04%	+7.71%
Legal scope (Vivendi SE)					
Mean pay ratio	*16.49*	*16.43*	*17.37*	*16.50*	*18.63*
Median pay ratio	*34.41*	*30.43*	*31.38*	*28.46*	*32.55*
Geographic scope (France)					
Mean pay ratio	*42.01*	*39.02*	*40.56*	*37.28*	*42.97*
Median pay ratio	*55.92*	*51.23*	*53.05*	*48.37*	*55.47*

n/a: not applicable.

(1) Between 2016 and 2017, the Supervisory Board decided to establish a better balance between the fixed and variable components of the Management Board members' compensation (see Section 2.1.3 of Chapter 3 of the 2017 Annual Report – Registration Document).

(2) The ratios for 2018 have been calculated based on the compensation paid to the Chairman of the Supervisory Board, on the following proportionate bases: Vincent Bolloré (for the period between January 1 and April 19, 2018) and Yannick Bolloré (for the period between April 19 and December 31, 2018).

(3) The Supervisory Board rebalanced the compensation of the Chairman of the Management Board in 2018, following termination of his executive duties at Telecom Italia and due to the fact that in 2018 he was not paid any variable compensation by Telecom Italia for 2017 (see Section 2.2.2.1 of Chapter 2 of the 2018 Annual Report – Registration Document).

(4) Gilles Alix and Cédric de Bailliencourt have been members of the Management Board since September 1, 2017. The ratios for 2018 and 2017 were calculated (i) on an annual basis for their fixed and variable compensation. The ratio for 2017 takes into account a theoretical 2016 variable portion on the basis of an 80% target, consistent with the compensation policy for 2016. Gilles Alix was not granted any performance shares between 2017 and 2019. Cédric de Bailliencourt has not been granted any performance shares.

(5) Gilles Alix was granted performance shares for the first time in 2020.

(6) Frédéric Crépin and Simon Gillham have been members of the Management Board since November 10, 2015. Neither Frédéric Crépin nor Simon Gillham were granted any performance shares in 2015 in their capacity as members of the Management Board.

In accordance with sub-section 7 of Article L. 22-10-9 I. of the French Commercial Code, the table below sets out the evolution of the performance of the company and the average compensation paid to its employees in the past five years, using the same calculation bases as for the preceding table.

Earnings after tax, depreciation, amortization and provisions – which is the only indicator that effectively shows year-on-year changes in the company's performance over the past five years – is shown below in accordance with the same Article.

Year-on-year changes, over the same period, in the following consolidated data for the Vivendi group are shown below for information purposes: adjusted net income, cash flow from operations (CFFO) and cash flow from operations after interest and tax (CFAIT).

Consolidated data (in millions of euros)	2020	2019	2018	2017	2016
Adjusted net income	1,228	1,741	1,157	1,300	755
Cash flow from operations (CFFO)	696	903	1,126	989	729
Cash flow from operations after interest and tax (CFAIT)	548	567	822	1,346	341
Parent-company data					
Earnings after tax, depreciation, amortization and provisions (in millions of euros)	**(1)** 3,009.4	1,729.8	951.3	703.1	1,609.5
% change in average salary					
Legal scope (Vivendi SE)	+9.10%	+4.97%	+3.87%	+0.44%	-28.19%
Geographic scope (France)	+1.71%	+3.19%	+0.52%	+2.52%	**(2)**

(1) Includes €2,428 million gain on the sale of 10% of UMG on March 31, 2020.

(2) Not available.

2.7. Trading in company securities

Stock Trading Ethics

In compliance with European Market Abuse Regulation No. 596/2014 of April 16, 2014, the recommendations of the AFEP-MEDEF Code and the rules applicable within Vivendi, purchase and sale transactions involving the company's securities are prohibited during the period from the date when a member of the Supervisory Board or Management Board becomes aware of precise information concerning the company's day-to-day business or prospects which, if it were made public, would be likely to have a significant effect on the company's share price, up to the date when this information is made public.

In addition, in accordance with Vivendi's internal rules, such transactions are prohibited for 30 calendar days preceding and including the day of publication of the company's half-yearly and annual financial statements and for a period of 15 calendar days preceding and including the day of publication of Vivendi's quarterly financial information.

Vivendi prepares and distributes a summary schedule setting out the blackout periods during which transactions involving the company's shares are prohibited. This schedule also makes clear that the periods indicated do not preclude the existence of other blackout periods that may apply, due to the knowledge of specific market information concerning developments in Vivendi's business or prospects which, if made public, would be likely to have a material impact on the company's share price.

At its Meeting held on January 24, 2007, Vivendi's Management Board prohibited the use of all hedge transactions on stock options, shares resulting from the exercise of stock options, performance shares, and the company's securities in general, through the hedged purchase or sale of shares or the use of any other option mechanism.

These restrictions appear in the rules of the stock option and performance share plans, and beneficiaries of these plans are reminded of them in the individual grant letters. These restrictions also appear in the internal rules of the Supervisory Board and Management Board.

2.7.1. TRADING IN SECURITIES BY MEMBERS OF THE SUPERVISORY BOARD AND MANAGEMENT BOARD IN 2020

Pursuant to Article 223-26 of the General Regulations of the AMF *(Autorité des marchés financiers)*, the table below sets out transactions involving the company's securities in 2020 and 2021 up to the date of this Annual Report – Universal Registration Document that were reported to the company and to the AMF:

Name	Awards (1) / Purchases (2) / Financing (3)			Exercise of stock subscription options			Sales			Subscriptions (Group Savings Plan)		
	Date	**Quantity**	**Unit price** (in euros)	**Date**	**Quantity**	**Unit price** (in euros)	**Date**	**Quantity**	**Unit price** (in euros)	**Date**	**Quantity**	**Unit price** (in euros)
Compagnie de Cornouaille (Bolloré Group)	04/01/2020	0	**(3)** n/a									
Financière de l'Odet SE (Bolloré Group)	03/04/2021	849,102	**(4)** 28.006735									
	03/04/2021	50,898	27.981530									
	03/05/2021	500,000	**(4)** 27.6154									
	03/08/2021	234,131	**(4)** 27.6950									
	03/08/2021	5,216	27.5484									
	03/09/2021	223,844	**(4)** 27.6445									
	03/09/2021	29,084	27.6414									
	03/10/2021	65,815	**(4)** 27.5768									
	03/10/2021	137,082	27.5848									
	03/12/2021	69,422	**(4)** 27.6968									
	03/12/2021	94,040	27.6667									
	03/15/2021	169,576	**(4)** 27.6043									
	03/15/2021	230,424	27.6327									
	04/01/2021	37,892	**(4)** 27.6976									
	04/01/2021	19,108	27.6679									
Yannick Bolloré	03/09/2020	2,000	21.50							07/21/2020	**(5)** 39,132.4449	14.54
	03/12/2020	2,000	19.85							07/21/2020	**(6)** 132.8984	16.554
	03/12/2020	2,000	18.70									
	05/11/2020	**(1) (a)** 39,600	n/a									
Cyrille Bolloré	02/14/2020	**(2)** 4,000	25.2100									
Vincent Bolloré										07/21/2020	**(5)** 21,436.3595	14.54
										07/21/2020	**(6)** 132.7655	16.554
Arnaud de Puyfontaine	02/24/2020	**(1) (b)** 37,500	n/a							07/21/2020	**(5)** 30,374.5410	14.54
										07/21/2020	**(6)** 132.8984	16.554
Gilles Alix										07/21/2020	**(5)** 3,929.3844	14.54
										07/21/2020	**(6)** 132.7655	16.554
Cédric de Bailliencourt										07/21/2020	**(5)** 9,440.4065	14.54
										07/21/2020	**(6)** 132.7655	16.554

Name	Awards (1) / Purchases (2) / Financing (3)			Exercise of stock subscription options			Sales			Subscriptions (Group Savings Plan)		
	Date	**Quantity**	**Unit price** (in euros)	**Date**	**Quantity**	**Unit price** (in euros)	**Date**	**Quantity**	**Unit price** (in euros)	**Date**	**Quantity**	**Unit price** (in euros)
Frédéric Crépin				**(7)** 03/18/2020	25,000	15.80						
	02/24/2020	**(1) (b)** 30,000	n/a									
										07/21/2020	**(5)** 6,935.3964	14.54
										07/21/2020	**(6)** 132.7655	16.554
				03/23/2021	**(8)** 9,000	17.19	3/23/2021	9,000	28.44			
Simon Gillham												
	02/24/2020	**(1) (b)** 22,500	n/a							07/21/2020	**(5)** 12,165.6367	14.54
Hervé Philippe	03/05/2021	**(2)** 7,500	27.95									
	02/24/2020	**(1) (b)** 30,000	n/a							07/21/2020	**(5)** 21,965.4566	14.54
										07/21/2020	**(6)** 132.7655	16.554
Stéphane Roussel	02/24/2020	**(1) (b)** 30,000	n/a				06/09/2020	79,840	22.8964	07/21/2020	**(5)** 7,309.6166	14.54
										07/21/2020	**(6)** 132.7655	16.554
				03/11/2021	**(8)** 46,378	17.19	03/11/2021	46,378	27.8031			

n/a: not applicable.

(1) (a) Delivery of 39,600 Vivendi shares on May 11, 2020, replacing the 90,000 rights to Havas shares granted to him in his capacity as Chairman and Chief Executive Officer of Havas under the Havas performance share plan of May 10, 2016 (Plan A), which Havas's Board of Directors declared as having vested at its Meeting held on February 10, 2020.

In connection with Vivendi's takeover of Havas on July 3, 2017, followed by Vivendi's simplified tender offer for the remaining shares in Havas and then its public buyout offer followed by a mandatory squeeze-out, the number of Vivendi shares was calculated based on an exchange ratio of 0.44 of a Vivendi share for 1 Havas share (see the prospectus drawn up jointly by Vivendi and Havas available online at www.vivendi.com and on www.amf-france.org as well as AMF clearance decision No. 217C2760 dated November 28, 2017).

(b) Vesting of performance shares (Plan 02-2017-1).

(2) Purchased on the market.

(3) Second Addendum to the addendum to the contract disclosed in AMF Notice 016DD424133. Extension until April 8, 2024 of the financing set up on August 16, 2012, increased to €150 million on April 6, 2016 and secured by 8,285,005 Vivendi shares, repayable in cash or by delivery of shares. A further 11,847,556 Vivendi shares have been pledged since April 8, 2016, with the actual number adjusted daily through margin calls and reverse margin calls based on changes in the Vivendi share price up to a maximum of 20 million shares, with cash collateral to be provided beyond that. Compagnie de Cornouaille is therefore not exposed to any financial risk in relation to this financing other than resulting from the shares it owns.

(4) Aggregate price.

(5) Groupe Vivendi Relais 2020 mutual fund units (as part of the share ownership plan reserved for employees and corporate officers of the Vivendi group who are members of the group's Savings Plan).

(6) Opus 20 Levier Vivendi mutual fund units (as part of the share ownership plan reserved for employees and corporate officers of the Vivendi group who are members of the group's Savings Plan).

(7) Exercise of stock options (April 2010 plan).

(8) Exercise of stock options (April 2011 plan).

SECTION 3. GENERAL INFORMATION ABOUT THE COMPANY

3.1. Corporate and Commercial Name

Pursuant to Article 1 of Vivendi's by-laws, the corporate name of the company is Vivendi SE **(1)**.

(1) In the thirty-fourth and thirty-fifth resolutions of the April 15, 2019 General Shareholders' Meeting, the company's shareholders approved the conversion of Vivendi into a European company (société européenne) as well as the terms of the conversion plan drawn up by the Management Board *(Directoire)* on February 11, 2019 and approved by the Supervisory Board *(Conseil de surveillance)* on February 14, 2019. At the same Meeting, the shareholders adopted the full text of the new by-laws (the "by-laws"), which have governed the company since January 7, 2020, when the conversion was finalized following the company's registration in its new form, after completion of the applicable negotiation procedure with employees.

3.2. Place of Registration and Registration Number

The company is registered with the Paris Trade and Companies Registry under reference number 343 134 763. Its Siret registration number is 343 134 763 00048 and its APE business identifier code is 6420Z.

3.3. Date of Incorporation and Term

As set forth in Article 1 of the by-laws, the company's term is 99 years beginning on December 18, 1987. The company's term will therefore expire on December 17, 2086, except in the event of extension or early dissolution.

3.4. Registered Office, Legal Form and Laws Applicable to Vivendi SE's Business

Pursuant to Article 3 of the by-laws, the company's registered and head office is located at 42, avenue de Friedland, 75380 Paris Cedex 08, France.

The company does not have any branches in France or abroad.

Pursuant to Article 1 of the by-laws, Vivendi – which was originally a French limited liability company *(société anonyme)* with a Management Board *(Directoire)* and a Supervisory Board *(Conseil de surveillance)* – is, as of January 7, 2020, a European company, with a Management Board *(Directoire)* and a Supervisory Board *(Conseil de surveillance).* The company is registered under French law and is governed by (i) the European Council Regulation (EC) No. 2157/2001 of October 8, 2001 on the Statute for a European company (SE), (ii) the European Council Directive 2001/86/EC of October 8, 2001, (iii) the provisions of the French Commercial Code *(Code de commerce)* relating to companies in general and European companies in particular, and (iv) the by-laws.

3.5. Fiscal Year

Pursuant to Article 19 of the by-laws, the company's fiscal year begins on January 1 and ends on December 31 of each year.

3.6. Access to Legal Documents and Regulated Information

Legal documents relating to the issuer are available for review at the company's registered office. Periodic and ongoing regulated information may be found on the company's website (www.vivendi.com) under "Regulated Information". Information posted on the company's website does not constitute an integral part of this Annual Report – Universal Registration Document unless incorporated herein by reference.

3.7. Memorandum and by-laws

3.7.1. CORPORATE PURPOSE

Pursuant to Article 2 of the by-laws, the company's main corporate purpose, directly and indirectly, both in France and internationally, is: to provide communication, telecommunication, and interactive services (directly or indirectly) to individuals, businesses or public sector customers; to market products and services related to the foregoing; to engage (directly or indirectly), in commercial, industrial, financial, securities and real estate transactions, which (i) are related (directly or indirectly) to the aforementioned purpose or to any other similar or related purpose, or (ii) contribute to the achievement of such purpose; and more generally the management and acquisition, either by subscription, purchase, contribution, exchange or through any other means, of shares, bonds and any other securities of companies already existing or yet to be formed, including the possibility of selling such securities.

3.7.2. RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO THE COMPANY'S SHARES AND TO EACH CLASS OF EXISTING SHARES, IF APPLICABLE

Pursuant to Articles 4 and 5 of the by-laws, the company's shares are all of the same class and may be held in either registered or bearer form, unless provided otherwise by the applicable laws and regulations.

Pursuant to Article 6 of the by-laws, each share carries a right of ownership to the company's assets and liquidation surplus, in a proportion equal to the portion of the share capital it represents. Whenever a certain number of shares is necessary to exercise a right, shareholders who do not own said number of shares shall be responsible, if necessary, for grouping the shares corresponding to the required quantity. Subscription rights attached to shares belong to the holder of the usufruct rights *(usufruitier).*

3.7.3. ACTIONS NECESSARY TO CHANGE THE RIGHTS OF SHAREHOLDERS

The by-laws do not contain any terms and conditions that are more restrictive than those provided for in the applicable laws and regulations regarding rights attached to the company's shares and changes to the company's share capital.

3.7.4. SHAREHOLDERS' MEETINGS

Pursuant to Article 16 of the by-laws, Shareholders' Meetings are convened and held in accordance with the applicable laws and regulations.

Shareholders' Meetings are held at the company's registered office or at any other place indicated in the meeting notice. When convening such a meeting, the Management Board may decide to publicly broadcast the Shareholders' Meeting in full via videoconference or by another form of remote transmission. If applicable, this decision shall be published in the meeting notice and convening notice.

The Social and Economic Committee may also appoint two of its members to attend Shareholders' Meetings. The Chairman of the Management Board, or any other duly authorized person, notifies the Social and Economic Committee, by any method, of the date and venue of all Shareholders' Meetings called.

Each shareholder, without regard to the number of shares held, is entitled, upon proof of his or her identity and standing as a shareholder, to participate in the Shareholders' Meetings, subject to: (i) the recording of his or her shares on or before midnight (Paris time) on the second business day preceding the Shareholders' Meeting (the "Record Date"), whereby:

- registered shareholders are recorded under their name in the nominative share register on file with the company; and
- bearer shareholders are recorded under the name of their financial intermediary acting as holder of record, in the bearer share register on file with the authorized intermediary;

and (ii) if necessary, the provision of all relevant documents to the company to prove his or her identity as a shareholder in accordance with the applicable laws and regulations.

The registration or recording of shares in the bearer share account held by the authorized intermediary is authenticated by a shareholding certificate (attestation de participation) delivered by said intermediary in accordance with applicable laws and regulations.

Pursuant to Article 17 of the by-laws, voting rights attached to shares belong to usufruct holders *(usufruitiers)* in Ordinary Shareholders' Meetings and to legal owners of title *(nu-propriétaires)* in Extraordinary or Special Shareholders' Meetings, unless otherwise agreed by both parties and provided that the company is notified of such agreement by said parties.

Subject to the applicable laws and regulations, shareholders may send their proxy and voting forms by mail, either in paper form or, where approved by the Management Board and published in the meeting notice and the convening notice, by remote transmission. Proxy or voting forms sent by mail must be received by the company by 3:00 pm (Paris time) on the day prior to the Shareholders' Meeting.

The proxy or voting form may, if necessary, contain the shareholder's electronic signature, authenticated by a reliable and secure process, enabling identification of the shareholder as well as authentication of his or her vote.

Shareholders' Meetings are chaired by the Chairman of the Supervisory Board.

In accordance with the applicable legal provisions, all shares that have been registered in the name of the same owner for more than two years automatically carry double voting rights.

3.7.5. DETERMINATION, ALLOCATION AND DISTRIBUTION OF EARNINGS

Pursuant to Article 20 of the by-laws, Vivendi's statement of earnings summarizes the difference between its income and charges for the fiscal year, less amortization, depreciation and any provisions, and the resulting earnings.

Where applicable, at least 5% of the group's fiscal year's earnings, less any deferred losses, are withheld for allocation to statutory reserves. This ceases to be mandatory when the statutory reserves reach an amount equal to 10% of the share capital, and enters into effect again, if, for any reason, the same statutory reserves fall below this percentage.

The Shareholders' Meeting may set aside such sums as the Management Board deems appropriate for transfer to contingency funds, ordinary or extraordinary reserves, retained earnings, or for distribution.

In accordance with applicable laws and the by-laws, distributable earnings are equal to earnings for the fiscal year, less losses carried forward and allocations to reserves, plus earnings carried forward from previous fiscal years.

Dividends are first paid out of current earnings.

Except in the event of a reduction in share capital, no dividends may be distributed to shareholders if the company's equity is, or would become as a result of such distribution, less than the amount of the share capital plus any reserves that may not be distributed under the applicable laws, regulations or the by-laws.

Revaluation surpluses may not be distributed, but may be wholly or partially capitalized.

The Shareholders' Meeting may resolve to distribute funds deducted from available reserves by specifically identifying the reserve line items from which said deductions are to be made.

The manner in which dividends will be paid is determined by Vivendi's General Shareholders' Meeting or, failing that, by the Management Board. Dividends must be paid no later than nine months after the end of the fiscal year, unless extended by court order.

The Shareholders' Meeting has the right to grant each shareholder the option to receive all or part of the annual dividend or interim dividend distributed in the form of cash, shares, or payment in kind.

Dividends which remain unclaimed five years after the date of payment are no longer distributable.

3.7.6. PROVISIONS HAVING THE EFFECT OF DELAYING, DEFERRING OR PREVENTING A CHANGE IN CONTROL

The by-laws do not contain any provisions that would have the effect of delaying, deferring or preventing a change in control of the company.

3.7.7. PROVISIONS GOVERNING THE THRESHOLD ABOVE WHICH SHAREHOLDER OWNERSHIP MUST BE DISCLOSED

Pursuant to Article 5 of the by-laws, the company may, at any time and in accordance with the applicable laws and regulations, request that the relevant central depository for financial instruments provide it with information in relation to any of the company's securities that confer a right to vote (either immediately or in the future) at Shareholders' Meetings.

Any personal data or information obtained are used solely for the purpose of identifying the owners of bearer shares and analyzing Vivendi SE's share ownership structure on any given date. In accordance with the provisions of the French Law No. 78-17 of January 6, 1978, owners of securities have the right to access, amend and delete any personal information about themselves. To do so, a request must be submitted to Vivendi's Legal department or to the following e-mail address: tpi@vivendi.com.

Failure by shareholders or their intermediaries to disclose such information may, under the conditions provided by the applicable laws and regulations, lead to the suspension or forfeiture of dividend or voting rights attached to the shares concerned.

Any person, acting alone or in concert, who becomes the holder (directly or indirectly) of a fraction of the share capital, voting rights or securities giving rights to the share capital of the company which are equivalent to, or in excess of, 0.5%, or a multiple thereof, shall send a notice to the company by registered letter with acknowledgment of receipt. This must be done within 15 calendar days of crossing any of these thresholds. This notice shall specify the aggregate number of shares, voting rights or securities giving future rights to the share capital of the company that said person holds, whether directly or indirectly, alone or in concert.

Any person who fails to comply with this notification requirement is, upon request by one or more shareholders holding at least 0.5% of the company's share capital, subject to penalties in accordance with the applicable laws and regulations.

Any person, acting alone or in concert, is also required to inform the company within 15 calendar days if the percentage of share capital or voting rights they hold falls below any of the above-mentioned thresholds.

3.7.8. PROVISIONS GOVERNING CHANGES IN SHARE CAPITAL WHERE SUCH CONDITIONS ARE MORE STRINGENT THAN REQUIRED BY LAW

None.

3.7.9. AMENDMENT TO THE BY-LAWS ADOPTED BY THE EXTRAORDINARY SHAREHOLDERS' MEETING OF MARCH 29, 2021

On March 29, 2021, an Extraordinary Shareholders' Meeting was convened to submit for the approval of Vivendi SE shareholders an amendment to the company's by-laws that would allow the company to distribute dividends, reserves or premiums by way of the delivery of assets in kind, including financial securities.

As announced on February 13, 2021, this proposal reflects Vivendi's dialogue with its leading institutional shareholders, who for several years have been calling for the split or distribution of Universal Music Group (UMG) in order to reflect better the value of Vivendi's assets, particularly those related to the music business.

As a preliminary step, it was necessary to obtain a valuation of UMG based on its fair value to provide Vivendi with sufficient financial resources to support the fulfillment of its development plan to build a world-class content, media and communications group.

The acquisition by the consortium led by Tencent Holdings Limited of a 20% interest in UMG – finalized between March 2020 and January 2021 – for which the enterprise value was set at €30 billion for 100% of UMG on a fully-diluted basis, as well as interests expressed by new investors at potentially higher prices, further support UMG's valuation, enabling the company to consider a distribution, in shares, of 60% of UMG's share capital to Vivendi SE shareholders before the end of 2021. If this distribution were to proceed, Vivendi SE shareholders would be consulted again at another General Shareholders' Meeting. An application would be made for the listing of UMG's shares, issued by its holding company, on Euronext NV in Amsterdam, in a country that has been one of UMG's historical headquarters.

In order to enable the company to make this special distribution in kind, if it goes ahead, it was decided to ask the shareholders at the Extraordinary Meeting to approve an amendment to Article 20 of the company's by-laws entitled "Allocation of earnings and distribution of profits", to allow the Shareholders' Meeting to decide, in accordance with Article L. 232-12 of the French Commercial Code, in the event of a distribution of dividends, reserves or premiums, or in the event of a capital reduction, that all or part of such distribution or capital reduction will be made through the delivery of assets in kind, including financial securities held by the company. In the event of an interim dividend payment, this option would be available to the Management Board pursuant to Article R. 232-17 of the French Commercial Code.

Article 20 of the by-laws, "Allocation of earnings and distribution of profits" has therefore been amended to read as follows.

Previous Text	New Text
Article 20 – Allocation of earnings and distribution of profits	**Article 20 – Allocation of earnings and distribution of profits**
1. The statement of income shows revenues and expenses for the fiscal year, expressing net income for the year as the difference between the two, after deducting amortization, depreciation and provisions.	Unchanged
Where applicable, at least 5% of the group's financial year's earnings, less any deferred losses, are withheld for allocation to statutory reserves. This ceases to be mandatory when the statutory reserves reach an amount equal to 10% of the share capital, and enters into effect again, if, for any reason, the same statutory reserves fall below this percentage.	Unchanged
The Shareholders' Meeting may set aside such sums as the Management Board deems appropriate for transfer to contingency funds, ordinary or extraordinary reserves, retained earnings, or for distribution.	Unchanged
2. In accordance with applicable law and Vivendi's by-laws, distributable earnings are equal to earnings for the financial year, less losses carried forward and allocations to reserves, plus earnings carried forward from previous financial years. Dividends are first paid out of current earnings.	Unchanged
Except in the event of a reduction in share capital, no dividends may be distributed to shareholders when shareholders' equity is, or would become as a result of such distribution, less than the amount of the share capital plus reserves, the distribution of which is not permitted by applicable law or these by-laws.	Unchanged
Revaluation surpluses may not be distributed but may be capitalized in full or in part.	Unchanged
The Shareholders' Meeting may decide to distribute amounts deducted from available reserves by indicating the reserve items from which the amounts shall be deducted.	Unchanged
The terms of payment of dividends shall be determined by the Shareholders' Meeting or, failing that, by the Management Board. Dividends must be paid no later than nine months after the end of the fiscal year, unless an extension is granted by court order.	Unchanged
The General Meeting of Shareholders has the right to grant each shareholder the option to receive all or part of the annual dividend or interim dividend distributed in the form of cash, shares, or payment in kind.	Unchanged
	In addition, the Shareholders' Meeting – or the Management Board in the case of an interim dividend – may decide that all or part of the distribution of a dividend, an interim dividend, reserves or premiums, or of a capital reduction, will be made through the delivery of assets in kind, including financial securities. In all cases, it may be decided that rights forming fractional shares will be neither negotiable nor transferable, notwithstanding Article 6-2 of these by-laws. In particular, it may be decided that if the share of the distribution to which the shareholder is entitled does not correspond to a whole number of the unit of measure used for the distribution, the shareholder will receive the whole number, in the unit of measure, immediately below that number, together with an equalization payment in cash.
Dividends remaining unclaimed for a term of five years after the declaration date are no longer distributable under applicable statutes of limitation.	Unchanged

3.8. Share Capital

3.8.1. AMOUNT OF ISSUED SHARE CAPITAL

As of December 31, 2020, the company's share capital was €6,522,975,915.50, divided into 1,185,995,621 shares with a par value of €5.50 each. The number of gross voting rights totaled 1,262,578,059.

All shares may be held in registered or bearer form and are transferable. The shares are traded on Euronext Paris (Compartment A) (ISIN code: FR0000127771). LEI No. 969500FU4DRAEVJW7U54.

3.8.2. SHARES NOT REPRESENTING CAPITAL

None.

3.8.3. AUTHORIZED BUT NON-ISSUED SHARE CAPITAL

Details of the delegations of authority and authorizations approved at the General Shareholders' Meetings of April 19, 2018, April 15, 2019 and April 20, 2020 are shown below.

ISSUES OF SECURITIES WITH PREFERENTIAL SUBSCRIPTION RIGHTS

Transactions	**Source (resolution number)**	**Duration of the authorization (expiry date)**	**Maximum nominal amount of share capital increase**
Capital increase (ordinary shares and marketable securities giving right to the share capital)	30th– 2019	26 months (June 2021)	**(a)** 750 million, i.e., ≈ 10.44% of the share capital
Capital increase by incorporation of reserves	31st – 2019	26 months (June 2021)	375 million, i.e., ≈ 5.22% of the share capital

ISSUES OF SECURITIES WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS

Transactions	**Source (resolution number)**	**Duration of the authorization (expiry date)**	**Maximum nominal amount of share capital increase**
Contributions in kind to the company	26th – 2018	26 months (June 2020)	**(b)** 5% of the share capital

ISSUES RESERVED FOR EMPLOYEES OF VIVENDI

Transactions	**Source (resolution number)**	**Duration of the authorization (expiry date)**	**Main Terms**
Share capital increase reserved for employees that are members of the Vivendi Group Employee Stock Purchase Plan *(plan d'épargne groupe,* or PEG)	**(c)** 32nd – 2019	26 months (June 2021)	**(b)** Maximum of 1% of the share capital at the date of the General Shareholders' Meeting
	(d) 33rd – 2019	18 months (October 2020)	
Grant of existing or future performance shares	**(e)** 27th – 2018	38 months (June 2021)	Maximum of 1% of the share capital on the grant date

SHARE REPURCHASES

Transactions	Source (resolution number)	Duration of the authorization (expiry date)	Main Terms
Share repurchase program	**(f)** 6th – 2020	18 months (October 2021)	10% of the share capital Maximum purchase price per share: 26 euros (118.5 million shares)
Public share buyback offer (OPRA)	**(g)** 28th – 2020	12 months (April 2021)	30% of the share capital Maximum purchase price per share: 26 euros (355.4 million shares)
Share cancellations/Share repurchase program	**(h)** 27th – 2020	18 months (October 2021)	10% of the share capital over a 24-month period
Share cancellations/OPRA	**(h)** 28th – 2020	12 months (April 2021)	30% of the share capital Maximum purchase price per share: 26 euros (355.4 million shares)

(a) Aggregate maximum amount for capital increases, all transactions included.

(b) This amount is applied to the maximum aggregate amount of €750 million set in the thirtieth resolution of the 2019 General Shareholders' Meeting.

(c) Used to issue share representing 0.23% of the share capital in July 2019.

(d) Used to issue shares representing 0.18% of the share capital in July 2019.

(e) Used to grant performance shares representing 0.12% of the share capital in May 2018, 0.13% in February 2019 and 0.14% in February 2020.

(f) Used to repurchase shares representing 6.20% of the share capital between April 29, 2020 and February 12, 2021.

(g) Any shares repurchased for the purpose of canceling shares under the sixth resolution of the 2020 General Shareholders' Meeting will be deducted from the maximum amount set in the twenty-eighth resolution.

(h) Not used.

3.8.4. SHARES HELD BY THE COMPANY

3.8.4.1. Summary of the Previous Share Repurchase Program (2019-2020)

Following the decision of the Management Board at its Meeting on May 24, 2019, and pursuant to the authorization granted in the twenty-seventh resolution of the Combined General Shareholders' Meeting of April 15, 2019, Vivendi launched a share repurchase program on May 28, 2019. The maximum per-share purchase price under this program was set at €25, in compliance with the €25 cap set at the Shareholders' Meeting.

The maximum amount of the company's share capital that the repurchases could represent was originally set at 5% and was subsequently raised to 10% following a decision of the Management Board dated July 23, 2019.

The objective of this program was for the company to repurchase 130,930,810 shares for the purposes of:

- canceling shares (115,883,042 shares);
- transferring, under employee rights issues, shares to employees and/or officers of Vivendi group entities who are members of the Vivendi Group Employee Stock Purchase Plan *(plan d'épargne groupe*, or PEG) or the International Group Employee Stock Purchase Plan (8,250,000 shares); and
- allocating shares to cover performance share plans (6,797,768 shares).

Aggregate number of purchases and sales/transfers of shares from April 15, 2019 to April 20, 2020 (other than shares purchased under the liquidity agreement)

Number of shares held as of April 15, 2019: 38,209,455 (of which 3,115,946 were to cover performance share plans and 35,093,509 for external growth transactions).

	Number of shares	**Value/share price/ average price per share** (in euros)	**Total value** (in euros)
Period from April 15, 2019 to December 31, 2019 (a)			
Purchase (between May 28 and December 12, 2019)	107,909,841	24.69	2,644,341,081
Sale/Transfer	**(*)** 1,188,368	18.18	21,606,528
Cancellation via a capital reduction (between June 17 and November 26, 2019)	**(**)** (130,930,810)	22.65	2,965,549,731
Period from January 1, 2020 to April 20, 2020 (b)			
Purchase (between January 22 and March 6, 2020)	23,020,969	24.21	557,407,492
Sale/Transfer	**(*)** 1,525,402	16.64	25,388,231

(a) As of December 31, 2019, Vivendi directly held 14,000,118 of its own shares with a par value of €5.50 each, representing 1.18% of its share capital, including 2,869,833 shares allocated to cover performance share plans and 11,130,285 shares allocated for cancellation.

(b) As of April 20, 2020, Vivendi directly held 35,495,685 of its own shares with a par value of €5.50 each, representing 2.99% of its share capital, including 8,142,199 shares allocated to cover performance share plans, 19,103,486 shares allocated for cancellation, and 8,250,000 shares allocated for transfers to employees and/or officers of Vivendi group entities under employee rights issues.

(*) Transfer to certain beneficiaries of performance share plans, following the Management Board's decision on June 17, 2019 to reallocate 5,111,404 treasury shares previously held for external growth transactions to performance share plans.

(**) Cancellation by means of a capital reduction between June 17 and November 26, 2019 (see Section 3.8.4.3. of this chapter), after allocating the following shares for cancellation that were previously allocated for other purposes:

- 29,982,105 shares previously held for external growth transactions (reallocated by the Management Board on June 17, 2019); and
- 4,169,149 shares previously held to cover performance share plans (reallocated by the Management Board on November 26, 2019).

3.8.4.2. Current Share Repurchase Program (2020-2021)

Following the decision of the Management Board at its Meeting on April 27, 2020, and pursuant to the authorization granted in the sixth resolution of the Combined General Shareholders' Meeting of April 20, 2020, Vivendi launched a share repurchase program on April 29, 2020. The maximum per-share purchase price under this program was set at €26, in compliance with the €26 cap set at the Shareholders' Meeting.

The maximum amount of the company's share capital that the repurchases could represent was originally set at 0.7% and was subsequently raised to 7.87% following decisions of the Management Board dated June 15, June 25, and October 19, 2020.

The objective of the current program is for the company to repurchase 93,250,000 shares for the purposes of:

- transferring, under employee rights issues, shares to employees and/or officers of Vivendi group entities who are members of the Vivendi Group Employee Stock Purchase Plan *(plan d'épargne groupe,* or PEG) or the International Group Employee Stock Purchase Plan (8,250,000 shares); and
- canceling shares (85,000,000 shares).

This program was implemented through mandates given to a bank acting as an investment services provider.

Aggregate number of purchases and sales/transfers of shares from April 20, 2020 to March 31, 2021 (other than shares purchased under the liquidity agreement)

Number of shares held as of April 20, 2020: 35,495,685

	Number of shares	Value/share price/ average price per share (in euros)	Total value (in euros)
Period from April 20, 2020 to December 31, 2020			
Purchase (between April 29 and December 21, 2020)	66,218,897	24.05	1,592,367,433
Sale/Transfer	**(*)** 8,548,988	23.58	201,618,648
Period from January 1, 2021 to March 31, 2021			
Purchase (between January 5 and February 12)	7,276,816	25.90	188,464,285
Sale/Transfer	**(**)** 3,250	16.64	54,092

(*) Transfers to (i) certain beneficiaries of performance share plans (683,078 shares) and (ii) employees and/or officers of Vivendi group entities who are members of the Vivendi Group Employee Stock Purchase Plan (*plan d'épargne groupe,* or PEG) or the International Group Employee Stock Purchase Plan, under employee rights issues (7,865,910 shares).

(**) Transfer to the estate of a beneficiary of a performance share plan.

3.8.4.3. Cancellation of Shares by Reduction of Share Capital during the last 24 months

Between June 17 and November 26, 2019, the Management Board used the authorization granted in the twenty-eighth resolution of the April 15, 2019 Combined General Shareholders' Meeting to cancel a total of 130,930,810 treasury shares, representing 10% of the company's share capital as at the date the share repurchase program was launched (in compliance with Article L. 225-209 of the French Commercial Code in the version in force prior to amendment **(1)**).

- On June 17, 2019, cancellation of 50 million shares, including:
  - 20,017,895 shares purchased on the open market under the current share repurchase program; and
  - 29,982,105 shares that were previously held for external growth transactions and reallocated for cancellation.
- On July 25, 2019, cancellation of 44,679,319 shares purchased on the open market under the current share repurchase program.
- On November 26, 2019, cancellation of 36,251,491 shares, including:
  - 32,082,342 shares purchased on the open market under the current share repurchase program; and
  - 4,169,149 shares out of a total of 7,062,778 that were reallocated for cancellation after previously being held to cover performance share plans.

Consequently, as of November 26, 2019, the company's share capital totaled €6,510,644,261, divided into 1,183,753,502 shares with a par value of €5.50 each. The amount deducted from the additional paid-in capital account shown as a liability in the statement of financial position corresponds to the difference between the aggregate par value of the shares that were canceled (€720,119,455) and their purchase price (€2,965,549,731.14), i.e., €2,245,430,276.14.

(1) Effective January 1, 2021, Article L. 25-209 was recodified as Article L. 22-10-62 of the French Commercial Code.

3.8.4.4. Vivendi Shares held Directly by the company

Position as of December 31, 2020

As of December 31, 2020, Vivendi directly held 93,165,594 of its own shares with a par value of €5.50 each, representing 7.86% of its share capital, including 7,459,121 shares allocated to cover performance share plans, 77,072,383 shares allocated for cancellation, and 8,634,090 shares allocated for transfers to employees and/or officers of the Vivendi group entities under employee rights issues.

As of December 31, 2020, the book value of these shares totaled €2,246 million and their market value was €2,458 million as of that date.

Position as of March 31, 2021

As of March 31, 2021, Vivendi SE directly held 100,439,160 of its own shares, representing 8.47% of its share capital, including 7,455,871 shares allocated to cover performance share plans, 84,349,199 shares allocated for cancellation, and 8,634,090 shares allocated for transfers to employees and/or officers of Vivendi group entities under employee rights issues.

3.8.4.5. Vivendi Shares held by Subsidiaries

As of December 31, 2020, the company's subsidiaries held 465 Vivendi SE shares.

3.8.4.6. Open Positions on Derivative Financial Instruments as of December 31, 2020

None.

3.8.5. CONVERTIBLE SECURITIES, EXCHANGEABLE SECURITIES OR WARRANT SECURITIES

3.8.5.1. Bonds Convertible into New Shares and/or Exchangeable for Existing Shares (OCEANE)

No OCEANEs are outstanding.

3.8.5.2. Bonds Mandatorily Redeemable in Shares (ORA)

No ORAs are outstanding.

3.8.5.3. Warrants (BSA)

No BSAs are outstanding.

3.8.6. STOCK PURCHASE OR SUBSCRIPTION PLANS (STOCK OPTIONS)

Since 2013, Vivendi has not granted any stock options.

3.8.7. PERFORMANCE SHARE GRANTS

Grants of performance shares are subject to the achievement of internal financial targets (70% weighting) and the performance of Vivendi shares against two trading indices (30% weighting) (see Section 2.1.2.2 of this chapter).

In 2020, 1,172,962 shares were delivered to French and international beneficiaries under the 2015 and 2017 plans. 1,035,518 Vivendi shares were delivered to beneficiaries of Havas plans who did not sign a liquidity undertaking following the simplified tender offer made by Vivendi in September 2017 (see Note 20.2 to the Consolidated Financial Statements for the year ended December 31, 2020, in Chapter 5 of this Annual Report – Universal Registration Document).

3.8.8. ACQUISITION RIGHTS OR OBLIGATIONS IN RESPECT OF AUTHORIZED BUT NON-ISSUED CAPITAL

None.

3.8.9. OPTIONS OR CONDITIONAL OR UNCONDITIONAL AGREEMENTS OVER A GROUP MEMBER

None.

3.8.10. CHANGES IN SHARE CAPITAL OVER THE LAST FIVE YEARS

		Amount		Share capital amounts		
Transactions	**Date**	**Par value** (in euros)	**Premium (*)** (in euros)	**Number of issued shares**	**In shares**	**In euros**
Share capital as of 12/31/2015					1,368,322,570	7,525,774,135.00
Performance share plans 2014/02-1 and 2	02/22/2016	5.50	-	96,137	1,368,418,707	7,526,302,888.50
Stock option exercise	04/11/2016	5.50	10.06	202,135	1,368,620,842	7,527,414,631.00
Cancellation of treasury shares by means of a capital reduction	06/17/2016	5.50	-	86,874,701	1,281,746,141	7,049,603,775.50
2016 Employee stock purchase plan	07/28/2016	5.50	9.076	4,869,781	1,286,615,922	7,076,387,571.00
Stock option exercise	01/09/2017	5.50	7.56	471,922	1,287,087,844	7,078,983,142.00
Stock option exercise	04/18/2017	5.50	6.97	220,974	1,287,308,818	7,080,198,499.00
2017 Employee stock purchase plan	07/25/2017	5.50	10.749	4,160,092	1,291,468,910	7,103,079,005.00
Stock option exercise	10/16/2017	5.50	11.43	2,946,981	1,294,415,891	7,119,287,400.50
Stock option exercise	01/15/2018	5.50	13.34	1,642,992	1,296,058,883	7,128,323,856.50
Stock option exercise	04/16/2018	5.50	13.53	3,985,826	1,300,044,709	7,150,245,899.50
2018 Employee stock purchase plan	07/19/2018	5.50	13.827	5,185,878	1,305,230,587	7,178,768,228.50
Stock option exercise	01/21/2019	5.50	10.08	1,003,609	1,306,234,196	7,184,288,078.00
Stock option exercise	04/04/2019	5.50	10.27	3,073,908	1,309,308,104	7,201,194,572.00
Cancellation of treasury shares by means of a capital reduction	06/17/2019	5.50	-	50,000,000	1,259,308,104	6,926,194,572.00
2019 Employee stock purchase plan	07/17/2019	5.50	15.606	5,376,208	1,264,684,312	6,955,763,716.00
Cancellation of treasury shares by means of a capital reduction	07/25/2019	5.50	-	44,679,319	1,220,004,993	6,710,027,461.50
Cancellation of treasury shares by means of a capital reduction	11/26/2019	5.50	-	36,251,491	1,183,753,502	6,510,644,261.00
Stock option exercise	01/13/2020	5.50	10.14	822,702	1,184,576,204	6,515,169,122.00
Stock option exercise	04/14/2020	5.50	10.38	934,481	1,185,510,685	6,520,308,767.50
Stock option exercise	12/31/2020	5.50	10.61	484,936	1,185,995,621	6,522,975,915.50

(*) Weighted average premium in euros.

As of December 31, 2020, the potential share capital of the company totaled €6,530,180,030.00, divided into 1,187,305,460 shares after taking into account 1,309,839 stock options which may give rise to the issuance of 1,309,839 shares.

3.8.11. MARKET INFORMATION

3.8.11.1. Places of Listing – Stock Exchange Price

Source: Euronext Paris.

STOCK EXCHANGE PRICE FOR VIVENDI ORDINARY SHARES – EURONEXT PARIS

Compartment A (code FR0000127771) (in euros)	**Average price**	**High**	**Low**	**Number of shares traded**	**Transaction amounts**
2019					
January	21.7109	22.5000	20.8000	55,796,525	1,212,612,080
February	23.4005	25.9000	22.1500	73,210,184	1,731,593,518
March	25.7295	26.2400	25.2500	73,915,124	1,891,307,280
April	26.0000	26.6900	25.4100	64,173,502	1,648,953,324
May	24.5864	25.9300	23.3500	87,405,512	2,128,981,149
June	24.4845	25.0000	23.4400	97,556,260	2,389,184,103
July	24.9730	26.2100	24.2900	74,703,539	1,868,520,574
August	25.1986	26.1500	23.7700	59,391,025	1,493,229,997
September	25.0976	25.5700	24.5400	63,719,657	1,595,605,704
October	24.9365	25.8800	24.4400	69,998,269	1,747,093,830
November	24.8957	25.2700	24.5700	59,048,581	1,470,543,203
December	25.2005	26.1100	24.2600	56,202,292	1,415,994,509
2020					
January	25.3177	26.4200	24.4100	61,009,399	1,541,015,358
February	25.0410	25.7700	22.8700	85,776,491	2,121,310,906
March	20.0957	24.1300	16.6000	166,139,448	3,361,183,261
April	20.2820	21.8900	18.8850	71,011,358	1,438,375,703
May	19.7063	20.6900	18.8050	61,253,834	1,207,003,503
June	22.6318	23.4700	20.5000	72,426,464	1,641,070,812
July	23.1813	24.2100	21.7700	52,249,452	1,206,678,874
August	23.8757	24.4300	22.4200	39,988,851	952,108,660
September	24.0091	24.7800	23.0600	55,413,374	1,326,543,061
October	24.7968	25.7500	23.2800	62,071,614	1,538,186,924
November	25.4829	26.6500	24.7500	63,323,219	1,616,508,987
December	25.7795	26.8500	24.7200	57,682,514	1,481,839,625
2021					
January	26.1875	26.7500	25.3100	40,683,188	1,063,921,238
February	27.8310	32.3500	25.3900	61,386,081	1,753,754,731
March	28.0665	29.5300	27.3000	54,574,096	1,527,768,274

3.8.11.2. Financial Securities Intermediary

BNP Paribas Securities Services
GCT – Service Émetteurs
Les Grands Moulins de Pantin
9, rue du Débarcadère
93761 Pantin Cedex

3.8.12. AMERICAN DEPOSITARY RECEIPT (ADR) PROGRAM

Vivendi SE does not sponsor any American Depositary Receipt (ADR) program for its shares. Any ADR program currently in existence is “unsponsored” and is not linked in any way to Vivendi. Vivendi denies any responsibility or liability in relation to any such program.

3.9. Major Shareholders

3.9.1. SHARE OWNERSHIP AND VOTING RIGHTS

As of December 31, 2020, the company's share capital amounted to €6,522,975,915.50, divided into 1,185,995,621 shares. The number of gross voting rights **(1)** was 1,262,578,059 and the number of net voting rights **(2)** was 1,169,412,000 taking into consideration the number of treasury shares held as of that date.

As of December 31, 2020, to the Management Board's knowledge, the major shareholders who held shares in registered form or who had notified the company that they had crossed a statutory disclosure threshold were as follows:

Shareholder	% of share capital	% of total voting rights	Number of shares	Total number of voting rights
Bolloré Group	27.03	29.73	320,521,374	375,309,383
Société Générale	5.25	4.93	62,304,920	62,304,920
Vivendi employees	2.95	3.74	35,020,258	47,194,470
CDC/CNP/LBP Prévoyance	2.05	2.00	24,339,324	25,188,774
Vivendi shares held by the company and by subsidiaries	7.86	7.38	93,166,059	93,166,059
Other shareholders	54.86	52.23	650,643,686	659,414,453
TOTAL	**100.00**	**100.00**	**1,185,995,621**	**1,262,578,059**

(1) After taking into account the number of shares with double voting rights and the number of treasury shares held on these dates.

(2) Total number of voting rights attached to the total number of shares less shares deprived of voting rights.

3.9.2. PLEDGE OF COMPANY SHARES HELD IN REGISTERED FORM

As of December 31, 2020, 165,109,705 shares held in registered form were pledged, representing 13.92% of the company's share capital as of that date.

3.9.3. CONTROL OF THE COMPANY – SHAREHOLDERS' AGREEMENTS

As of December 31, 2020, to the company's knowledge, no shareholder other than those listed in the table above held 5% or more of the company's share capital or voting rights, and there were no shareholders' agreements in force, whether publicly disclosed or not, relating to Vivendi's securities.

3.9.4. NOTIFICATIONS TO THE COMPANY ABOUT CROSSING STATUTORY DISCLOSURE THRESHOLDS

In 2020, the company received several notifications from Société Générale and CDC/CNP/LBP Prévoyance **(1)** in relation to crossing statutory disclosure thresholds (both upwards and downwards).

(1) La Caisse des dépôts et consignations has informed the company that it has held control of the entities in Groupe La Poste since March 4, 2020.

3.9.5. CHANGES IN SHARE OWNERSHIP OVER THE LAST THREE YEARS (AS OF DECEMBER 31)

	2020			2019			2018		
	Number of shares	% of capital	Voting rights (gross)	Number of shares	% of capital	Voting rights (gross)	Number of shares	% of capital	Voting rights (gross)
Bolloré Group	320,521,374	27.03	29.73	320,517,374	27.06	29.64	343,224,948	26.28	28.51
Société Générale	62,304,920	5.25	4.93	62,629,093	5.29	4.98	60,553,851	4.64	4.37
Vivendi employees	35,020,258	2.95	3.74	34,892,951	2.95	4.07	31,840,875	2.44	3.50
CDC-CNP/LBP Prévoyance	24,339,324	2.05	2.00	38,276,382	3.23	3.11	38,726,199	2.96	2.85
Vivendi shares held by the company and by subsidiaries	93,166,059	7.86	7.38	14,000,583	1.18	1.11	38,263,651	2.93	2.76
Other shareholders	650,643,686	54.86	52.23	714,259,821	60.30	57.10	793,624,672	60.76	58.02
TOTAL	**1,185,995,621**	**100.00**	**100.00**	**1,184,576,204**	**100.00**	**100.00**	**1,306,234,196**	**100.00**	**100.00**

Appendix: Stock Subscription Option Plans and Performance Share Plans

Details of stock subscription option plans and performance share plans

Stock option plans (in euros)

Date of the General Shareholders' Meeting	Date of the Supervisory Board or Management BoardMeeting	Grant date	Number of options granted – Total number – of beneficiaries	Number of options granted – Total number – of options	Number of options granted – of which, number granted to members of governing and managing bodies – Number of beneficiaries	Number of options granted – of which, number granted to members of governing and managing bodies – Number of options	Vesting date	Expiration date	Adjusted exercise price	Number of options – exercised in 2020 (*)	Number of options – canceled in 2020 (*)	Number of options – outstanding as of 12/31/2020 (*)
04/24/2008	02/25/2010	04/15/2010	5	1,148,000	5	1,148,000	04/16/2013	04/15/20	15.80	79,435		0
04/24/2008	02/24/2010	04/15/2010	775	4,149,200	4	368,000	04/16/2013	04/15/20	15.80	783,875	346,772	0
04/24/2008	04/28/2010	06/04/2010	11	40,000	0	0	06/05/2013	06/04/2020	16.99	6,342	1,742	0
04/24/2008	09/21/2010	09/21/2010	1	5,000	0	0	09/22/2013	09/21/2020	16.34	5,800		0
04/24/2008	02/28/2011	04/13/2011	5	717,500	5	717,500	04/14/14	04/13/2021	17.19	100,000		62,316
04/24/2008	02/22/2011	04/13/2011	556	1,809,200	5	270,000	04/14/14	04/13/2021	17.19	337,695		551,299
04/21/2011	10/25/2011	10/25/2011	2	2,000	0	0	10/26/14	10/25/2021	17.19			1,162
04/21/2011	02/28/2012	04/17/2012	544	1,880,259	5	270,000	04/18/2015	04/17/2022	11.76	106,270		646,575
04/21/2011	09/27/2012	09/27/2012	4	135,000	4	135,000	09/28/2015	09/27/2022	13.88			48,487
									Total	**1,419,417**	**348,514**	**1,309,839**

(*) As adjusted following payment in 2010 of the dividend for 2009 by deducting from reserves, the grant of one new share for 30 existing shares in 2012, the payment in 2013 of the dividend for 2012 by deducting from reserves, and the ordinary distribution of €1 per share in 2014 from additional paid-in capital.

Performance share plans

Date of the General Shareholders' Meeting	Date of the Supervisory Board or Management Board Meeting	Grant date	Number of rights to performance shares – Total number – of beneficiaries	Number of rights to performance shares – Total number – of performance shares	Of which, number granted to members of governing and managing bodies – Number of beneficiaries	Of which, number granted to members of governing and managing bodies – Number of rights to performance shares	Vesting date (*)	Date of availability of shares	Number of rights to performance shares – Number of rights canceled in 2020	Number of rights to performance shares – Number of issued shares at the end of the vesting period in 2020	Number of rights to performance shares – Number of rights outstanding as of December 31, 2020, after adjustments
06/24/2014	02/11/2015	02/27/2015	86	319,040	0	0	02/28/2018	03/02/2020		266,180	0
06/24/2014	02/11/2015	02/27/2015	2	102,080	0	0	02/28/2018	03/02/2020		75,000	0
06/24/2014	05/05/2015	05/05/2015	1	100,000	0	0	05/06/2018	05/07/2020		75,000	0
06/24/2014	07/06/2015	07/06/2015	1	2,080	0	0	07/07/2018	07/08/2020		2,080	0
04/21/2016	05/09/2016	05/11/16	81	322,030	0	0	05/13/2019	05/13/2021			**(a)** 280,705
04/21/2016	02/23/2017	02/23/2017	5	200,000	5	200,000	02/24/2020	02/25/2022	50,000	150,000	0
04/21/2016	02/16/2017	02/23/2017	320	902,940	7	135,000	02/24/2020	02/25/2022	204,048	601,702	0
04/21/2016	02/16/2017	02/23/2017	105	440,810	2	60,000	02/24/2020	02/25/2022	99,355		**(b)** 293,575
04/21/2016	06/12/2017	06/12/2017	1	4,000	0	0	06/15/2020	06/16/2022	1,000	3,000	0
04/19/2018	05/17/2018	05/17/2018	5	175,000	5	175,000	05/18/2021	05/19/2023			**(c)** 175,000
04/19/2018	05/14/2018	05/17/2018	359	945,750	9	168,000	05/18/2021	05/19/2023	11,766		**(c)** 890,234
04/19/2018	05/14/2018	05/17/2018	163	511,000	2	58,000	05/18/2021	05/19/2023	18,950		**(c) (d)** 457,600
04/19/2018	12/10/2018	12/10/2018	2	4,000	0	0	12/13/2021	12/14/2023			**(c)** 4,000
04/19/2018	02/14/2019	02/14/2019	5	165,000	5	165,000	02/15/2022	02/16/2024			165,000
04/19/2018	02/11/2019	02/14/2019	381	923,160	8	161,280	02/15/2022	02/16/2024	10,823		906,577
04/19/2018	02/11/2019	02/14/2019	185	512,670	2	58,000	02/15/2022	02/16/2024	24,200		**(e)** 469,470
04/19/2018	10/07/2019	10/07/2019	4	18,250	0	0	10/10/2022	10/11/2024			18,250
04/19/2018	11/12/2019	11/12/2019	7	28,000	1	10,000	11/14/2022	11/15/2024			28,000
04/19/2018	02/13/2020	02/13/2020	6	185,000	6	185,000	02/14/2023	02/17/2025			185,000
04/19/2018	02/10/2020	02/13/2020	405	946,950	8	158,000	02/14/2023	02/17/2025	2,100		944,850
04/19/2018	02/10/2020	02/13/2020	185	463,100	1	20,000	02/14/2023	02/17/2025	2,000		**(f)** 461,100
04/19/2018	11/16/2020	11/16/2020	16	63,000	1	10,000	11/17/2023	11/18/2025			63,000
04/19/2018	11/16/2020	11/16/2020	1	1,900	0	0	11/17/2023	11/18/2025			**(f)** 1,900
								Total	**424,242**	**1,172,962**	**5,344,261**

(*) The first day following the end of the vesting period of three years.

(a) Granted to non French-resident beneficiaries, to be registered in an account in 2021.

(b) Granted to international beneficiaries to be registered in an account in their respective names in 2022.

(c) These plans were adjusted following calculation of the achievement rate of the associated performance criteria after the Supervisory Board Meeting of March 3, 2021 (see Section 2.3.4 of this chapter). 380,209 rights, including 43,750 granted to members of the Management Board, were canceled based on the definitive vesting rate approved by the Supervisory Board (75%).

(d) Granted to certain non French-resident beneficiaries, to be registered in an account in 2023.

(e) Granted to certain non French-resident beneficiaries, to be registered in an account in 2024.

(f) Granted to certain non French-resident beneficiaries, to be registered in an account in 2025.


Maxime CHATTAM
Le Signal
roman
POCKET
MARC LEVY
GHOST IN LOVE
...un roman
POCKET
Une évidence
roman
POCKET
MICHEL BUSSI
J'AI DÛ RÊ
TROP FO
POCKET
FRANCK THILLIEZ
LUCA
POCKET
13 à table
1 livre = 4 repas
POCKET

5 FINANCIAL REPORT, STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS, AUDITED CONSOLIDATED FINANCIAL STATEMENTS, STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS, VIVENDI SE – 2020 STATUTORY FINANCIAL STATEMENTS

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Chapter 5

NOTE

In accordance with European Commission Regulation (EC) 809/2004 (Article 28), which sets out the disclosure obligations for issuers of securities listed on a regulated market within the European Union (implementing Directive 2003/71/EC, the "Prospectus Regulation"), the following items are incorporated by reference into this report:

- the 2019 Financial report, the Consolidated Financial Statements for the year ended December 31, 2019, prepared under IFRS and the related Statutory Auditors' report on the Consolidated Financial Statements, presented on pages 188 to 317 of the Universal Registration Document *(Document d'enregistrement universel)* no. D.20-0121, which was filed on March 11, 2020 with the French *Autorité des marchés financiers* (AMF) and on pages 188 to 315 of the English translation of the Universal Registration Document *(Document d'enregistrement universel)* no. D.20-0121; and
- the 2018 Financial Report, the Consolidated Financial Statements for the year ended December 31, 2018, prepared under IFRS and the related statutory auditors' report on the Consolidated Financial Statements, presented on pages 196 to 318 of the *Document de Référence* no. D.19-0132, which was filed on March 11, 2019 with the French *Autorité des marchés financiers* (AMF) and on pages 196 to 318 of the English translation of the Document de référence no. D.19-0132.

KEY CONSOLIDATED FINANCIAL DATA FOR THE LAST FIVE YEARS

PRELIMINARY COMMENTS

As a reminder, in 2019, Vivendi applied a new accounting standard:

- IFRS 16 – *Leases:* in accordance with IFRS 16, the impact of the change of accounting standard was recorded in the opening balance sheet as of January 1, 2019. In addition, Vivendi applied this change of accounting standard to the Statement of Financial Position, Statement of Earnings and Statement of Cash Flows in 2019; therefore, the data relative to prior years is not comparable. For a detailed description of these changes, please refer to Notes 1.1, 1.3.5.7 and 12 to the Consolidated Financial Statements for the year ended December 31, 2020.

As a reminder, in 2018, Vivendi applied two new accounting standards:

- IFRS 15 – *Revenues from contracts with customers*: in accordance with IFRS 15, as from 2017, Vivendi applied this change of accounting standard to revenues. The data presented below with respect to fiscal year 2016 are historical and therefore not restated; and
- IFRS 9 – *Financial instruments*: in accordance with IFRS 9, as from 2018, Vivendi applied this change of accounting standard to the Statement of Earnings and Statement of Comprehensive Income restating its opening balance sheet as of January 1, 2018; therefore, the data relative to prior years in this report is not comparable.

	Year ended December 31				
	2020	2019	2018	2017	2016
Consolidated data					
Revenues	16,090	15,898	13,932	12,518	10,819
Income from operations **(a)**	1,815	1,719	1,439	1,098	853
Adjusted earnings before interest and income taxes (EBITA) **(a)**	1,627	1,526	1,288	969	724
Earnings before interest and income taxes (EBIT)	1,468	1,381	1,182	1,018	887
Earnings attributable to Vivendi SE shareowners	1,440	1,583	127	1,216	1,256
of which earnings from continuing operations attributable to Vivendi SE shareowners	1,440	1,583	127	1,216	1,236
Adjusted net income **(a)**	1,228	1,741	1,157	1,300	755
Net Cash Position/(Financial Net Debt) **(a)**	(4,953)	(4,064)	176	(2,340)	1,231
Total equity	16,431	15,575	17,534	17,866	19,612
of which Vivendi SE shareowners' equity	15,759	15,353	17,313	17,644	19,383
Cash flow from operations (CFFO) **(a)**	696	903	1,126	989	729
Cash flow from operations after interest and income tax paid (CFAIT) **(a)**	548	567	822	1,346	341
Financial investments	(1,640)	(2,284)	(694)	(3,685)	(4,084)
Financial divestments	360	1,068	2,303	976	1,971
Dividends paid by Vivendi SE to its shareholders	690	636	568	499	**(b)** 2,588
Purchases/(sales) of Vivendi SE's treasury shares	2,157	2,673	-	203	1,623
Per share data					
Weighted average number of shares outstanding	1,140.7	1,233.5	1,263.5	1,252.7	1,272.6
Earnings attributable to Vivendi SE shareowners per share	1.26	1.28	0.10	0.97	0.99
Adjusted net income per share	1.08	1.41	0.92	1.04	0.59
Number of shares outstanding at the end of the period (excluding treasury shares)	1,092.8	1,170.6	1,268.0	1,256.7	1,259.5
Equity per share, attributable to Vivendi SE shareowners	14.42	13.12	13.65	14.04	15.39
Dividends per share paid	0.60	0.50	0.45	0.40	**(b)** 2.00

In millions of euros, number of shares in millions, data per share in euros.

(a) The non-GAAP measures of Income from operations, EBITA, Adjusted net income, Net Cash Position (or Financial Net Debt), Cash flow from operations (CFFO) and Cash flow from operations after interest and income tax paid (CFAIT) should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance as presented in the Consolidated Financial Statements and the related Notes, or as described in this Financial Report. Vivendi considers these to be relevant indicators of the group's operating and financial performance. Each of these indicators is defined in the appropriate section of this Financial Report. In addition, it should be noted that other companies may have definitions and calculations for these indicators that differ from those used by Vivendi, thereby affecting comparability. Furthermore, as of December 31, 2020, in the context of the Covid-19 pandemic, Vivendi had not changed the definition of these indicators, which are therefore comparable to fiscal year 2019.

(b) With respect to fiscal year 2015, Vivendi paid an ordinary dividend of €3 per share, i.e., an aggregate dividend payment of €3,951 million. This amount included €2,588 million paid in 2016 (€1,318 million for the second interim dividend of €1 per share and €1,270 million representing the balance of €1 per share) and €1,363 million paid in 2015 (first interim dividend of €1 per share).

2020 FINANCIAL REPORT

PRELIMINARY COMMENTS

On March 1, 2021, the Management Board approved the Financial Report and the Audited Consolidated Financial Statements for the year ended December 31, 2020. Upon the recommendation of the Audit Committee, which met on March 1, 2021, the Supervisory Board, at its meeting held on March 3, 2021, reviewed the Financial Report and the Audited Consolidated Financial Statements for the year ended December 31, 2020, as previously approved by the Management Board on March 1, 2021.

The Consolidated Financial Statements for the year ended December 31, 2020 were audited and certified by the Statutory Auditors without qualified opinion. The Statutory Auditors' report on the Consolidated Financial Statements is included in the preamble to the Financial Statements.

1. EARNINGS ANALYSIS: GROUP AND BUSINESS SEGMENTS

PRELIMINARY COMMENTS

Non-GAAP measures

"Income from operations", "EBITA" and "adjusted net income", all non-GAAP measures, should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance as presented in the Consolidated Financial Statements and the related Notes, or as described in this Financial Report. Vivendi considers these to be relevant indicators for the group's operating and financial performance.

Vivendi Management uses income from operations, EBITA and adjusted net income for reporting, management and planning purposes because they exclude most non-recurring and non-operating items from the measurement of the business segments' performances. Furthermore, as of December 31, 2020, in the context of the Covid-19 pandemic, Vivendi had not changed the definition of these indicators, which are therefore comparable to fiscal year 2019:

- the difference between EBITA and EBIT consists of the amortization of intangible assets acquired through business combinations, as well as the other catalogs of rights acquired by our content production businesses, the impairment of goodwill and other intangibles acquired through business combinations, as well as other income and charges related to transactions with shareowners;
- income from operations is calculated as EBITA, as presented in the Adjusted Statement of Earnings, before share-based compensation costs and special items, due to their unusual nature and particular significance; and
- adjusted net income includes the following items: EBITA; income from equity affiliates – non-operational; interest (corresponding to interest expense on borrowings net of interest income earned on cash and cash equivalents); income from investments (including dividends and interest received from unconsolidated companies); and taxes and non-controlling interests related to these items. It does not include the following items: amortization of intangible assets acquired through business combinations and related to equity affiliates and other catalogs of rights acquired by our content production businesses; impairment losses on goodwill and other intangible assets acquired through business combinations; other charges and income related to transactions with shareowners; other financial charges and income; earnings from discontinued operations; provisions for income taxes and adjustments attributable to non-controlling interests; and non-recurring tax items (in particular, changes in deferred tax assets pursuant to Vivendi SE's Tax Group and the Consolidated Global Profit Tax Systems).

In addition, it should be noted that other companies may have definitions and calculations for these non-GAAP measures that differ from those used by Vivendi, thereby affecting comparability.

1.1. Consolidated Statement of Earnings

	Year ended December 31		
	2020	2019	% Change
Revenues	**16,090**	**15,898**	**+1.2%**
Cost of revenues	(8,812)	(8,845)	
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(5,463)	(5,334)	
Income from operations (*)	**1,815**	**1,719**	**+5.6%**
Restructuring charges	(106)	(161)	
Other operating charges and income	(82)	(32)	
Adjusted earnings before interest and income taxes (EBITA) (*)	**1,627**	**1,526**	**+6.6%**
Amortization and depreciation of intangible assets acquired through business combinations	(159)	(145)	
Earnings before interest and income taxes (EBIT)	**1,468**	**1,381**	**+6.3%**
Income from equity affiliates – non-operational	126	67	
Interest	(37)	(46)	
Income from investments	36	10	
Other financial charges and income	589	65	
	588	***29***	
Earnings before provision for income taxes	**2,182**	**1,477**	**+47.7%**
Provision for income taxes	(575)	140	
Earnings from continuing operations	**1,607**	**1,617**	**-0.6%**
Earnings from discontinued operations	-	-	
Earnings	**1,607**	**1,617**	**-0.6%**
Non-controlling interests	(167)	(34)	
Earnings attributable to Vivendi SE shareowners	**1,440**	**1,583**	**-9.1%**
Earnings attributable to Vivendi SE shareowners per share – basic (in euros)	1.26	1.28	
Earnings attributable to Vivendi SE shareowners per share – diluted (in euros)	1.26	1.28	
Adjusted net income (*)	**1,228**	**1,741**	**-29.5%**
Adjusted net income per share – basic (in euros) **(*)**	1.08	1.41	
Adjusted net income per share – diluted (in euros) **(*)**	1.07	1.41	

In millions of euros, except per share amounts.

(*) Non-GAAP measures.

1.2. Analysis of the Consolidated Statement of Earnings

1.2.1. REVENUES

In 2020, revenues were €16,090 million, compared to €15,898 million in 2019. This increase of €192 million (+1.2%) mainly resulted from the growth of Universal Music Group (UMG) (+€273 million) Canal+ Group (+€230 million), of which +€285 million related to M7 **(1)** and Editis **(1)** (+€38 million), partially offset by the slowdown in other activities, mainly Havas Group (-€241 million) and Vivendi Village (-€101 million), all of which were affected by the consequences of the Covid-19 pandemic. At constant currency and perimeter **(1),** revenues were almost stable (-0.6%) compared to 2019, with UMG's growth (+4.7%) offset by the slowdown in other activities, all of which were affected by the consequences of the Covid-19 pandemic, particularly Havas Group (-10.8%) and Vivendi Village (-71.9%).

For the second half of 2020, at constant currency and perimeter **(1),** revenues slightly increased (+0.7%) compared to the second half of 2019, and compared to a decrease of -2.0% for the first half of 2020. For the second half of 2020, the growth of UMG (+5.7%) and Editis (+8.6%) was almost offset by the slowdown in other activities, particularly Havas Group (-10.0%) and Vivendi Village (-80.9%), all of which were affected by the consequences of the Covid-19 pandemic.

For the fourth quarter of 2020, at constant currency and perimeter, revenues slightly increased (+0.7%) compared to the fourth quarter of 2019, and compared to an increase of +4.4% for the first quarter of 2020, a decrease of -7.9% for the second quarter and a slight increase of +0.7% for the third quarter (for the quarterly revenues by business segment, please refer to the Appendix to the Financial Report). For the fourth quarter, the growth of UMG (+5.4%) and Editis (+6.9%) offset the slowdown in other activities, particularly Havas Group (-6.7%) and Vivendi Village (-81.7%), all of which were affected by the consequences of the Covid-19 pandemic.

For a detailed analysis of revenues by business segment, please refer to Section 1.3 below and to Note 4.1 to the Consolidated Financial Statements for the year ended December 31, 2020.

(1) Constant perimeter notably reflects the impacts of the acquisition of M7 by Canal+ Group (September 12, 2019), the acquisition of the remaining interest in Ingrooves Music Group, which was consolidated by Universal Music Group (March 15, 2019) and the acquisition of Editis (January 31, 2019).

1.2.2. OPERATING RESULTS

Cost of revenues was €8,812 million, compared to €8,845 million in 2019, a decrease of €33 million.

Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations were €5,463 million, compared to €5,334 million in 2019, an increase of €129 million.

Depreciation and amortization of tangible and intangible assets are included either in the cost of revenues or in selling, general and administrative expenses. Depreciation and amortization of tangible and intangible assets, excluding amortization of intangible assets acquired through business combinations, amounted to €659 million (compared to €599 million in 2019) including amortization of rights-of-use relating to leases for €229 million (compared to €220 million in 2019).

Income from operations was €1,815 million, compared to €1,719 million in 2019, an increase of €96 million (+5.6%). At constant currency and perimeter, income from operations increased by €53 million (+3.0%), primarily driven by the growth of Universal Music Group (+€228 million), partially offset by the slowdown at Havas Group (-€112 million) and Vivendi Village (-€31 million), which were affected by the consequences of the Covid-19 pandemic.

EBITA was €1,627 million, compared to €1,526 million in 2019, an increase of €101 million (+6.6%). At constant currency and perimeter, EBITA increased by €58 million (+3.7%), primarily driven by the growth of Universal Music Group (+€223 million) and Canal+ Group (+€21 million), partially offset by the slowdown at Havas Group (-€111 million) and Vivendi Village (-€38 million), which were affected by the consequences of the Covid-19 pandemic.

EBITA included:

- **restructuring charges** were €106 million, compared to €161 million in 2019, primarily incurred by Canal+ Group (€42 million, compared to €92 million in 2019, notably relating to the ongoing plan aimed at transforming its French activities implemented during the second half of 2019), Havas Group (€33 million, compared to €35 million in 2019) and Universal Music Group (€20 million, compared to €24 million in 2019); and
- **other operating charges and income** excluded from income from operations, was a net charge of €82 million, compared to a net charge of €32 million in 2019. They notably included:
  - **the charge related to share-based compensation plans** for -€43 million, compared to -€32 million in 2019; and
  - **income from equity affiliates – operational** was a charge of €18 million, compared to a profit of €4 million in 2019.

For a detailed analysis of income from operations and EBITA by business segment, please refer to Section 1.3 below.

EBIT was €1,468 million, compared to €1,381 million in 2019, an increase of €87 million (+6.3%). It includes amortization and depreciation of intangible assets acquired through business combinations for €159 million, compared to €145 million in 2019.

1.2.3. INCOME FROM EQUITY AFFILIATES – NON-OPERATIONAL

In 2020, **income from equity affiliates – non-operational** was a profit of €126 million, compared to a profit of €67 million in 2019, an increase of €59 million. This amount corresponds to Vivendi's share of Telecom Italia's net earnings, calculated based on the financial information publicly disclosed by Telecom Italia (corresponding to the fourth quarter of the previous year and the first nine months of 2020 due to a three-month reporting lag). Please refer to Note 13.2 to the Consolidated Financial Statements for the year ended December 31, 2020. In 2020, this amount notably included Vivendi's share (€77 million) of the capital gain recognized by Telecom Italia on the Inwit transaction.

1.2.4. FINANCIAL RESULTS

In 2020, **interest** was an expense of €37 million, compared to €46 million in 2019. Of this amount:

- interest expense on borrowings was €52 million, compared to €69 million in 2019. This change mainly reflected the decrease in the average interest rate on borrowings to 0.79% (compared to 1.17% in 2019), despite the increase in average outstanding borrowings to €6.6 billion (compared to €5.9 billion in 2019); and
- interest income earned on the investment of cash surpluses was €15 million, compared to €23 million in 2019. This change reflected the decrease in the average interest rate on cash investments to 0.49% (compared to 0.64% in 2019) and average outstanding cash investments to €3.0 billion (compared to €3.6 billion in 2019).

Income from investments was €36 million, compared to €10 million in 2019. It mainly included dividends received from investments.

Other financial charges and income were a net income of €589 million, compared to a net income of €65 million in 2019, an increase of €524 million. In 2020, the revaluation of the investments in Spotify and Tencent Music Entertainment was a net gain of €591 million, compared to €139 million in 2019, an increase of €452 million. In addition, in 2020, Vivendi received an additional payment of €56 million for the sale of GVT in 2015, following the favorable settlement of a tax litigation in Brazil.

As a reminder, on March 31, 2020, the sale of 10% of UMG's share capital to a Tencent-led consortium was recorded, in accordance with IFRS standards, as a sale of non-controlling interests and therefore has not impacted the Consolidated Financial Statement of Earnings. As a result, in accordance with IFRS 10, **the capital gain on the sale of 10% of UMG's share capital,** equal to the difference between the sale price of €2,842 million and the value of non-controlling interests in the Consolidated Financial Statements of €457 million, **was directly recorded as an increase in equity** attributable to Vivendi SE shareowners for €2,385 million (please refer to Note 2.1 to the Consolidated Financial Statements for the year ended December 31, 2020).

1.2.5. PROVISION FOR INCOME TAXES

In 2020, **provision for income taxes reported to adjusted net income** was a net charge of €454 million, compared to a net income of €177 million in 2019. As a reminder, in 2019, provision for income taxes reported to adjusted net income included a current tax income of €473 million resulting from a favorable decision from the French Council of State *(Conseil d'État)* on December 19, 2019 regarding the use of foreign tax receivables upon exit from the Global Profit Tax System (€244 million with respect to fiscal year 2012 and €229 million with respect to fiscal year 2015). Excluding this impact:

- provision for income taxes reported to adjusted net income increased by €158 million in 2020. This increase notably reflected the growth in UMG's and, to a lesser extent, Canal+ Group's earnings before tax, partially offset by the decrease in earnings from Havas Group affected by the consequences of the Covid-19 pandemic; and
- the effective tax rate in adjusted net income was 27.6% in 2020, compared to 19.9% in 2019. This 7.7 points increase in the effective tax rate in adjusted net income mainly reflected the decrease in 2020 in current savings expected from Vivendi's tax group in France, mainly due to the slowdown in certain activities affected by the consequences of the Covid-19 pandemic. In addition, in 2019, it included the favorable impact of adjustments to the income tax expense of previous years.

In 2020, **provision for income taxes reported to net income** was a net charge of €575 million, compared to a net income of €140 million in 2019. Excluding the impact of the current tax income resulting from the aforementioned favorable decision from the French Council of State *(Conseil d'État)*, provision for income taxes reported to net income increased by €242 million in 2020. Aside from the increase in provision for income taxes reported to adjusted net income (€158 million), this change mainly reflected the increase in the deferred tax charge relating to the revaluation of the investments in Spotify and Tencent Music Entertainment (€142 million in 2020, compared to €36 million in 2019).

1.2.6. NON-CONTROLLING INTERESTS

In 2020, **earnings attributable to non-controlling interests** were €167 million, compared to €34 million in 2019. This increase of €133 million primarily reflected the Tencent-led consortium's share of Universal Music Group's net earnings as from March 31, 2020 (please refer to Note 2.1 to the Consolidated Financial Statements for the year ended December 31, 2020).

1.2.7. EARNINGS ATTRIBUTABLE TO VIVENDI SE SHAREOWNERS

In 2020, **earnings attributable to Vivendi SE shareowners** amounted to a profit of €1,440 million (or €1.26 per share – basic), compared to €1,583 million in 2019 (or €1.28 per share – basic), a decrease of €143 million. In 2019, it included the current tax income of €473 million recorded at the end of 2019 regarding the use of foreign tax receivables upon exit from the Global Profit Tax System. Excluding this impact, earnings attributable to Vivendi SE shareowners increased by €330 million, reflecting:

- the growth in EBITA (+€101 million);
- the growth in Vivendi's share of Telecom Italia's net earnings accounted for under the equity method (+€59 million); and
- the increase in financial income relating to the revaluation of the investments in Spotify and Tencent Music Entertainment (+€591 million);

partially offset by:

- the increase in provision for income taxes reported to net income (€242 million), mainly relating to the growth in UMG's earnings before tax, as well as the increase in the deferred tax charge relating to the revaluation of the investments in Spotify and Tencent Music Entertainment; and
- the increase in earnings attributable to non-controlling interests (€133 million).

1.2.8. ADJUSTED NET INCOME

In 2020, **adjusted net income** was a profit of €1,228 million (or €1.08 per share – basic), compared to €1,741 million in 2019 (or €1.41 per share – basic), a decrease of €513 million (-29.5%). In 2019, it included the current tax income of €473 million recorded at the end of 2019 regarding the use of foreign tax receivables upon exit from the Global Profit Tax System.

	Year ended December 31		
(in millions of euros)	2020	2019	% Change
Revenues	**16,090**	**15,898**	**+1.2%**
Income from operations	**1,815**	**1,719**	**+5.6%**
EBITA	**1,627**	**1,526**	**+6.6%**
Income from equity affiliates – non-operational	186	127	
Interest	(37)	(46)	
Income from investments	36	10	
Adjusted earnings from continuing operations before provision for income taxes	**1,812**	**1,617**	**+12.1%**
Provision for income taxes	(454)	177	
Adjusted net income before non-controlling interests	**1,358**	**1,794**	
Non-controlling interests	(130)	(53)	
Adjusted net income	**1,228**	**1,741**	**-29.5%**

Reconciliation of earnings attributable to Vivendi SE shareowners to adjusted net income

	Year ended December 31	
(in millions of euros)	2020	2019
Earnings attributable to Vivendi SE shareowners (a)	**1,440**	**1,583**
Adjustments		
Amortization and depreciation of intangible assets acquired through business combinations	159	145
Amortization of intangible assets related to equity affiliates	60	60
Other financial charges and income	(589)	(65)
Provision for income taxes on adjustments	121	37
Impact of adjustments on non-controlling interests	37	(19)
Adjusted net income	**1,228**	**1,741**

(a) As reported in the Consolidated Statement of Earnings.

Adjusted net income per share

	Year ended December 31			
	2020		2019	
	Basic	Diluted	Basic	Diluted
Adjusted net income (in millions of euros)	**1,228**	**1,228**	**1,741**	**1,741**
Number of shares (in millions)				
Weighted average number of shares outstanding **(a)**	1,140.7	1,140.7	1,233.5	1,233.5
Potential dilutive effects related to share-based compensation	-	4.1	-	4.9
Adjusted weighted average number of shares	**1,140.7**	**1,144.8**	**1,233.5**	**1,238.4**
Adjusted net income per share (in euros)	**1.08**	**1.07**	**1.41**	**1.41**

(a) Net of the weighted average number of treasury shares (44.7 million shares in 2020, compared to 28.0 million in 2019).

1.3. Analysis of revenues and operating results by business segment

(in millions of euros)	Year ended December 31 2020	2019	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
Revenues					
Universal Music Group	7,432	7,159	+3.8%	+5.1%	+4.7%
Canal+ Group	5,498	5,268	+4.4%	+4.9%	-0.9%
Havas Group	2,137	2,378	-10.1%	-8.8%	-10.8%
Editis	725	687	+5.6%	+5.6%	-1.3%
Gameloft	253	259	-2.1%	-0.9%	-1.5%
Vivendi Village	40	141	-71.4%	-71.4%	-71.9%
New Initiatives	65	71	-7.5%	-7.5%	-7.5%
Elimination of intersegment transactions	(60)	(65)			
Total Vivendi	**16,090**	**15,898**	**+1.2%**	**+2.2%**	**-0.6%**
Income from operations					
Universal Music Group	1,377	1,168	+18.0%	+19.7%	+19.8%
Canal+ Group	485	431	+12.6%	+13.5%	-3.1%
Havas Group	163	268	-39.2%	-39.2%	-40.6%
Editis	51	59	-12.3%	-12.3%	+2.4%
Gameloft	(17)	(28)			
Vivendi Village	(51)	(16)			
New Initiatives	(65)	(68)			
Corporate	(128)	(95)			
Total Vivendi	**1,815**	**1,719**	**+5.6%**	**+7.1%**	**+3.0%**
EBITA					
Universal Music Group	1,329	1,124	+18.3%	+20.1%	+20.1%
Canal+ Group	435	343	+26.7%	+27.9%	+5.2%
Havas Group	121	225	-46.1%	-46.2%	-47.7%
Editis	38	52	-26.5%	-26.5%	-11.2%
Gameloft	(24)	(36)			
Vivendi Village	(59)	(17)			
New Initiatives	(75)	(65)			
Corporate	(138)	(100)			
Total Vivendi	**1,627**	**1,526**	**+6.6%**	**+8.3%**	**+3.7%**

(a) Constant perimeter notably reflects the impacts of the acquisition of M7 by Canal+ Group (September 12, 2019), the acquisition of the remaining interest in Ingrooves Music Group, which was consolidated by Universal Music Group (March 15, 2019) and the acquisition of Editis (January 31, 2019).

1.3.1. UNIVERSAL MUSIC GROUP

(in millions of euros)	Year ended December 31 2020	2019	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
Recorded music	5,967	5,634	+5.9%	+7.2%	+6.7%
Subscriptions and streaming	*3,833*	*3,325*	*+15.3%*	*+17.1%*	*+16.2%*
*Other digital sales **(b)***	*413*	*428*	*-3.6%*	*-3.1%*	*-3.6%*
Physical sales	*945*	*1,011*	*-6.4%*	*-5.9%*	*-6.0%*
License and other	*776*	*870*	*-10.8%*	*-9.8%*	*-9.9%*
Music publishing	1,186	1,052	+12.7%	+14.4%	+14.4%
Merchandising and other	292	489	-40.3%	-39.6%	-39.6%
Elimination of intersegment transactions	(13)	(16)			
Revenues	**7,432**	**7,159**	**+3.8%**	**+5.1%**	**+4.7%**
EBITDA	**1,487**	**1,267**	**+17.3%**	**+19.0%**	**+19.0%**
EBITDA margin	*20.0%*	*17.7%*	*+2.3 pts*		
Income from operations	**1,377**	**1,168**	**+18.0%**	**+19.7%**	**+19.8%**
Income from operations margin	*18.5%*	*16.3%*	*+2.2 pts*		
Restructuring charges	(20)	(24)			
Income/(charges) related to share-based compensation plans	(10)	(5)			
Other special items excluded from income from operations	(18)	(15)			
EBITA	**1,329**	**1,124**	**+18.3%**	**+20.1%**	**+20.1%**
EBITA margin	*17.9%*	*15.7%*	*+2.2 pts*		
Recorded music revenues by geographic area					
North America	2,940	2,636	+11.6%	+12.7%	+11.4%
Europe	1,789	1,742	+2.7%	+3.6%	+3.6%
Asia	801	771	+3.9%	+3.5%	+3.5%
Latin America	181	184	-2.0%	+15.5%	+15.5%
Rest of the world	256	301	-15.1%	-13.6%	-13.6%
Total	**5,967**	**5,634**	**+5.9%**	**+7.2%**	**+6.7%**

(a) Constant perimeter reflects the impact of significant acquisitions, including the acquisition of the remaining interest in Ingrooves Music Group by Universal Music Group (March 15, 2019).

(b) Mainly included download sales.

Recorded music best sellers, in value (source: *Consumption*)

Year ended 12/31/2020		Year ended 12/31/2019	
Artist	**Title**	**Artist**	**Title**
The Weeknd	*After Hours*	Billie Eilish	*When We All Fall Asleep, Where Do We Go?*
Billie Eilish	*When We All Fall Asleep, Where Do We Go?*	Post Malone	*Hollywood's Bleeding*
Post Malone	*Hollywood's Bleeding*	Taylor Swift	*Lover*
Lil Baby	*My Turn*	Ariana Grande	*Thank U, Next*
Pop Smoke	*Shoot For The Stars Aim For The Moon*	Lady Gaga and Bradley Cooper	*A Star Is Born*
BTS	*Map Of The Soul: 7 ~ The Journey ~*	The Beatles	*Abbey Road*
Justin Bieber	*Changes*	Shawn Mendes	*Shawn Mendes*
King & Prince	*L&*	Billie Eilish	*Don't Smile at Me*
Taylor Swift	*Folklore*	Post Malone	*Beerbongs & Bentleys*
Juice WRLD	*Legends Never Die*	King & Prince	*King & Prince*

In 2020, Universal Music Group's (UMG) revenues amounted to €7,432 million, up 4.7% at constant currency and perimeter compared to 2019 (+3.8% on an actual basis).

Recorded music revenues grew by 6.7% at constant currency and perimeter thanks mainly to the growth in subscription and streaming revenues (+16.2%), which more than offset the 6.0% decline in physical sales compared to 2019, and the 19.0% decline in download sales.

Recorded music best sellers for 2020 included new releases from The Weeknd, Lil Baby, Pop Smoke, BTS, Justin Bieber, King & Prince, Taylor Swift and Juice WRLD, as well as continued sales from Billie Eilish and Post Malone.

In 2020, UMG had four of the Top 5 artists of the year on Spotify globally (Drake, J. Balvin, Juice WRLD and The Weeknd), the N°. 1 song of the year (The Weeknd's *Blinding Lights)* and two of the Top 3 albums (The Weeknd's *After Hours* and Post Malone's *Hollywood's Bleeding).* In addition, based on US data from Nielsen Music/MRC, UMG had all of the Top 6 albums of the year with Lil Baby, Taylor Swift, Pop Smoke, The Weeknd, Juice WRLD and Post Malone.

Music publishing revenues increased 14.4% at constant currency and perimeter compared to 2019, driven by increased subscription and streaming revenues, as well as the receipt of a digital royalty claim in the second quarter of 2020.

On December 7, 2020, Universal Music Publishing Group (UMPG) announced a landmark agreement in which UMPG acquired Bob Dylan's entire catalog of songs, encompassing more than 600 copyrights, spanning 60 years, and recorded more than 6,000 times by an array of artists from many countries, cultures and music genres.

Merchandising and other revenues were down 39.6% at constant currency and perimeter compared to 2019, due to the impact of the health pandemic on both touring and retail activity.

Driven by the growth in revenues, revenues mix and cost control, UMG's EBITA amounted to €1,329 million, up 20.1% at constant currency and perimeter compared to 2019 (+18.3% on an actual basis).

On February 8, 2021, UMG and TikTok announced a global agreement that delivers equitable compensation for recording artists and songwriters, and significantly expands and enhances the companies' existing relationship, promoting the development of new innovative experiences and the ability to forge deeper bonds between fans and artists.

1.3.2. CANAL+ GROUP

	Year ended December 31				
(in millions of euros)	**2020**	**2019**	**% Change**	**% Change at constant currency**	**% Change at constant currency and perimeter (a)**
International TV	2,135	1,781	+19.8%	+21.7%	+4.0%
TV in Mainland France **(b)**	3,003	3,053	-1.6%	-1.6%	-1.6%
Studiocanal	360	434	-17.0%	-16.7%	-18.2%
Revenues	**5,498**	**5,268**	**+4.4%**	**+4.9%**	**-0.9%**
Income from operations	**485**	**431**	**+12.6%**	**+13.5%**	**-3.1%**
Income from operations margin	*8.8%*	*8.2%*	*+0.6 pts*		
Income/(charges) related to share-based compensation plans	(10)	(5)			
Other special items excluded from income from operations	2	9			
EBITA before restructuring charges	**477**	**435**	**+9.7%**	**+10.5%**	**-5.6%**
EBITA before restructuring charges margin	*8.7%*	*8.3%*	*+0.4 pts*		
Restructuring charges	(42)	(92)			
EBITA	**435**	**343**	**+26.7%**	**+27.9%**	**+5.2%**
EBITA margin	*7.9%*	*6.5%*	*+1.4 pts*		
Canal+ Group subscribers (in thousands)					
Europe (excluding Mainland France and including M7)	5,199	5,052	+147		
Africa	5,983	4,899	+1,084		
Overseas	685	657	+28		
Asia Pacific	1,218	1,267	-49		
Overseas and international subscribers	**13,085**	**11,875**	**+1,210**		
Self-distributed individual subscribers in Mainland France	4,719	4,548	+171		
Wholesale subscribers **(c)**	3,436	3,355	+81		
Collective subscribers in Mainland France	523	513	+10		
Subscribers in Mainland France	**8,678**	**8,416**	**+262**		
Total Canal+ Group subscribers	**21,763**	**20,291**	**+1,472**		

(a) Constant perimeter notably reflects the impacts of the acquisition of M7 by Canal+ Group (September 12, 2019).

(b) Relates to pay-TV and free-to-air channels (C8, CStar and CNews) in mainland France.

(c) Includes the strategic partnership agreements with Free, Orange and Bouygues Telecom, as well as subscribers to Thema packages. Certain subscribers may also have subscribed to a Canal+ offer.

At the end of December 2020, Canal+ Group's total subscriber portfolio (individual and collective) reached 21.8 million, including 8.7 million in mainland France, compared to 20.3 million at the end of December 2019.

In 2020, Canal+ Group's revenues were €5,498 million, up 4.4% compared to 2019 (down 0.9% at constant currency and perimeter).

Pay-TV in mainland France recorded a net increase of its total subscriber base of 262,000 over the past 12 months.

Revenues from international operations increased sharply by 19.8% (up 4.0% at constant currency and perimeter), thanks to the significant growth in the number of subscribers (+1.2 million year-on-year) across all geographical areas except Asia-Pacific, and the success of the M7 integration.

Studiocanal's revenues declined by 17.0% year-on-year, as the filming and distribution of movies and series were particularly affected by the pandemic. However, this decrease was partially offset by the good performance of the catalog.

In 2020, Canal+ Group's profitability improved compared to 2019. EBITA recorded a strong increase of 26.7%, reaching €435 million, compared to €343 million in 2019.

In October 2020, Canal+ Group announced that it held 12% of the share capital of the South African company MultiChoice Group Ltd, the leader in pay-TV in anglophone and lusophone sub-Saharan Africa, becoming the second-largest shareholder.

Canal+ Group, the exclusive distributor of Disney+ in France since it became available in Canal+ offers on April 7, 2020, entered into distribution agreements with other operators in the fourth quarter of 2020 to expand this streaming service.

In December 2020, French Broadcasting Authority *(Conseil supérieur de l'audiovisuel)* (CSA) authorized Canal+ Group to renew its DTT license in France for three years, i.e., until December 6, 2023. This reception mode concerned nearly 2% of Canal+ Group subscribers at the end of December 2020.

On February 4, 2021, the Professional Football League and Canal+ Group announced a global agreement regarding the audiovisual rights for Ligue 1 Uber Eats and Ligue 2 BKT for the 2020-2021 season. Since the 25th day of Ligue 1 Uber Eats and Ligue 2 BKT, and until the end of the 2020-2021 season, Canal+ Group has had the exclusive audiovisual rights, live and in full, to all Ligue 1 Uber Eats matches and eight of the ten Ligue 2 BKT matches. In addition to the audiovisual rights to these matches, Canal+ Group will hold all the magazine rights during the week and on weekends.

In addition, on March 2, 2021, Canal+, which has been a partner of the TOP 14 for more than thirty-five years, won the latest call for tenders launched by the National Rugby League for broadcasting rights in France until the end of the 2026-2027 season. These exclusive broadcasting rights cover all TOP 14 matches, live as well as near-live clips, and all programs devoted to them, in all media formats.

1.3.3. HAVAS GROUP

(in millions of euros)	Year ended December 31 2020	2019	% Change	% Change at constant currency	% Change at constant currency and perimeter
Revenues	2,137	2,378	-10.1%	-8.8%	-10.8%
Net revenues (a)	**2,049**	**2,256**	**-9.2%**	**-7.8%**	**-9.9%**
Income from operations	**163**	**268**	**-39.2%**	**-39.2%**	**-40.6%**
Income from operations/net revenues	*8.0%*	*11.9%*	*-3.9 pts*		
Income/(charges) related to share-based compensation plans	(10)	(12)			
Other special items excluded from income from operations	1	4			
EBITA before restructuring charges	**154**	**260**	**-40.8%**	**-40.9%**	**-42.3%**
EBITA before restructuring charges/net revenues	*7.5%*	*11.5%*	*-4.0 pts*		
Restructuring charges	(33)	(35)			
EBITA	**121**	**225**	**-46.1%**	**-46.2%**	**-47.7%**
Net revenues by geographic area					
Europe	997	1,105	-9.8%	-9.5%	-12.7%
North America	796	831	-4.2%	-3.3%	-4.0%
Asia Pacific and Africa	164	193	-15.0%	-13.1%	-16.8%
Latin America	92	127	-27.7%	-15.4%	-13.9%
	2,049	**2,256**	**-9.2%**	**-7.8%**	**-9.9%**
Net revenues by segment					
Havas Creative	45%	46%			
Havas Health & You	23%	19%			
Havas Media	32%	35%			
	100%	**100%**			

(a) Net revenues, a non-GAAP measure, corresponds to Havas Group's revenues less the pass-through costs rebilled to customers. Please refer to Note 1.3.4.3 to the Consolidated Financial Statements for the year ended December 31, 2020.

During the fourth quarter of 2020, global economic activity continued its gradual recovery, in line with the third quarter performance. The advertising market is more stable and continues to improve, albeit to varying degrees depending on the geographical region and sector.

Against this challenging backdrop, Havas Group reported a clear improvement in the fourth quarter with organic net revenue **(1)** growth of -7.5%, compared to -10.4% in the third quarter of 2020.

With the exception of Asia-Pacific, all geographical regions continued to improve or consolidate their performances. The North American agencies continued to hold up well, thanks to a dynamic advertising market and the resilience of health and wellness communications. Under the impetus of both the Creative and Media businesses, Europe reported an overall stronger performance, although with contrasting results between countries. Latin America consolidated its recovery, and a new organization was implemented in the Asia-Pacific agencies.

Havas Group's revenues for 2020 were €2,137 million, down 10.1% (-10.8% at constant currency and perimeter) compared to 2019. Net revenues were €2,049 million, down 9.2% compared to 2019 and organic growth was -9.9% compared to 2019. Exchange rates had a negative impact of -1.4% (+2.5% in 2019) and acquisitions contributed +2.1%.

In 2020, EBITA was €121 million, compared to €225 million in 2019. Thanks to its agility, the benefits of the cost adjustment plan introduced at the beginning of the crisis enabled Havas Group to absorb more than 50% of the decline in its revenues over the full-year 2020 (before restructuring charges).

Havas Group has begun 2021 with confidence: business activity, especially in the second half of 2020, proved highly dynamic, with the winning of prestigious new clients including Jacobs Douwe Egberts, Epic Games, Tetra Pack and PMU. The reinforcement of existing offerings and the launch of two new and groundbreaking initiatives, Havas CX and Havas Market, make Havas Group's expertise more attractive than ever. Thanks to its cost adjustment plan and the introduction of new organizational structures, Havas Group is in good shape and well equipped to make the most of any new growth opportunities its markets may present. At the same time, it is keeping a close eye on economic and social developments.

(1) Net revenues correspond to revenues less pass-through costs rebilled to customers.

New contract and award wins in 2020

In 2020, Havas continued its global development by winning numerous new clients in creative, media expertise and healthcare communications, both locally and globally.

- **Havas Creation:** 3M, AARP, Accor, Allianz, Amazon Workforce, BMW e-sports, EDF, Fanta, Harman JBL, Homeserve, John West, KFC, Suzuki, T3 Go, and Yili Group
- **Havas health & you:** AbbVie, Astellas, AstraZeneca, Biomarin, Karyopharm, Kyowa Kirin, Novartis, Orexo, Pfizer, Roche, Sanofi, Servier, Takeda, UCB, and ViiV
- **Havas Media:** Telefonica, Sanofi, JDE Peets, Agrolimen, Lactalis, 3M, Europcar, Karo Pharma, Promote Iceland, Epic Games, Signify, and Tetra Pak, BBC, PMU and Audible.ca.

Main awards won

BETC ranked first in the Contagious Pioneer 2020 Top 10 agencies and also received the special award of "Agency of the Year" at the Eurobest thanks to two Grand Prizes for its "Crocodile Inside" campaigns for Lacoste and "Underground Première" for 13ème Rue as well as 6 Gold. Camp + King took second place in the "Small Agency of the Year" ranking established by Advertising Age, one of the industry's leading magazines. In the latest Campaign Brief 2020 Bestads Rankings, Buzzman ranked 12th among the world's best agencies of the year.

The agencies' creativity was recognized at a large number of festivals and ceremonies, including the D&AD, where the group's agencies won 17 awards, including two Gold, five Silver and ten Bronze, as well as the first-ever "Black Pencil of the Decade", awarded to Host/Havas' "Palau Pledge" campaign.

At the One Show, they won 20 awards, including six Gold and five Silver, for BETC Paris' Crocodile Inside and Crocodile Free campaigns for Lacoste and Arnold Boston's two campaigns, "In Someone Else's Shoes" for Santander Bank and "Run For Life" for the Red Cross in Brazil.

At the Webby Awards, the group's agencies won 17 awards, led by two first prizes from HOY for its campaign "100 years making history" for Citroën, and Havas New York for its campaign "Adidas original archive video series".

Effies were awarded Chile, Austria, Argentina, Belgium, Russia, Germany, India, the United States, Poland, Peru, Colombia, Turkey (11 awards including 6 Gold) and France (14 awards including one Grand Prix and 5 Gold).

The Havas Media network shined at the Festival of Global Media. The "Waiting Wins" campaign for CANAL+ won two Golds, and the "Project Save" campaign for the Government of Valenzuela won one Gold.

Havas Creative's New Business team was elected New-Business Development Team of the Year by Campaign magazine for the second consecutive year. Havas Europe held the top spot in the 2020 R3 (R3 Worldwide's New Business League for Europe) ranking of the best New Business performances by creative networks in 2019.

1.3.4. EDITIS

	Year ended December 31		12-month pro forma data		
(in millions of euros)	2020	2019 (a)	2019	% Change	% Change at constant currency and perimeter
Literature	300	282	309	-2.0%	-2.8%
Education and Reference	185	184	191	-3.5%	-3.5%
Diffusion and Distribution	240	221	235	+2.5%	+2.5%
Revenues	**725**	**687**	**735**	**-1.0%**	**-1.3%**
Income from operations	**51**	**59**	**50**	**+2.2%**	**+2.4%**
Restructuring charges	(6)	(3)	(4)		
Income/(charges) related to share-based compensation plans	(1)	-	-		
Other special items excluded from income from operations	(6)	(4)	(3)		
EBITA	**38**	**52**	**43**	**-11.4%**	**-11.2%**

(a) Corresponds to the financial data consolidated by Vivendi since February 1, 2019.

In an extremely turbulent environment in 2020 with the closure, during some periods, of a large number of the points of sale in France (the publishing market fell by -67% in April, -25% in May and -35% in November), the market ended the year just 2.7% lower than 2019 (source GfK 2020), demonstrating its resilience. However, certain segments, such as tourism, were heavily affected.

In 2020, Editis' revenues reached €725 million, a slight decrease of 1.3% at constant currency and perimeter compared to 2019. In 2020, the school reform had a lower impact than in 2019.

With its Nathan and Bordas brands, Editis is strengthening its leadership position in education and remains the leader in the very competitive market of senior-year high school curriculum reform.

Editis' general literature and that of its third-party publishing partners performed well, with several of Editis titles included among the year's best-sellers across all categories. Editis was the best-represented publishing group in the Top 20 best-selling new releases in 2020 in France, with nine titles sold by the group.

Likewise, several of Editis' new releases were selected for prestigious literary awards, such as *La Grâce* by Thibault de Montaigu (Plon publishing house), which was awarded the Prix de Flore.

Nimba Éditions, a 100% Ivorian publishing house launched with the support of Vivendi's local presence, published its first titles in December 2020. Nimba Éditions aims to reveal local talent and offer relevant and intelligent content to readers in Côte d'Ivoire and neighboring French-speaking countries.

In 2020, Editis' EBITA was €38 million, compared to €43 million for the same period in 2019 (12-month pro forma). Thanks to cost control, Income from operations was up by 2.4% at constant currency and perimeter compared to 2019.

Successes and literary prizes won by Editis in 2020:

Among the successes achieved by Editis' publishing houses are the following, hardback literature with Ken Follett's last novel, *Le Crépuscule et l'Aube* (Robert Laffont publishing house, worldwide release), and Marc Lévy's *C'est arrivé la nuit* (Robert Laffont/Versilio publishing house); cookbooks with the success of the first, second and third volumes of *Fait maison* by Cyril Lignac; non-fiction with *Toujours plus* by two-million subscriber influencer Léna Situations (Robert Laffont publishing house); comic books with the fifth volume of *L'Arabe du futur* by Riad Sattouf (Allary publishing house), and the youth segment with the good results of *L'Agenda scolaire* by Roxane (Solar publishing house).

Likewise several publications of Editis' new releases were selected for prestigious literary awards: *La Grâce* by Thibault de Montaigu (Plon publishing house) was awarded the Prix de Flore; *Apeirogon* by Colum McCann (Belfond publishing house) received the best foreign book award and the Prix Renaudot Poche was awarded to *Charles de Gaulle* by Éric Roussel (Perrin publishing house).

Third-party publishers were not outdone, with the Prix Interallié for *Un crime sans importance* by Irène Frain (Seuil publishing house), as well as, among others, the Prix Médicis for French literature, the Prix Médicis for foreign literature and the Prix Femina Romans Étrangers.

1.3.5. GAMELOFT

(in millions of euros)	Year ended December 31 2020	2019	% Change	% Change at constant currency	% Change at constant currency and perimeter
Revenues	**253**	**259**	**-2.1%**	**-0.9%**	**-1.5%**
Income from operations	**(17)**	**(28)**			
Restructuring charges	(2)	(3)			
Income/(charges) related to share-based compensation plans	(3)	(4)			
Other special items excluded from income from operations	(2)	(1)			
EBITA	**(24)**	**(36)**			
Revenues by geographic area					
North America	96	92			
EMEA (Europe, the Middle East, Africa)	92	86			
Asia Pacific	50	62			
Latin America	15	19			
Total	**253**	**259**			

In 2020, Gameloft's revenues were €253 million, down 2.1% compared to 2019 (-1.5% at constant currency and perimeter). Sales on OTT platforms, representing 74% of Gameloft's total revenues, were up by 0.9%, driven by the success of *Asphalt 9: Legends* on mobile phones, PCs and Nintendo Switch (+30% annual growth) and the resilience of the catalog. In 2020, *Disney Magic Kingdoms, March of Empires, Asphalt 9: Legends, Dragon Mania Legends* and *Asphalt 8: Airborne* recorded the highest sales, representing 53% of Gameloft's total revenues.

In 2020, Gameloft continued to implement its internal transformation plan, which resulted in a sharp drop in operating expenses and a significant increase in its margins. Consequently, in 2020, Gameloft's EBITA improved by €12 million to -€24 million.

1.3.6. VIVENDI VILLAGE

	Year ended December 31				
(in millions of euros)	2020	2019	% Change	% Change at constant currency	% Change at constant currency and perimeter
Revenues	**40**	**141**	**-71.4%**	**-71.4%**	**-71.9%**
Income from operations	**(51)**	**(16)**			
Restructuring charges	(2)	(1)			
Income/(charges) related to share-based compensation plans	(1)	-			
Other special items excluded from income from operations	(5)	-			
EBITA	**(59)**	**(17)**			

In 2020, Vivendi Village's revenues were €40 million, a 71.9% decrease at constant currency and perimeter (-71.4% on an actual basis) compared to 2019.

Vivendi Village's EBITA was a loss of €59 million, compared to a loss of €17 million in 2019.

After a very good start at the beginning of the first quarter of 2020, the lockdown measures gradually taken in Europe and Africa weighed very heavily on Vivendi Village's activities in 2020. Significant cost-cutting measures have been implemented. New concert and show formats accessible remotely by the public and based on different forms of monetization are being successfully tested. Two techno music events (Junction 2), in July 2020 and January 2021, each attracted 3 million fans worldwide. Paid livestream concerts featuring M Pokora and Jenifer were held in December 2020. These initiatives could prove to be a natural and sustainable complement to live performance activities and an additional revenue source.

1.3.7. NEW INITIATIVES

In 2020, New Initiatives, which brings together Dailymotion and the GVA entities, recorded revenues of €65 million, compared to €71 million in 2019.

New Initiatives' EBITA was a loss of €75 million, compared to a loss of €65 million in 2019.

In 2020, the audience for Dailymotion's premium content grew by 19% compared to 2019. This increase was driven by existing partnerships with the Vendée Globe and Numerama in France, EPCR (European Professional Club Rugby) and the EuroLigue basketball league in Europe, Daily Mail in the United Kingdom, CNN in the United States, Cocina al Natural in Mexico, as well as by the signing of new partnerships, notably with MoviePilot in Germany, Conde Nast and Genius in the United States, Sakshi and Vikatan in India, and Interworks and CTS in Asia. Dailymotion's program-based monetization platform also continued to grow and recorded a strong 31% increase in revenues in 2020 compared to 2019.

GVA is a FTTH (Fiber to the home) operator that has been active in Sub-Saharan Africa for three years and is already present in five countries. Specialized in providing ultra-high-speed Internet access in African cities, GVA's network covered more than half a million homes and businesses by the end of 2020. Two new operations were launched in 2020 in Abidjan (Côte d'Ivoire) and Kigali (Rwanda). In 2021, GVA expects to continue its strong growth based on the always high demand for ultra-high-speed home broadband service in Africa.

1.3.8. CORPORATE

Corporate's income from operations was a net charge of €128 million, compared to a net charge of €95 million in 2019, an unfavorable change of €33 million, which notably included a €21 million reversal of accrual in 2019 due to the impact of the French "Pacte Law" *(loi Pacte)* on pension plans.

Corporate's EBITA was a net charge of €138 million, compared to a net charge of €100 million in 2019, an unfavorable change of €38 million, which notably included a €21 million reversal of accrual in 2019 due to the impact of the French "Pacte Law" *(loi Pacte)* on pension plans.

2. LIQUIDITY AND CAPITAL RESOURCES

2.1. Liquidity and equity portfolio

PRELIMINARY COMMENTS

- The "Financial Net Debt", a non-GAAP measure, should be considered in addition to, and not as a substitute for, GAAP measures presented in the Consolidated Statement of Financial Position, as well as any other measure of indebtedness reported in accordance with GAAP. Vivendi considers this to be a relevant indicator of the group's liquidity and capital resources. Vivendi Management uses this indicator for reporting, management and planning purposes.
- The "Financial Net Debt" is calculated as the sum of:
  - i. cash and cash equivalents, as reported in the Consolidated Statement of Financial Position, including (i) cash in banks and deposits, whether or not compensated, corresponding to cash, and (ii) money market funds which satisfy the ANC's and AMF's decision released in November 2018 and other highly liquid short-term investments with initial maturities of generally three months or less corresponding to cash equivalents, defined in accordance with IAS 7;
  - ii. cash management financial assets, included in the Consolidated Statement of Financial Position under "financial assets", relating to financial investments, which do not satisfy the criteria for classification as cash equivalents set forth in IAS 7, and, with respect to money market funds, the ANC's and AMF's decision released in November 2018. In addition, on March 20, 2020, Vivendi SE and Bolloré SE entered into a cash management agreement providing for advance payments, repayable at Vivendi SE's first request (for a detailed description, please refer to Note 16 to the Consolidated Financial Statements for the year ended December 31, 2020); and
  - iii. derivative financial instruments, net (assets and liabilities) where the underlying instruments are Financial Net Debt items, as well as cash deposits securing borrowings included in the Consolidated Statement of Financial Position under "financial assets";

less:

  - iv. the value of borrowings at amortized cost.
- For a detailed description, please refer to Note 16 "Cash position" and Note 21 "Borrowings and other financial liabilities and financial risk management" to the Consolidated Financial Statements for the year ended December 31, 2020.

2.1.1. FINANCIAL NET DEBT

(in millions of euros)	Refer to Notes to the Consolidated Financial Statements	12/31/2020	12/31/2019
Cash and cash equivalents		976	2,130
Cash management financial assets		120	204
Cash position	16	**1,096**	**2,334**
Bonds		(5,050)	(5,450)
Bank credit facilities		(661)	(36)
Short-term marketable securities		(310)	(870)
Other		(28)	(42)
Borrowings at amortized cost	21	**(6,049)**	**(6,398)**
Financial Net Debt		**(4,953)**	**(4,064)**

2.1.2. CHANGES IN THE FINANCIAL NET DEBT

(in millions of euros)	Cash and cash equivalents	Borrowings at amortized cost and other financial items (a)	Financial Net Debt
Financial Net Debt as of December 31, 2019	**2,130**	**(6,194)**	**(4,064)**
(Outflows) / inflows:			
Operating activities	1,226	-	1,226
Investing activities	(1,645)	(81)	(1,726)
Financing activities	(675)	327	(348)
Foreign currency translation adjustments	(60)	19	(41)
Financial Net Debt as of December 31, 2020	**976**	**(5,929)**	**(4,953)**

(a) "Other financial items" include cash management financial assets and derivative financial instruments relating to the interest rate and foreign currency risk management (assets and liabilities).

As of December 31, 2020, Vivendi's Financial Net Debt amounted to -€4,953 million, compared to a Financial Net Debt of -€4,064 million as of December 31, 2019, i.e., an increase of €889 million. This change was mainly attributable to the following items:

- Vivendi repurchased its own shares for €2,157 million (please refer to Note 16 to the Consolidated Financial Statements for the year ended December 31, 2020)
- in 2020, Vivendi acquired listed equity securities for €1,257 million, including Lagardère for €595 million and MultiChoice Group Ltd by Canal+ Group for €294 million
- on April 23, 2020, Vivendi paid a dividend with respect to fiscal year 2019 of €0.60 per share representing an aggregate amount of €690 million;
- on July 3, 2020, Banijay Group Holding completed the acquisition of 100% of Endemol Shine Group's share capital. This transaction was notably financed by a capital increase to which Vivendi subscribed for €100 million. As from this date, Vivendi holds 32.9% of Banijay Group Holding's share capital.

These items were partially offset by the following:

- Vivendi received a cash inflow of €2,842 million from the sale of 10% of Universal Music Group's share capital to a Tencent-led consortium (please refer to Note 2.1 to the Consolidated Financial Statements for the year ended December 31, 2020);
- cash flow from operations (CFFO) provided by operating activities for €696 million.

Vivendi believes that the cash flow generated by its operating activities, its cash surpluses, net of amounts used to reduce Vivendi's debt, as well as funds available through undrawn bank credit facilities (please refer to Note 21.3 to the Consolidated Financial Statements for the year ended December 31, 2020) will be sufficient to cover expenses and investments necessary for its operations, its debt service (including redemption of bonds), the payment of income taxes, the distribution of dividends and any potential share repurchases under existing authorizations, as well as its investment projects, if any, for the next 12 months.

2.1.3. EQUITY PORTFOLIO

As of December 31, 2020, Vivendi held a portfolio of listed non-controlling equity interests (including Telecom Italia) for an aggregate market value of approximately €5.33 billion (before taxes), compared to €3.95 billion as of December 31, 2019.

As of March 1, 2021 (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2020), the value of the portfolio of listed non-controlling equity interests (including Telecom Italia) was approximately €5.66 billion (before taxes).

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2.2. Cash flow from operations analysis

PRELIMINARY COMMENTS

- Under Vivendi's definition, EBITDA is calculated as EBITA, as presented in the Adjusted Statement of Earnings, before amortization and depreciation of tangible and intangible assets, restructuring charges, gains/(losses) on the sale of tangible and intangible assets, income from equity affiliates – operational and other non-recurring operating items.
- "Cash flow from operations" (CFFO) and "cash flow from operations after interest and income tax paid" (CFAIT), both non-GAAP measures, should be considered in addition to, and not as substitutes for, other GAAP measures of operating and financial performance as presented in the Consolidated Financial Statements and the related notes or as described in this Financial Report. Vivendi considers these to be relevant indicators of the group's operating and financial performance.

	Year ended December 31		
(in millions of euros)	2020	2019	% Change
Revenues	16,090	15,898	+1.2%
Operating expenses excluding depreciation and amortization	(13,667)	(13,620)	-0.4%
EBITDA	***2,423***	***2,278***	***+6.3%***
Restructuring charges paid	(115)	(101)	-13.7%
Content investments, net	(1,481)	(676)	x 2.2
of which payments to artists and catalog acquisitions by UMG:			
Payments and catalog acquisitions	*(2,541)*	*(1,483)*	*-71.4%*
Recoupment of payments	*1,024*	*1,018*	*+0.6%*
	(1,517)	***(465)***	***x 3.3***
of which film and television rights, net at Canal+ Group:			
Acquisition paid	*(471)*	*(502)*	*+6.2%*
Consumption	*615*	*567*	*+8.4%*
	144	***65***	***x 2.2***
of which sports rights, net at Canal+ Group:			
Acquisition paid	*(739)*	*(1,015)*	*+27.2%*
Consumption	*719*	*987*	*-27.1%*
	(20)	***(28)***	***+30.5%***
of which other rights and contents, net at Canal+ Group:			
Acquisition paid	*(207)*	*(366)*	*+43.4%*
Consumption	*165*	*174*	*-5.2%*
	(42)	***(192)***	***+78.1%***
Neutralization of change in provisions included in operating expenses	199	(24)	na
Other cash operating items	(4)	7	na
Other changes in net working capital	293	67	x 4.4
Net cash provided by/(used for) operating activities before income tax paid	***1,315***	***1,551***	***-15.2%***
Dividends received from equity affiliates and unconsolidated companies	71	11	x 6.4
Capital expenditures, net (capex, net)	(435)	(405)	-7.5%
Repayment of lease liabilities and related interest expenses **(a)**	(255)	(254)	-0.2%
Cash flow from operations (CFFO)	**696**	**903**	**-23.0%**
Interest paid, net	(37)	(46)	+19.8%
Other cash items related to financial activities	(22)	(7)	x 2.9
Income tax (paid)/received, net	(89)	(283)	+68.5%
Cash flow from operations after interest and income tax paid (CFAIT)	**548**	**567**	**-3.2%**

na: not applicable.

(a) Included a €214 million repayment of lease liabilities and €41 million of related interest expenses for the year ended December 31, 2020 (compared to €211 million and €43 million for the year ended December 31, 2019, respectively).

2.2.1. CHANGES IN CASH FLOW FROM OPERATIONS (CFFO)

In 2020, **cash flow from operations (CFFO)** generated by the group's business segments amounted to €696 million (compared to €903 million in 2019), a decline of €207 million.

Net cash EBITDA from the change in the working capital of the group's business segments amounted to €5,190 million (compared to €4,817 million in 2019), an increase of €373 million. This growth mainly resulted from the operating performances of Universal Music Group (+€397 million).

This increase was more than offset by the change in **content investments**, which amounted to €4,011 million (compared to €3,427 million in 2019), an increase of €584 million. The increase in advance payments to artists and acquisitions of catalogs by Universal Music Group (-€1,059 million, including the impact of the acquisition of Bob Dylan's catalog) was partially offset by the temporary postponement of certain content investments at Canal+ Group (+€465 million) due to the Covid-19 pandemic.

Furthermore, **capital expenditures** by the group's business segments amounted to €435 million (compared to €405 million in 2019), an increase of €30 million, mainly at Canal+ Group.

2.2.2. CASH FLOW FROM OPERATIONS (CFFO) BY BUSINESS SEGMENT

	Year ended December 31		
(in millions of euros)	2020	2019	% Change
Universal Music Group	50	704	-92.9%
Canal+ Group	545	167	x 3.3
Havas Group	270	239	+13.0%
Editis	71	22	x 3.2
Gameloft	(13)	(26)	
Vivendi Village	(86)	(24)	
New Initiatives	(88)	(72)	
Corporate	(53)	(107)	
Cash flow from operations (CFFO)	**696**	**903**	**-23.0%**

2.2.3. CHANGES IN CASH FLOW FROM OPERATIONS AFTER INTEREST AND INCOME TAX PAID (CFAIT)

In 2020, **cash flow from operations after interest and income tax paid (CFAIT)** was a €548 million net inflow (compared to a €567 million net inflow in 2019), a decline of €19 million. The decrease in net cash flow from operations (-€207 million) was almost offset by a lower net outflow relating to income taxes (+€194 million).

In 2020, **cash flow relating to income taxes** was a €89 million net outflow, compared to a €283 million net outflow in 2019, representing savings of €194 million. As a reminder, in 2019, pursuant to a decision of the Versailles Administrative Court of Appeal regarding the use of foreign tax receivables by Vivendi for the payment of income tax in respect of the fiscal year ended December 31, 2012, on February 15, 2019, Vivendi complied with the tax authorities' request and repaid an amount of €239 million (€218 million principal and €21 million moratorium interest). Following a favorable decision from the French Council of State *(Conseil d'État)* dated December 19, 2019, the tax authorities repaid €223 million to Vivendi on December 27, 2019 (€218 million principal and €5 million moratorium interest). In January 2020, the tax authorities repaid €250 million to Vivendi, i.e., a balance of €21 million with respect to moratorium interest for fiscal year 2012 and €229 million with respect to fiscal year 2015 (€203 million principal and €26 million moratorium interest).

In 2020, **financial activities** generated a €59 million net outflow (compared to €53 million in 2019). In 2020, this amount mainly included net interest paid (€37 million, compared to €46 million in 2019). In addition, cash outflows generated by foreign exchange risk hedging instruments was a €7 million outflow (compared to a €25 million inflow in 2019).

2.2.4. RECONCILIATION OF CFAIT TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	Year ended December 31	
(in millions of euros)	2020	2019
Cash flow from operations after interest and income tax paid (CFAIT)	**548**	**567**
Adjustments		
Repayment of lease liabilities and related interest expenses	255	254
Capital expenditures, net (capex, net)	435	405
Dividends received from equity affiliates and unconsolidated companies	(71)	(11)
Interest paid, net	37	46
Other cash items related to financial activities	22	7
Net cash provided by operating activities (a)	**1,226**	**1,268**

(a) As presented in the Consolidated Statement of Cash Flows.

2.3. Analysis of investing and financing activities

2.3.1. INVESTING ACTIVITIES

(in millions of euros)	Refer to Notes to the Consolidated Financial Statements	Year ended 12/31/2020
Financial investments		
Acquisition of listed equity securities **(a)**		(1,257)
Advances under the Bolloré SE current account	16	(150)
Increase in Banijay Group Holding's capital	16	(100)
Other financial investments		(133)
Total financial investments		***(1,640)***
Financial divestments		
Disposal of cash management financial assets	16	151
Repayment under the Bolloré SE current account	16	80
Other financial divestments **(b)**		129
Total financial divestments		***360***
Dividends received from equity affiliates and unconsolidated companies		70
Capital expenditures, net	4	(435)
Net cash provided by/(used for) investing activities (c)		**(1,645)**

(a) Included the acquisition of Lagardère shares for €595 million and the acquisition of MultiChoice shares by Canal+ Group for €294 million (please refer to Note 2 to the Consolidated Financial Statements for the year ended December 31, 2020).

(b) Included an additional payment of €56 million for the sale of GVT in 2015, following the favorable settlement of a tax litigation in Brazil.

(c) As presented in the Consolidated Statement of Cash Flows.

2.3.2. FINANCING ACTIVITIES

(in millions of euros)	Refer to Notes to the Consolidated Financial Statements	Year ended 12/31/2020
Transactions with shareowners		
Sale of 10% of Universal Music Group's share capital	2	2,842
Sale/(purchase) of Vivendi SE's treasury shares	17	(2,157)
Dividends paid by consolidated companies to their non-controlling interests		(98)
Distribution to Vivendi SE's shareowners	17	(690)
Capital increase subscribed by employees as part of the Stock Purchase Plan	20	130
Exercise of stock subscription options by executive management and employees	20	23
Other		(83)
Total transactions with shareowners		***(33)***
Transactions on borrowings and other financial liabilities		
Issuance of bank credit facilities	21	704
Redemption of short-term marketable securities	21	(1,028)
Interest paid, net	6	(37)
Other		(26)
Total transactions on borrowings and other financial liabilities		***(387)***
Repayment of lease liabilities and related interest expenses	12; 6	(255)
Net cash provided by/(used for) financing activities (a)		**(675)**

(a) As presented in the Consolidated Statement of Cash Flows.

3. OUTLOOK

Dividend

On March 1, 2021 (the date of Vivendi's Management Board Meeting that approved the Consolidated Financial Statements for the year ended December 31, 2020 and the allocation of earnings for the fiscal year then ended), the Management Board decided to propose to shareholders the payment of an ordinary dividend of €0.60 per share. This proposal was presented to, and approved by, Vivendi's Supervisory Board at its meeting held on March 3, 2021, and it will be submitted to the General Shareholders' Meeting to be held on June 22, 2021 for approval.

4. FORWARD-LOOKING STATEMENTS

Cautionary note

This Financial Report contains forward-looking statements with respect to Vivendi's financial condition, results of operations, business, strategy, plans and outlook, including the impact of certain transactions and the payment of dividends and distributions, as well as share repurchases. Although Vivendi believes that such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside Vivendi's control, including, but not limited to, risks related to antitrust and other regulatory approvals, and to any other approvals that may be required in connection with certain transactions, as well as the risks described in the documents filed by Vivendi with the *Autorité des marchés financiers* (the "AMF") (the French securities regulator), and in its press releases, if any, which are also available in English on Vivendi's website (www.vivendi.com). Accordingly, readers are cautioned against relying on such forward-looking statements. These forward-looking statements are made as of the date of this Financial Report. Vivendi disclaims any intention or obligation to provide, update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Although the Covid-19 pandemic is having a more significant impact on certain countries or businesses than others, in 2020, Vivendi has demonstrated resilience in adapting its activities to continue to best serve and entertain its customers, while reducing costs to preserve its margins. The business activities showed good resilience, in particular, music and pay television. However, as previously mentioned, the other businesses such as Havas Group and Vivendi Village (in particular live entertainment) were affected by the pandemic's effect. Editis has enjoyed a strong rebound in its businesses in France since June 2020.

Vivendi continually monitors the current and potential consequences of the crisis. It is difficult at this time to determine how it will impact Vivendi's results in 2021. Businesses related to advertising and live performance have a risk of being more impacted than others. Nevertheless, the Group remains confident in the resilience of its main businesses. It continues to make every effort to ensure the continuity of its activities, as well as to best serve and entertain its customers and audiences while complying with the guidelines of authorities in each country where it operates.

In 2020, Vivendi tested the value of goodwill allocated to its Cash-Generating Units (CGU) or groups of CGU by applying valuation methods consistent with previous years. Vivendi ensured that the recoverable amount of CGU or groups of CGU tested exceeded their carrying value (including goodwill). Government measures implemented to address the Covid-19 pandemic in the main regions where Vivendi operates, have slowed down the conduct of certain business activities, such as Havas Group, Studiocanal and Vivendi Village and have slowed down the conduct of the operating performance of these activities. Notwithstanding the uncertainties created by the Covid-19 pandemic, Vivendi considered that the decline in the operating performance of these businesses observed in 2020 is unlikely to be permanent and should not affect their long-term outlook.

In 2020, Vivendi's Financial Net Debt increased by €889 million, from €4,064 million as of December 31, 2019, to €4,953 million as of December 31, 2020. In addition, Vivendi has significant financing capacity. As of December 31, 2020, €3.3 billion of the group's committed credit facilities were available.

As of December 31, 2020, the average "economic" term of the group's financial debt, calculated based on the assumption that the available medium-term credit lines may be used to redeem the group's shortest term borrowings, was 4.8 years (compared to 5.3 years as of December 31, 2019).

For a detailed description on borrowings and other financial liabilities and financial risk management, please refer to Note 21 to the Consolidated Financial Statements for the year ended December 31, 2020.

5. OTHER DISCLAIMERS

Unsponsored ADRs

Vivendi does not sponsor any American Depositary Receipt (ADR) facility in respect of its shares. Any ADR facility currently in existence is "unsponsored" and has no ties whatsoever to Vivendi. Vivendi disclaims any liability in respect of any such facility.

Translation

This Financial Report is an English translation of the French version of the report and is provided solely for the convenience of English-speaking readers. This translation is qualified in its entirety by the French version, which is available on the company's website (www.vivendi.com). In the event of any inconsistencies between the French version of this Financial Report and the English translation, the French version will prevail.

APPENDIX TO THE FINANCIAL REPORT

QUARTERLY REVENUES BY BUSINESS SEGMENT

	2020			
(in millions of euros)	Three months ended March 31	Three months ended June 30	Three months ended September 30	Three months ended December 31
Revenues				
Universal Music Group	1,769	1,690	1,855	2,118
Canal+ Group	1,372	1,302	1,380	1,444
Havas Group	524	495	484	634
Editis	116	146	232	231
Gameloft	61	69	63	60
Vivendi Village	23	3	8	6
New Initiatives	15	13	16	21
Elimination of intersegment transactions	(10)	(12)	(16)	(22)
Total Vivendi	**3,870**	**3,706**	**4,022**	**4,492**

	2019			
(in millions of euros)	Three months ended March 31	Three months ended June 30	Three months ended September 30	Three months ended December 31
Revenues				
Universal Music Group	1,502	1,756	1,800	2,101
Canal+ Group	1,252	1,266	1,285	1,465
Havas Group	525	589	567	697
Editis **(a)**	89	171	210	217
Gameloft	68	65	61	65
Vivendi Village	23	43	42	33
New Initiatives	15	19	16	21
Elimination of intersegment transactions	(15)	(15)	(11)	(24)
Total Vivendi	**3,459**	**3,894**	**3,970**	**4,575**

(a) As a reminder, Vivendi has fully consolidated Editis since February 1, 2019.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Statutory auditors' report on the Consolidated Financial Statements

To the Annual General Meeting of Vivendi SE,

OPINION

In compliance with the engagement entrusted to us by your annual general meetings, we have audited the accompanying consolidated financial statements of Vivendi SE for the year ended December 31, 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics for statutory auditors *(Code de déontologie de la profession de commissaire aux comptes)* for the period from January 1, 2020 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) no. 537/2014.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

Due to the global crisis related to the Covid-19 pandemic, the financial statements for this period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. These measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on how audits are performed.

It is in this complex, evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation of goodwill allocated to cash-generating units (CGUs) or groups of CGUs: Groupe Canal+ (Pay TV/Free TV), Studio Canal, Havas, Editis and Gameloft

(Notes 1.3.5.2, 1.3.5.8 and 10 to the consolidated financial statements)

Key audit matter	Our response
As at December 31, 2020, goodwill is recorded in the balance sheet for a net carrying amount of €14,183 million, for a total balance sheet of €38,122 million. It has been allocated to the cash generating units (CGUs) or, where applicable, groups of cash-generating units, of the activities into which the companies acquired have been integrated. The goodwill relating to the CGUs: Groupe Canal+ (Pay-TV / Free TV), Studio Canal, Havas, Editis and Gameloft totals €9,109 million. Each year, management ensures that the carrying amount of the goodwill does not exceed its recoverable amount. The impairment test methods thus implemented by management are described in the notes to the consolidated financial statements and take into account the projected holding period for equity investments defined by the Group; they involve significant judgements and assumptions, notably concerning, as the case may be: ▶ future cash-flow forecasts; ▶ perpetual growth rates used for projected flows; ▶ discount rates applied to estimated cash flows; ▶ the selection of sample companies included among the transaction or stock market comparables; ▶ the assessment of the impact of the crisis related to the Covid-19 pandemic on the long-term prospects. Consequently, any variation in these assumptions may have a significant impact on the recoverable amount of the goodwill and necessitate the recognition of an impairment loss, where applicable. We consider the valuation of goodwill to be a key audit matter due to (i) its materiality in the group's financial statements, (ii) the judgements and assumptions required to determine its recoverable amount.	We analysed the compliance of the methods adopted by your company with the accounting standards in force, in particular concerning the determination of the CGUs and the methods used to estimate the recoverable amount. We obtained the impairment tests for each CGU or group of CGUs and examined the determination of the value of each CGU. We paid particular attention to those for which the carrying amount is close to the estimated recoverable amount, those for which the historical performance showed differences in relation to the forecasts, and those operating in volatile economic environments. We assessed the competence of the independent evaluators appointed by your company for the valuation of certain CGUs or groups of CGUs. We took note of the key assumptions used for all the CGUs or groups of CGUs and, as the case may be: ▶ compared the business forecasts underpinning the determination of cash flows with the information available, including the market prospects and past achievements, and in relation to management's latest estimates (assumptions, budgets and strategic plans where applicable); ▶ compared the perpetual growth rates used for the projected flows with market analyses and the consensus of the main professionals concerned; ▶ compared the discount rates used with our internal databases, assisted by financial valuation specialists included in our teams; ▶ examined the selection of companies included among the transaction or stock market comparables in order to compare it with the relevant samples according to market analysts and our knowledge of the operating sectors; ▶ compared the market data used with available public and non-public information. We obtained and reviewed the sensitivity analyses performed by management, which we compared with our own calculations to assess what level of variation in the assumptions would require the recognition of goodwill impairment. Finally, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements.

Valuation of the Telecom Italia equity affiliate

(Notes 1.3.2 and 13.2 to the consolidated financial statements)

Key audit matter	Our response
The net value of the Telecom Italia equity-accounted investment amounts to €3,179 million as at December 31, 2020. At year-end, your company ensures that it is not necessary to recognize an impairment loss for this investment, by comparing its recoverable amount with the carrying amount recorded in the group's financial statements. The recoverable amount has been estimated using the usual valuation methods (value in use determined by discounting future cash flows, and fair value determined using market data). Your company used the services of an independent evaluator to assist you in the valuation of this asset's recoverable amount. Given the decline observed in Telecom Italia's stock market performance during the last financial year, we consider the assessment of this equity-accounted investment to be a key audit matter.	We obtained the documentation relating to the valuation of the equity-accounted value of Telecom Italia. We assessed the competence of the independent evaluator appointed by your company. With the assistance of our valuation specialists: ▶ we took note of the models and key assumptions used to determine discounted cash flows (perpetual growth rate, discount rate), comparing these items with the information in our internal databases; ▶ we took note of the market multiples used by the independent evaluator to assess the relevance of the estimates resulting from the discounted cash flows method, comparing these items with market practice and data; ▶ assessed the compatibility of this analysis with the principle of forward holding of Telecom Italia expressed by Vivendi's management. Finally, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements.

Analysis of the disputes with the Mediaset group and foreign institutional investors

(Notes 1.3.8, 1.5, 18 and and 25 to the consolidated financial statements)

Key audit matter	Our response
The group's activities are conducted in a constantly evolving environment and within a complex international regulatory framework. The group is not only subject to significant changes in the legislative environment and in the application and interpretation of regulations, but it also has to contend with litigation arising in the normal course of its business. Your company exercises its judgement in assessing the risks relating to the disputes with the Mediaset group and with certain foreign institutional investors, and recognizes a provision when the expense liable to result from these disputes is probable and the amount can either be quantified or estimated within a reasonable range. We consider these disputes to be a key audit matter given the amounts at stake and the level of judgement required for the determination of any provisions.	We analysed all the information made available to us, relating to (i) the disputes between your company and the Mediaset group and its shareholders and (ii) the disputes between your company and certain foreign institutional investors concerning alleged harm resulting from financial communications of your company and its former CEO between 2000 and 2002. We examined the risk estimates performed by management and notably compared them with the information disclosed in the answers received from the lawyers and legal advisers in response to our requests for confirmation concerning these disputes. Finally, we verified the information concerning these disputes disclosed in the notes to the consolidated financial statements.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Management Board's management report.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code *(Code de commerce)* is included in the information relating to the Group given in the management report, it being specified that, in accordance with Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained in this statement. This information should be the subject of a report by an independent third party.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the consolidated financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation no. 2019/815 of December 17, 2018 to years beginning on or after January 1, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code *(Code monétaire et financier)*.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Vivendi SE by the annual general meetings held on April 25, 2017 for Deloitte & Associés and on June 15, 2000 for Ernst & Young et Autres.

As at December 31, 2020, Deloitte & Associés was in its fourth year and Ernst & Young et Autres in its twenty-first year of total uninterrupted engagement.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by your Management Board.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code *(Code de commerce)*, our statutory audit does not include assurance on the viability of the company or the quality of management of the affairs of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) no. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics for satutory auditors *(Code de déontologie de la profession de commissaire aux comptes)*. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-la Défense, March 3, 2021

The Statutory Auditors French original signed by

DELOITTE & ASSOCIÉS

Thierry Quéron and Géraldine Segond

ERNST & YOUNG et Autres

Jacques Pierres and Claire Pajona

Consolidated Statement of Earnings

		Year ended December 31	
	Note	2020	2019
Revenues	4	**16,090**	**15,898**
Cost of revenues		(8,812)	(8,845)
Selling, general and administrative expenses		(5,685)	(5,495)
Restructuring charges	4	(106)	(161)
Impairment losses on intangible assets acquired through business combinations	4	(1)	(20)
Income from equity affiliates – operational		(18)	4
Earnings before interest and income taxes (EBIT)	4	**1,468**	**1,381**
Income from equity affiliates – non-operational	13	126	67
Interest	6	(37)	(46)
Income from investments		36	10
Other financial income	6	704	235
Other financial charges	6	(115)	(170)
		588	***29***
Earnings before provision for income taxes		**2,182**	**1,477**
Provision for income taxes	7	(575)	140
Earnings from continuing operations		**1,607**	**1,617**
Earnings from discontinued operations		-	-
Earnings		**1,607**	**1,617**
Of which			
Earnings attributable to Vivendi SE shareowners		**1,440**	**1,583**
Non-controlling interests		167	34
Earnings attributable to Vivendi SE shareowners per share – basic	8	**1.26**	**1.28**
Earnings attributable to Vivendi SE shareowners per share – diluted	8	1.26	1.28

In millions of euros, except per share amounts, in euros.

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

		Year ended December 31	
(in millions of euros)	Note	2020	2019
Earnings		**1,607**	**1,617**
Actuarial gains/(losses) related to employee defined benefit plans, net		12	(143)
Financial assets at fair value through other comprehensive income		(118)	(37)
Comprehensive income from equity affiliates, net	13	2	(8)
Items not subsequently reclassified to profit or loss		**(104)**	**(188)**
Foreign currency translation adjustments		(672)	170
Unrealized gains/(losses), net		2	(4)
Comprehensive income from equity affiliates, net	13	(167)	61
Other impacts, net		(1)	22
Items to be subsequently reclassified to profit or loss		**(838)**	**249**
Charges and income directly recognized in equity	9	**(942)**	**61**
TOTAL COMPREHENSIVE INCOME		**665**	**1,678**
Of which			
Total comprehensive income attributable to Vivendi SE shareowners		**576**	**1,639**
Total comprehensive income attributable to non-controlling interests		89	39

The accompanying notes are an integral part of the Consolidated Financial Statements.

5

Consolidated Statement of Financial Position

(in millions of euros)	Note	12/31/2020	12/31/2019
ASSETS			
Goodwill	10	14,183	14,690
Non-current content assets	11	3,902	2,746
Other intangible assets		848	883
Property, plant and equipment		1,125	1,097
Rights-of-use relating to leases	12	1,068	1,245
Investments in equity affiliates	13	3,542	3,520
Non-current financial assets	14	4,285	2,263
Deferred tax assets	7	736	782
Non-current assets		**29,689**	**27,226**
Inventories		366	277
Current tax receivables	7	128	374
Current content assets	11	1,346	1,423
Trade accounts receivable and other	15	5,482	5,661
Current financial assets	14	135	255
Cash and cash equivalents	16	976	2,130
Current assets		**8,433**	**10,120**
TOTAL ASSETS		**38,122**	**37,346**
EQUITY AND LIABILITIES			
Share capital		6,523	6,515
Additional paid-in capital		2,368	2,353
Treasury shares		(2,441)	(694)
Retained earnings and other		9,309	7,179
Vivendi SE shareowners' equity		**15,759**	**15,353**
Non-controlling interests		672	222
Total equity	17	**16,431**	**15,575**
Non-current provisions	18	1,060	1,127
Long-term borrowings and other financial liabilities	21	4,171	5,160
Deferred tax liabilities	7	1,166	1,037
Long-term lease liabilities	12	1,070	1,223
Other non-current liabilities		916	183
Non-current liabilities		**8,383**	**8,730**
Current provisions	18	670	494
Short-term borrowings and other financial liabilities	21	2,230	1,777
Trade accounts payable and other	15	10,095	10,494
Short-term lease liabilities	12	221	236
Current tax payables	7	92	40
Current liabilities		**13,308**	**13,041**
Total liabilities		**21,692**	**21,771**
TOTAL EQUITY AND LIABILITIES		**38,122**	**37,346**

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Statement of Cash Flows

		Year ended December 31	
(in millions of euros)	Note	2020	2019
Operating activities			
EBIT	5	1,468	1,381
Adjustments	22	1,035	779
Content investments, net		(1,481)	(676)
Gross cash provided by operating activities before income tax paid		***1,022***	***1,484***
Other changes in net working capital		293	67
Net cash provided by operating activities before income tax paid		***1,315***	***1,551***
Income tax (paid)/received, net	7.2	(89)	(283)
Net cash provided by operating activities		**1,226**	**1,268**
Investing activities			
Capital expenditures	4	(438)	(413)
Purchases of consolidated companies, after acquired cash	2	(96)	(2,106)
Investments in equity affiliates	13	(120)	(1)
Increase in financial assets	14	(1,425)	(177)
Investments		***(2,079)***	***(2,697)***
Proceeds from sales of property, plant, equipment and intangible assets	4	3	8
Proceeds from sales of consolidated companies, after divested cash		65	22
Disposal of equity affiliates	13	10	-
Decrease in financial assets	14	285	1,046
Divestitures		***363***	***1,076***
Dividends received from equity affiliates	13	41	8
Dividends received from unconsolidated companies	14	30	3
Net cash provided by/(used for) investing activities		**(1,645)**	**(1,610)**
Financing activities			
Net proceeds from issuance of common shares in connection with Vivendi SE's share-based compensation plans	20	153	175
Sales/(purchases) of Vivendi SE's treasury shares	17	(2,157)	(2,673)
Distributions to Vivendi SE's shareowners	17	(690)	(636)
Other transactions with shareowners	2	2,759	(13)
Dividends paid by consolidated companies to their non-controlling interests		(98)	(41)
Transactions with shareowners		***(33)***	***(3,188)***
Setting up of long-term borrowings and increase in other long-term financial liabilities	21	5	2,101
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	21	(1)	(6)
Principal payment on short-term borrowings	21	(1,071)	(787)
Other changes in short-term borrowings and other financial liabilities	21	739	870
Interest paid, net	6	(37)	(46)
Other cash items related to financial activities		(22)	(7)
Transactions on borrowings and other financial liabilities		***(387)***	***2,125***
Repayment of lease liabilities and related interest expenses	12; 6	(255)	(254)
Net cash provided by/(used for) financing activities		**(675)**	**(1,317)**
Foreign currency translation adjustments of continuing operations		(60)	(4)
Change in cash and cash equivalents		**(1,154)**	**(1,663)**
Cash and cash equivalents			
At beginning of the period	16	2,130	3,793
At end of the period	16	976	2,130

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Statements of Changes in Equity

Year ended December 31, **2020**

(in millions of euros, except number of shares)	Note	Capital – Common shares – Number of shares (in thousands)	Capital – Common shares – Share capital	Capital – Additional paid-in capital	Capital – Treasury shares	Capital – Subtotal	Retained earnings and other – Retained earnings	Retained earnings and other – Other comprehensive income	Retained earnings and other – Subtotal	Total equity
BALANCE AS OF DECEMBER 31, 2019		**1,184,576**	**6,515**	**2,353**	**(694)**	**8,174**	**8,303**	**(902)**	**7,401**	**15,575**
Attributable to Vivendi SE shareowners		*1,184,576*	*6,515*	*2,353*	*(694)*	*8,174*	*8,059*	*(880)*	*7,179*	*15,353*
Attributable to non-controlling interests		-	-	-	-	-	*244*	*(22)*	*222*	*222*
Contributions by (distributions to) Vivendi SE shareowners		**1,420**	**8**	**15**	**(1,747)**	**(1,724)**	**(756)**	**-**	**(756)**	**(2,480)**
Sales/(purchases) of treasury shares	17	-	-	-	(1,986)	(1,986)	-	-	-	(1,986)
Dividend paid on April 23, 2020 with respect to fiscal year 2019 (€0.60 per share)	17	-	-	-	-	-	(690)	-	(690)	(690)
Capital increase related to share-based compensation plans	20	1,420	8	15	239	262	(66)	-	(66)	196
of which employee Stock Purchase Plans (July 21, 2020)		-	-	-	*190*	*190*	*(60)*	-	*(60)*	*130*
exercise of stock-options by executive management and employees		*1,420*	*8*	*15*	-	*23*	-	-	-	*23*
Changes in Vivendi SE's ownership interest in its subsidiaries that do not result in a loss of control		**-**	**-**	**-**	**-**	**-**	**2,413**	**(103)**	**2,310**	**2,310**
of which sale of 10% of Universal Music Group's share capital	*2.1*	-	-	-	-	-	*2,419*	*(103)*	*2,316*	*2,316*
Changes in equity attributable to Vivendi SE shareowners (A)		**1,420**	**8**	**15**	**(1,747)**	**(1,724)**	**1,657**	**(103)**	**1,554**	**(170)**
Contributions by (distributions to) non-controlling interests		-	-	-	-	-	(94)	-	(94)	(94)
Changes in non-controlling interests that result in a gain/(loss) of control		-	-	-	-	-	-	-	-	-
Changes in non-controlling interests that do not result in a gain/(loss) of control		-	-	-	-	-	354	101	455	455
of which sale of 10% of Universal Music Group's share capital	*2.1*	-	-	-	-	-	*354*	*101*	*455*	*455*
Changes in equity attributable to non-controlling interests (B)		**-**	**-**	**-**	**-**	**-**	**260**	**101**	**361**	**361**
Earnings		-	-	-	-	-	1,607	-	1,607	1,607
Charges and income directly recognized in equity	9	-	-	-	-	-	-	(942)	(942)	(942)
Total comprehensive income (C)		**-**	**-**	**-**	**-**	**-**	**1,607**	**(942)**	**665**	**665**
Total changes over the period (A + B + C)		***1,420***	***8***	***15***	***(1,747)***	***(1,724)***	***3,524***	***(944)***	***2,580***	***856***
Attributable to Vivendi SE shareowners		*1,420*	*8*	*15*	*(1,747)*	*(1,724)*	*3,091*	*(961)*	*2,130*	*406*
Attributable to non-controlling interests		-	-	-	-	-	*433*	*17*	*450*	*450*
BALANCE AS OF DECEMBER 31, 2020		**1,185,996**	**6,523**	**2,368**	**(2,441)**	**6,450**	**11,827**	**(1,846)**	**9,981**	**16,431**
Attributable to Vivendi SE shareowners		*1,185,996*	*6,523*	*2,368*	*(2,441)*	*6,450*	*11,150*	*(1,841)*	*9,309*	*15,759*
Attributable to non-controlling interests		-	-	-	-	-	*677*	*(5)*	*672*	*672*

The accompanying notes are an integral part of the Consolidated Financial Statements.

Year ended December 31, **2019**

(in millions of euros, except number of shares)	Capital					Retained earnings and other			
	Common shares								
	Number of shares (in thousands)	Share capital	Additional paid-in capital	Treasury share	Subtotal	Retained earnings	Other comprehensive income	Subtotal	Total equity
BALANCE AS OF DECEMBER 31, 2018	**1,306,234**	**7,184**	**4,475**	**(649)**	**11,010**	**7,466**	**(942)**	**6,524**	**17,534**
Attributable to Vivendi SE shareowners	*1,306,234*	*7,184*	*4,475*	*(649)*	*11,010*	*7,221*	*(918)*	*6,303*	*17,313*
Attributable to non-controlling interests	-	-	-	-	-	*245*	*(24)*	*221*	*221*
Restatements related to the application of IFRS 16 (a)	-	-	-	-	-	***(122)***	-	***(122)***	***(122)***
Attributable to Vivendi SE shareowners	-	-	-	-	-	*(121)*	-	*(121)*	*(121)*
Attributable to non-controlling interests	-	-	-	-	-	*(1)*	-	*(1)*	*(1)*
BALANCE AS OF JANUARY 1, 2020	**1,306,234**	**7,184**	**4,475**	**(649)**	**11,010**	**7,343**	**(941)**	**6,402**	**17,412**
Attributable to Vivendi SE shareowners	*1,306,234*	*7,184*	*4,475*	*(649)*	*11,010*	*7,100*	*(918)*	*6,182*	*17,192*
Attributable to non-controlling interests	-	-	-	-	-	*243*	*(23)*	*220*	*220*
Contributions by (distributions to) Vivendi SE shareowners	**(121,658)**	**(669)**	**(2,122)**	**(45)**	**(2,836)**	**(634)**	**-**	**(634)**	**(3,470)**
Capital reduction through cancellation of treasury shares	(130,931)	(720)	(2,245)	2,965	-	-	-	-	-
Sales/(purchases) of treasury shares	-	-	-	(3,033)	(3,033)	-	-	-	(3,033)
Dividend paid on April 18, 2019 with respect to fiscal year 2018 (€0.50 per share)	-	-	-	-	-	(636)	-	(636)	(636)
Capital increase related to share-based compensation plans	9,273	51	123	23	197	2	-	2	199
of which employee Stock Purchase Plans (July 17, 2019)	*5,376*	*30*	*84*	-	*114*	-	-	-	*114*
exercise of stock options by executive management and employees	*3,897*	*21*	*40*	-	*61*	-	-	-	*61*
Changes in Vivendi SE's ownership interest in its subsidiaries that do not result in a loss of control	**-**	**-**	**-**	**-**	**-**	**(8)**	**-**	**(8)**	**(8)**
Changes in equity attributable to vivendi SE shareowners (A)	**(121,658)**	**(669)**	**(2,122)**	**(45)**	**(2,836)**	**(642)**	**-**	**(642)**	**(3,478)**
Contributions by (distributions to) non-controlling interests	-	-	-	-	-	(39)	-	(39)	(39)
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	-	-	2	-	2	2
Changes in equity attributable to non-controlling interests (B)	**-**	**-**	**-**	**-**	**-**	**(37)**	**-**	**(37)**	**(37)**
Earnings	-	-	-	-	-	1,617	-	1,617	1,617
Charges and income directly recognized in equity	-	-	-	-	-	22	39	61	61
Total comprehensive income (C)	**-**	**-**	**-**	**-**	**-**	**1,639**	**39**	**1,678**	**1,678**
Total changes over the period (A + B + C)	***(121,658)***	***(669)***	***(2,122)***	***(45)***	***(2,836)***	***960***	***39***	***999***	***(1,837)***
Attributable to Vivendi SE shareowners	*(121,658)*	*(669)*	*(2,122)*	*(45)*	*(2,836)*	*959*	*38*	*997*	*(1,839)*
Attributable to non-controlling interests	-	-	-	-	-	*1*	*1*	*2*	*2*
BALANCE AS OF DECEMBER 31, 2019	**1,184,576**	**6,515**	**2,353**	**(694)**	**8,174**	**8,303**	**(902)**	**7,401**	**15,575**
Attributable to Vivendi SE shareowners	*1,184,576*	*6,515*	*2,353*	*(694)*	*8,174*	*8,059*	*(880)*	*7,179*	*15,353*
Attributable to non-controlling interests	-	-	-	-	-	*244*	*(22)*	*222*	*222*

(a) As a reminder, as from January 1, 2019, Vivendi applied the new accounting standard IFRS 16 – *Leases*. Please refer to Notes 1 and 12.

The accompanying notes are an integral part of the Consolidated Financial Statements.

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Vivendi is a European company, which since January 7, 2020, has been subject to the provisions of French commercial company law that are applicable to it in France, including Council Regulation EC no. 2157/2001 of October 8, 2001 on the statute for a European company and the French Commercial Code *(Code de commerce)*. Vivendi was incorporated on December 18, 1987, for a term of 99 years expiring on December 17, 2086, except in the event of an early dissolution or unless its term is extended. Its registered office is located at 42, avenue de Friedland – 75008 Paris (France). Vivendi is listed on Euronext Paris (Compartment A).

Vivendi is an integrated content, media and communications group. The company operates businesses throughout the media value chain, from talent discovery to the creation, production and distribution of content. Universal Music Group is the world leader in music, engaged in recorded music, music publishing and merchandising. It owns more than 50 labels covering all music genres. Canal+ Group is the leading pay-TV operator in France, also operating in Benelux, Poland, Central Europe, Africa and Asia. Its subsidiary Studiocanal is a leading European player in the production, sale and distribution of movies and TV series. Havas Group is one of the world's largest global communications group covering all of the communications disciplines: creativity, media expertise and healthcare/wellness. Editis is the second-largest French-language publishing group with more than 50 prestigious publishing houses and a large portfolio of internationally-acclaimed authors. Gameloft is one of the leading mobile game publishers in the world, with 1.5 million games downloaded daily across all platforms. Vivendi Village brings together Vivendi Ticketing (in Europe and the United States), as well as live performances through Olympia Production, Festival Production and venues in Paris (l'Olympia and Théâtre de l'Œuvre) and in Africa (CanalOlympia). New Initiatives groups together Dailymotion, one of the world's largest video content aggregation and distribution platforms and Group Vivendi Africa (GVA), a subsidiary dedicated to the development of ultra-high-speed Internet service in Africa.

The Consolidated Financial Statements reflect the financial and accounting situation of Vivendi and its subsidiaries (the "group") together with interests in equity affiliates. Amounts are reported in euros and all values are rounded to the nearest million.

On March 1, 2021, at a meeting held at the headquarters of the company, the Management Board approved the Financial Report and the Audited Consolidated Financial Statements for the year ended December 31, 2020. They were reviewed by the Audit Committee at its meeting held on March 1, 2021 and by the Supervisory Board at its meeting held on March 3, 2021.

The Consolidated Financial Statements for the year ended December 31, 2020 will be submitted to Vivendi's shareholders for approval at the Annual General Shareholders' Meeting to be held on June 22, 2021.

NOTE 1. ACCOUNTING POLICIES AND VALUATION METHODS

1.1. COMPLIANCE WITH ACCOUNTING STANDARDS

The 2020 Consolidated Financial Statements of Vivendi SE have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU), and in accordance with IFRS published by the International Accounting Standards Board (IASB) with mandatory application as of December 31, 2020.

Amendments to IFRS standards applicable as from January 1, 2020, had no material impact on Vivendi's Consolidated Financial Statements.

1.2. PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.2.1. Consolidated Statement of Earnings

The main line items presented in Vivendi's Consolidated Statement of Earnings are revenues, income from equity affiliates, interest, provision for income taxes, net earnings from discontinued or held for sale operations, and net earnings. The Consolidated Statement of Earnings presents a subtotal of Earnings Before Interest and Tax (EBIT) equal to the difference between charges and income (excluding financing activities, discontinued or held for sale operations, and income taxes).

The charges and income relating to financing activities consist of interest, income from investments, as well as other financial charges and income as defined in paragraph 1.2.3 and presented in Note 6.

Changes in presentation of the Consolidated Statement of Earnings

To ensure the consistency of the presentation of Vivendi's Consolidated Statement of Earnings with the one prepared by Bolloré Group, which decided to fully consolidate Vivendi into its Consolidated Financial Statements as from April 26, 2017, Vivendi made the following changes in the presentation of its Consolidated Statement of Earnings as from January 1, 2017:

- when the companies over which Vivendi exercises a significant influence engage in operations that are similar in nature to the group's operations, income from equity affiliates is classified as "Earnings Before Interest and Income Taxes" (EBIT);
- the impacts related to financial investment operations, which were previously reported as "other operating charges and income" in EBIT, are reclassified as "other financial charges and income". They include capital gains or losses on the divestiture or depreciation of equity affiliates and other financial investments.

Moreover, the impacts of transactions with shareowners (except when directly recognized in equity) continue to be recorded in EBIT.

In accordance with IAS 1, Vivendi has applied these changes in the presentation of all periods previously published.

1.2.2. Consolidated Statement of Cash Flows

Net cash provided by operating activities

Net cash provided by operating activities is calculated using the indirect method based on EBIT. EBIT is adjusted for non-cash items and changes in net working capital. Net cash provided by operating activities excludes the cash impact of financial charges and income and net changes in working capital related to property, plant and equipment, and intangible assets.

Net cash used for investing activities

Net cash used for investing activities includes changes in net working capital related to property, plant and equipment, and intangible assets as well as cash from investments (particularly dividends received from equity affiliates). It also includes any cash flows arising from the gain or loss of control of subsidiaries.

Net cash used for financing activities

Net cash used for financing activities includes net interest paid on borrowings, cash and cash equivalents, bank overdrafts, the cash impact of other items related to financing activities such as premiums from the early redemption of borrowings and the settlement of derivative instruments, as well as the cash payments for the principal amount of the lease liability and any interest thereon. It also includes cash flows from changes in ownership interests in a subsidiary that do not result in a loss of control (including increases in ownership interests).

1.2.3. Operating performance of each operating segment and the group

Vivendi considers Adjusted Earnings Before Interest and Tax (EBITA), income from operations, Adjusted net income (ANI), and Cash Flow From Operations (CFFO), all non-GAAP measures, to be relevant indicators of the group's operating and financial performance.

EBITA

Vivendi considers EBITA, a non-GAAP measure, to be a relevant measure to assess the performance of its operating segments as reported in the segment data. It enables Vivendi to compare the operating performance of operating segments regardless of whether their performance is driven by the operating segment's organic growth or by acquisitions. To calculate EBITA, the accounting impact of the following items is excluded from the income from EBIT:

- the amortization of intangible assets acquired through business combinations as well as other rights catalogs acquired by Vivendi's media and content businesses;
- impairment losses on goodwill, other intangibles acquired through business combinations and other rights catalogs acquired by Vivendi's media and content businesses;
- other income and charges related to transactions with shareowners, as defined above in Note 1.2.1.

Income from operations

Vivendi considers income from operations, a non-GAAP measure, to be a relevant measure to assess the performance of its operating segments as reported in the segment data. As defined by Vivendi, income from operations is calculated as EBITA, before share-based compensation costs related to equity-settled plans and cash-settled plans, and special items due to their unusual nature or particular significance.

Adjusted net income

Vivendi considers adjusted net income, a non-GAAP measure, to be a relevant measure to assess the group's operating and financial performance. Vivendi Management uses adjusted net income because it better illustrates the underlying performance of continuing operations by excluding most non-recurring and non-operating items. Adjusted net income includes the following items:

- EBITA **(2);**
- income from equity affiliates – non-operational **(1);**
- interest **(1),** equal to interest expense on borrowings net of interest income earned on cash and cash equivalents;
- income from investments **(1),** including dividends and interest received from unconsolidated companies;
- taxes and non-controlling interests related to these items.

It does not include the following items:

- amortization of intangibles acquired through business combinations and other rights catalogs acquired by Vivendi's media and content businesses **(2),** as well as impairment losses on goodwill, other intangibles acquired through business combinations, and other rights catalogs acquired by Vivendi's media and content businesses **(1) (2);**
- other financial charges and income **(1),** equal to capital gains or losses related to divestitures, or the depreciation of equity affiliates and other financial investments, the profit and loss recognized in business combinations as well as the profit and loss related to the change in value of financial assets and the termination or change in value of financial liabilities, which primarily include changes in the fair value of derivative instruments, premiums from the early redemption of borrowings, the early unwinding of derivative instruments, the cost of issuing or cancelling credit facilities, the cash impact of foreign exchange transactions (other than those related to operating activities, included in EBIT), as well as the effect of undiscounting assets and liabilities (including lease liabilities), and the financial components of employee benefits (interest cost and expected return on plan assets);
- earnings from discontinued operations **(1);**
- provisions for income taxes and adjustments attributable to non-controlling interests and non-recurring tax items (notably the changes in deferred tax assets pursuant to Vivendi SE's tax group and the Consolidated Global Profit Tax Systems, and the reversal of tax liabilities relating to risks extinguished over the period).

(1) Items as presented in the Consolidated Statement of Earnings.
(2) Items as presented by operating segment in the segment data.

Cash Flow From Operations (CFFO)

Vivendi considers cash flow from operations (CFFO), a non-GAAP measure, to be a relevant measure to assess the group's operating and financial performance. CFFO includes net cash provided by operating activities, before income tax paid, as presented in the Statement of Cash Flows, dividends received from equity affiliates and unconsolidated companies, as well as cash payments for the principal of the lease liability and any interest thereon, which are presented as financing activities in the consolidated statement of cash flows. It also includes capital expenditures, net that relate to cash used for capital expenditures, net of proceeds from sales of property, plant and equipment, and intangible assets, which are included in net cash used for investing activities, as well as income tax paid.

Net cash provided by operating activities of discontinued operations are excluded from CFFO.

1.2.4. Consolidated Statement of Financial Position

Assets and liabilities that are expected to be realized, or intended for sale or consumption, within the entity's normal operating cycle (generally 12 months), are recorded as current assets or liabilities. If their maturity exceeds this period, they are recorded as non-current assets or liabilities. Moreover, certain reclassifications were made to the 2019 and 2018 Consolidated Financial Statements to conform to the presentation of the 2020 and 2019 Consolidated Financial Statements.

1.3. PRINCIPLES GOVERNING THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to IFRS principles, the Consolidated Financial Statements have been prepared on a going concern basis, and on a historical cost basis, with the exception of certain assets and liabilities, notably IFRS 13 – *Fair Value Measurement* relating to measurement and disclosures applies. Relevant categories are detailed below.

The Consolidated Financial Statements include the financial statements of Vivendi and its subsidiaries after eliminating intragroup items and transactions. Vivendi has a December 31 year-end. Subsidiaries that do not have a December 31 year-end prepare interim financial statements as of that date, except when their year-end falls within the three months preceding December 31.

Acquired subsidiaries are included in the Consolidated Financial Statements of the group as of the date of acquisition.

1.3.1. Use of estimates

The preparation of Consolidated Financial Statements in compliance with IFRS requires the group's management to make certain estimates and assumptions that they consider reasonable and realistic. Although these estimates and assumptions are regularly reviewed by Vivendi Management, based in particular on past or anticipated achievements, facts and circumstances may lead to changes in these estimates and assumptions which could have an impact on the reported amount of group assets, liabilities, equity or earnings.

The main estimates and assumptions relate to the measurement of:

- revenue: estimates of provisions for returns and price guarantees (please refer to Note 1.3.4);
- goodwill and other intangible assets: valuation methods used to identify intangible assets acquired through business combinations (please refer to Note 1.3.5.2);
- goodwill, intangible assets with indefinite useful lives and assets in progress: assumptions relating to impairment tests performed on each of the group's cash-generating units (CGUs), future cash flows and discount rates are updated annually (please refer to Notes 1.3.5.8 and 10);
- UMG content assets: estimates of the future performance of beneficiaries who received advances are recognized in the Statement of Financial Position (please refer to Notes 1.3.5.3 and 11);
- provisions: risk estimates performed on an individual basis, noting that the occurrence of events during the course of procedures may lead to a risk reassessment at any time (please refer to Notes 1.3.8 and 18);
- employee benefits: assumptions are updated annually, such as the probability of employees remaining within the group until retirement, expected changes in future compensation, the discount rate and the inflation rate (please refer to Notes 1.3.8 and 19);
- share-based compensation: assumptions are updated annually, such as the estimated term, volatility and the estimated dividend yield (please refer to Notes 1.3.10 and 20);
- lease liabilities and right-of-use assets, at the commencement date of each lease contract (please refer to Notes 1.3.5.7 and 12):
  - assessing the lease term that relates to the non-cancellable period of the lease, taking into account all options to extend the lease that Vivendi is reasonably certain to exercise and all options to terminate the lease that Vivendi is reasonably certain not to exercise,
  - estimating the lessee's incremental borrowing rate, taking into account their residual lease term and their duration to reflect the interest rate of a loan with a similar payment profile to the lease payments;
- deferred taxes: estimates used for the recognition of deferred tax assets are updated annually with factors such as expected tax rates and future tax results of the group (please refer to Notes 1.3.9 and 7);
- certain financial instruments: valuation method at fair value defined according to the three following classification levels (please refer to Notes 1.3.5.9, 1.3.7, 14, 16 and 21):
  - Level 1: fair value measurement based on quoted prices in active markets for identical assets or liabilities,
  - Level 2: fair value measurement based on observable market data (other than quoted prices included under Level 1),
  - Level 3: fair value measurement based on valuation techniques using inputs for the asset or liability that are not based on observable market data.

The fair value of trade accounts receivable, and other cash and cash equivalents, and trade accounts payable is a reasonable estimate of fair value, due to the short maturity of these instruments.

1.3.2. Principles of consolidation

For a list of Vivendi's major subsidiaries, joint ventures and associated entities, please refer to Note 26.

Consolidation

All companies in which Vivendi has a controlling interest, namely those in which it has the power to govern financial and operational policies to obtain benefits from their operations, are fully consolidated.

Control as defined by IFRS 10 – *Consolidated Financial Statements* is based on the three criteria below to be fulfilled cumulatively to assess if the parent company exercises control:

- a parent company has power over a subsidiary when the parent company has existing rights that give it the current ability to direct the relevant activities of the subsidiary, i.e., the activities that significantly affect the subsidiary's returns. Power may arise from existing or potential voting rights, or contractual arrangements. Voting rights must be substantial, i.e., exercisable at any time without limitation, particularly during decision-making processes related to significant activities. Assessment of the exercise of power depends on the nature of the subsidiary's relevant activities, the internal decision-making process, and the allocation of rights among the subsidiary's other shareowners;
- the parent company is exposed, or has rights, to variable returns from its involvement with the subsidiary which may vary as a result of the subsidiary's performance. The concept of returns is broadly defined and includes, among other things, dividends and other economic benefit distributions, changes in the value of the investment in the subsidiary, economies of scale, and business synergies;
- the parent company has the ability to use its power to affect the returns. Exercising power without having any impact on returns does not qualify as control.

Consolidated Financial Statements of a group are presented as if the group was a single economic entity with two categories of owners: (i) the owners of the parent company (Vivendi SE shareowners) and (ii) the owners of non-controlling interests (minority shareholders of the subsidiaries). A non-controlling interest is defined as the interest in a subsidiary that is not attributable, whether directly or indirectly, to a parent company. As a result, changes to a parent company's ownership interest in a subsidiary that do not result in a loss of control only impact equity, as control of the economic entity does not change. Hence, in the event of the acquisition of an additional interest in a consolidated entity after January 1, 2009, Vivendi recognizes the difference between the acquisition price and the carrying value of non-controlling interests acquired as a change in equity attributable to Vivendi SE shareowners. Conversely, any acquisition of control achieved in stages or a loss of control gives rise to profit or loss in the statement of earnings.

Accounting for joint arrangements

IFRS 11 – *Joint Arrangements* establishes principles for financial reporting by parties to a joint arrangement.

In a joint arrangement, parties are bound by a contractual arrangement, giving these parties joint control of the arrangement. An entity that is a party to an arrangement shall assess whether the contractual arrangement gives all the parties or a group of the parties control of the arrangement collectively. Once it has been established that all the parties or a group of the parties collectively control the arrangement, joint control exists only when decisions about the relevant activities require the unanimous consent of the parties that collectively control the arrangement.

Joint arrangements are classified into two categories:

- joint operations: these are joint arrangements whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators. A joint operator shall recognize 100% of wholly-owned assets/liabilities, expenses/revenues of the joint operation, and its share of any of those items held jointly;
- joint ventures: these are joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers. Each joint venturer shall recognize its interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with IAS 28 – *Investments in Associates and Joint Ventures* (please see below).

Equity accounting

Entities over which Vivendi exercises significant influence as well as joint ventures are accounted for under the equity method.

Significant influence is deemed to exist when Vivendi holds, whether directly or indirectly, at least 20% of the voting rights in an entity unless it can be clearly established that Vivendi does not exercise a significant influence. Significant influence can be evidenced through further criteria, such as representation on the entity's board of directors or equivalent governing body, participation in policy-making of financial and operational processes, material transactions with the entity or the interchange of managerial personnel.

1.3.3. Foreign currency translation

The Consolidated Financial Statements are presented in millions of euros. The functional currency of Vivendi SE and the presentation currency of the group is the euro.

Foreign currency transactions

Foreign currency transactions are initially recorded in the functional currency of the entity at the exchange rate prevailing at the date of the transaction. At the closing date, foreign currency monetary assets and liabilities are translated into the entity's functional currency at the exchange rate prevailing on that date. All foreign currency differences are expensed, with the exception of differences resulting from borrowings in foreign currencies which constitute a hedge of the net investment in a foreign entity. These differences are allocated directly to charges and income directly recognized in equity until the divestiture of the net investment.

Financial statements denominated in a foreign currency

Except in cases of significant exchange rate fluctuation, financial statements of subsidiaries, joint ventures or other associated entities for which the functional currency is not the euro are translated into euros as follows: the Consolidated Statement of Financial Position is translated at the exchange rate at the end of the period, and the Consolidated Statement of Earnings and the Consolidated Statement of Cash Flows are translated using average monthly exchange rates for the period. The resulting translation gains and losses are recorded as foreign currency translation differences in charges and income directly recognized in equity. In accordance with IFRS 1, Vivendi elected to reverse the accumulated foreign currency translation differences against retained earnings as of January 1, 2004. These foreign currency translation differences resulted from the translation into euros of the financial statements of subsidiaries that use foreign currencies as their functional currencies. Consequently, these adjustments are not applied to earnings on the subsequent divestiture of subsidiaries, joint ventures or associates whose functional currency is not the euro.

1.3.4. Revenues and associated costs

Revenues from contracts with customers are recorded when performance obligations promised in the contract are satisfied, and for an amount for which it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Revenues are reported net of discounts.

Vivendi has made the accounting of intellectual property licensing revenues a major point of attention.

Intellectual property licensing (musical and audiovisual works)

These licenses transfer to a customer either a right to use an entity's intellectual property as it exists at the point in time at which the license is granted (static license), or a right to access an entity's intellectual property as it exists throughout the license period (dynamic license).

Revenues are accounted for when the performance obligation promised in the contract is satisfied (static license) or over time upon satisfaction (dynamic license), i.e., when the seller transfers the risks and rewards of the right to use/access the intellectual property and the customer obtains control of the use/access of that license. Consequently, revenues from static licenses are recognized at the point in time when the license is transferred and the customer is able to use and benefit from the license. Revenues from dynamic licenses are accounted for over time, over the license period from the date the customer is able to use and benefit from the license.

Analysis of the Agent/Principal relationship in sales transactions involving a third party

If the nature of the entity's promise is a performance obligation to provide the specified goods or services itself, then the entity acts on its own behalf and it is "principal" in the sale transaction: it accounts for revenue the gross amount of consideration to which it expects to be entitled in exchange for the goods or services provided, and the commission due to the third-party as cost of revenues. If the entity arranges for a third-party to provide the goods or services specified in the contract, then it recognizes as revenues the net amount of consideration to which it expects to be entitled in exchange for the goods or services provided.

1.3.4.1. Universal Music Group (UMG)

Recorded Music

The sales of recorded music (physical, digital downloading or streaming) are intellectual property licenses granted by UMG to distributors or digital platforms and which give them certain rights over the company's musical works. In its relationship with the distributor/digital platform and the end customer, UMG cannot be "principal", as the distributor or the digital platform is responsible for setting the transfer of control conditions of the right of use granted by the license to the end customer (broadcasting, price setting and conditions for reselling the physical devices).

Physical sales of recorded music (CDs, DVDs and Vinyls)

These intellectual property licenses are static licenses transferring to the customer a right to use UMG's recordings as they exist at the point in time at which the license is granted, i.e., on the physical device sold.

Revenues from the physical sales of recorded music, net of a provision for estimated returns (please refer to Note 1.3.4.6) and rebates, if any, are accounted for, either: (i) upon the sale to the distributor, at the shipping point for products sold free on board (FOB) or on delivery for products sold free on destination; or (ii) upon the sale to the final customer for consignment sales.

Digital sales of recorded music, via downloading or streaming by subscription or free of charge

These intellectual property licenses are generally dynamic licenses providing a right to access the entire catalog of recorded music as it exists throughout the license period considering potential add-ons to, or withdrawals from, the catalog during that period.

The consideration paid by the digital platform is variable in the form of a sales-based or a usage-based royalty. Revenues are then accounted for when these subsequent sales or usages occur. Revenues from digital sales of recorded music, for which UMG has sufficient, accurate, and reliable data from digital platforms, are recognized at the end of the month in which the sale or usage is made by the end customer. If such data is not available, revenues are recognized when the digital platform notifies UMG of the sale or usage by the end customer.

For digital sales of recorded music streaming by subscription or free of charge, certain contracts may include a non-refundable minimum guarantee which is generally recoupable and is in substance an advance payment. In the case of a dynamic license, the minimum guarantee is spread over the period to which it relates and takes into account the amount of royalties that are actually recoupable. The minimum guarantee is hence apportioned in accordance with the accounting for these royalties.

Music publishing

Music publishing relates to the use by a third party of the copyrights on musical works owned or administered by UMG, which are intellectual property licenses that UMG grant to the third party and which provides a right to access a catalog of recorded music, as these intellectual property licenses are dynamic licenses.

The consideration paid by the third-party, notably a collection society (e.g., a company for the collective management of intellectual-property rights) is variable in the form of a royalty based on the usage by the third party. The variable consideration being accounted for when these subsequent usages occur, revenues from music publishing are accounted for when the collection society notifies UMG of the usage by the end customer and collectability is assured.

Merchandising

Revenues from merchandising are recognized either upon sale to the end customer, from direct sales during touring, concessions and over the internet; on delivery for sales by a third-party distributor; when a contract is signed; or when an invoice has been issued and the collectability is assured for sales of rights attached to merchandising products.

1.3.4.2. Canal+ Group

Terrestrial, satellite or ADSL television subscription services

Subscription to programs

Each subscription to a contract for pay-TV services is considered as a series of distinct services that are substantially the same and that have the same pattern of transfer to the customer. The provision of set-top boxes, digital cards and access fees do not represent distinct services or goods, and they are combined with the subscription service as a single performance obligation satisfied over time, as the customer simultaneously receives and consumes the benefits provided by Canal+ Group's performance as the pay-TV services are supplied. In its relationship with the third-party distributor and the end customer, Canal+ Group acts as "principal" in the transaction with the end customer for the self-distribution contracts as it is responsible for the activation of the subscription of the end customer and for setting the selling price.

Revenues, net of potential gratuities granted, are then accounted for over the period the service is provided, starting from the activation date of the subscription and as the service is provided.

Video-on-demand and television-on-demand services

The video-on-demand service, which allows customers to have unlimited access to a catalog of programs through streaming and the television-on-demand service, and the provision of access to one-time programs by downloading or streaming, are distinct services from the subscription service. In its relationship with the third-party distributor and the end customer, Canal+ Group is not "principal", as the third-party distributor is responsible for the performance of the service both technically and commercially.

The video-on-demand service is a performance obligation which is satisfied over time, and the revenues are accounted for over the period it is provided to the customer. The television-on-demand service is a performance obligation satisfied at a point in time, and the revenues are accounted for when the content is available for broadcasting.

Sales of advertising spaces

These are sales of television advertising spaces (in the form of classic TV commercials and of partnerships for shows or events) or online advertising spaces (videos and advertising banners).

Pay and free-to-air television

In regard to commercials, the distinct performance obligation is the reach of a given gross rating point (GRP) which generally comprises a set of advertising messages aimed at a specific target audience and satisfied over time. Revenues from these sales, net of rebates if any, are accounted for over the period of the advertising campaign, generally because the advertising commercials are broadcasted considering potential free periods granted.

Website

Each type of advertising imprint (advertising display) represents a distinct performance obligation, because the advertiser can benefit separately from each type of advertising imprint, satisfied at a point in time. Revenues from the sale of online advertising spaces, net of rebates, if any, are accounted for when the advertising imprints are produced, i.e., when the advertisements are broadcasted on the website.

Film and television programs

Physical sales of movies (DVDs and Blu-rays)

Please refer to the section on physical sales of recorded music (CDs, DVDs and Vinyls) at UMG.

Sales of exploitation rights of audiovisual works

These sales are intellectual property licenses granted by Canal+ Group to broadcasters or to distributors and which give them certain rights over its audiovisual works. These licenses are static licenses because they transfer a right to use the films as they exist at the point in time at which the licenses are granted. In its relationship with the third-party distributor and the end customer, Canal+ Group is not "principal" in the transaction with the end customer, as the distributor is responsible for the delivery of the film and for the price setting to the end customer.

Revenues from the sale of the exploitation rights are recorded from the moment the client is able to use it and obtain the remaining benefits. When the consideration paid by the customer is a fixed price, revenues from the sales of exploitation rights are recorded from the latest of the delivery and the opening of the exploitation window set contractually or legally (refer to the media chronology in France). When the consideration paid by the customer is variable in the form of a sales-based royalty to the end customer, revenues are recognized as the subsequent sale occurs.

1.3.4.3. Havas Group

Revenues from Havas Group derive substantially from fees and commissions for its activities:

- Creative: advice and services provided in the fields of communications and media strategy;
- Media: planning and purchase of advertising spaces.

For each sale transaction, Havas Group identifies if it acts as "principal" or not, based on its level of responsibility in the execution of the performance obligation, the control of the inventory and the price setting. Revenues are then recognized, net of costs incurred for production when Havas Group does not act as "principal".

When Havas Group acts as "principal", certain pass-through costs rebilled to customers, which were deducted from revenues in accordance with IAS 18 (applicable until December 31, 2017), are now recorded as revenues and as costs of revenues in accordance with IFRS 15. Given that these pass-through costs are not included in the measurement of the operating performance, Havas Group decided to use a new indicator, "net revenues", corresponding to revenues less these pass-through costs rebilled to customers.

Commissions are accounted for at a point in time, either at the date the service is performed or at the date the media is aired or published.

Fees are accounted for as revenues as per the following:

- one-off or project fees are recognized at the point in time when the service is performed. If these fees include a qualitative aspect, their result is assessed by the client at the end of the project;
- fixed fees are generally recognized over time on a straight-line basis reflecting the expected duration of the service; fees based on time spent are recognized as work is performed.

Certain contractual arrangements with clients also include performance incentives pursuant to which Havas Group is entitled to receive additional payments based upon its performance for the client, measured against specified qualitative and quantitative objectives. Havas Group recognizes the incentive portion of the revenue under these contractual arrangements when it is considered highly probable that the qualitative and quantitative goals are achieved in accordance with the arrangements.

1.3.4.4. Editis

Physical sales of books

The intellectual property licenses presented in Note 1.3.5.3 are static licenses transferring to the customer a right to use books sold by Editis as they exist at the point in time at which the license is granted, i.e., on the physical device sold.

Revenues from the physical sales of books, net of a provision for estimated returns (please refer to Note 1.3.4.6) and rebates, if any, are accounted at the shipping point of products.

1.3.4.5. Gameloft

Digital sales of video games on mobile devices

The gaming experience sold by Gameloft is composed of a license to use a video game on mobile devices (which can be pre-set on the mobile terminal), and, if any, adds-in, which allows the player to progress in the video game (virtual elements, time-limited events and multi-player functionality).

The grant of a video game to an end customer through a third-party distributor, digital platform, telecom operator or mobile device manufacturer, as well as the virtual elements acquired in the video game, the time-limited events and the multi-player functionality, represent a single performance obligation in the form of an intellectual property license granted by Gameloft to third-party distributors.

These licenses are static because they transfer a right to use the video game as it exists at the point in time at which the license is granted, as Gameloft has no obligation to update the video game. In its relationship with the third-party distributor and the end customer, Gameloft acts as "principal" in the transaction with the end customer, when Gameloft is responsible for providing the video game license and for setting the price to the end customer.

The consideration paid by the third-party distributor is variable in the form of a sales-based royalty. Revenues are then accounted for when the subsequent sale occurs.

Sales of advertising spaces in video games, in the form of videos and advertising banners

The advertising display in a video game is an advertising impression corresponding to a distinct performance obligation, as the advertiser can benefit separately from each type of advertising impression, satisfied at a point in time.

Revenues from the sale of advertising spaces in video games, net of rebates if any, are then accounted for when the advertising impressions are produced, i.e., when the advertisements are published. When the sale is made by a third party (media agency or auction platform), Gameloft is generally "principal" in the sale transaction with the advertiser, notably when Gameloft is responsible for technically supplying the advertising impression, as well as for setting the price.

1.3.4.6. Other

Provisions for estimated returns and price guarantees are deducted from sales of products to customers through distributors. The provisions are estimated based on past sales statistics and take into account the economic environment and product sales forecast to final customers.

Selling, general and administrative expenses primarily include salaries and employee benefits, consulting and service fees, insurance costs, travel and entertainment expenses, administrative department costs, provisions for receivables and other operating expenses.

Advertising costs are expensed when incurred.

Slotting fees and cooperative advertising expenses are recorded as a reduction in revenues. However, cooperative advertising is treated as a marketing expense and expensed when its expected benefit is individualized and can be estimated.

1.3.5. Assets

1.3.5.1. Capitalized financial interest

When appropriate, Vivendi capitalizes financial interest incurred during the construction and acquisition period of intangible assets, and property, plant and equipment, these interests being included in the cost of qualifying assets.

1.3.5.2. Goodwill and business combinations

Business combinations from January 1, 2009

Business combinations are recorded using the acquisition method. Under this method, upon the initial consolidation of an entity over which the group has acquired exclusive control:

- the identifiable assets acquired and the liabilities assumed are recognized at their fair value on the acquisition date;
- non-controlling interests are measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. This option is available on a transaction-by-transaction basis.

On the acquisition date, goodwill is initially measured as the difference between:

(i) the fair value of the consideration transferred, plus the amount of non-controlling interests in the acquiree and, in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree;

(ii) the net fair value of the identifiable assets and liabilities assumed on the acquisition date.

The measurement of non-controlling interests at fair value results in an increase in goodwill up to the extent attributable to these interests, thereby leading to the recognition of a "full goodwill". The purchase price allocation shall be performed within twelvemonths after the acquisition date. If goodwill is negative, it is recognized in the Statement of Earnings. Subsequent to the acquisition date, goodwill is measured at its initial amount less recorded accumulated impairment losses (please refer to Note 1.3.5.8 below).

In addition, the following principles are applied to business combinations:

- on the acquisition date, to the extent possible, goodwill is allocated to each cash-generating unit likely to benefit from the business combination;
- contingent consideration in a business combination is recorded at fair value on the acquisition date, and any subsequent adjustment occurring after the purchase price allocation period is recognized in the Statements of Earnings;
- acquisition-related costs are recognized as expenses when incurred;
- in the event of the acquisition of an additional interest in a subsidiary, Vivendi recognizes the difference between the acquisition price and the carrying value of non-controlling interests acquired as a change in equity attributable to Vivendi SE shareowners;
- goodwill is not amortized.

Business combinations prior to January 1, 2009

Pursuant to IFRS 1, Vivendi elected not to restate business combinations that occurred prior to January 1, 2004. IFRS 3, as published by the IASB in March 2004, retained the acquisition method. However, its provisions differed from those of its revised standard in respect of the main following items:

- minority interests were measured at their proportionate share of the acquiree's net identifiable assets as there was no option for measurement at fair value;
- contingent consideration was recognized in the cost of acquisition only if the payment was likely to occur and the amounts could be reliably measured;
- transaction costs that were directly attributable to the acquisition formed part of acquisition costs;
- in the event of the acquisition of an additional interest in a subsidiary, the difference between the acquisition cost and the carrying value of minority interests acquired was recognized as goodwill.

1.3.5.3. Content assets

UMG

Royalty advances to artists, songwriters, and co-publishers are capitalized as an asset when their current popularity and past performances provide a reasonable basis to conclude that the probable future recoupment of such royalty advances against earnings otherwise payable to them is reasonably assured. Royalty advances are recognized as an expense as subsequent royalties are earned by the artist, songwriter or co-publisher. Any portion of capitalized royalty advances not deemed to be recoverable against future royalties is expensed during the period in which the loss becomes evident. These expenses are recorded in cost of revenues.

Royalties earned by artists, songwriters, and co-publishers are recognized as an expense in the period during which the sale of the product occurs, less a provision for estimated returns.

Music rights and catalogs include music catalogs, artists' contracts and music publishing rights acquired. The annual review of the value of the intangible assets, undertaken by Vivendi at year-end 2016 led to a change in the amortization method of music rights and catalogs as from January 1, 2017, which notably resulted in an extension of the amortization period from 15 to 20 years.

Canal+ Group

Film, television or sports broadcasting rights

When entering into contracts for the acquisition of film, television or sports broadcasting rights, the rights acquired are classified as contractual commitments. They are recorded in the Statement of Financial Position and classified as content assets as follows:

- film and television broadcasting rights are recognized at their acquisition cost when the program is available for screening and are expensed over their broadcasting period;
- sports broadcasting rights are recognized at their acquisition cost at the opening of the broadcasting period of the related sports season or upon the first significant payment and are expensed over their broadcasting period;
- expensing of film, television or sports broadcasting rights is included in cost of revenues.

Theatrical films and television rights produced or acquired to be sold to third parties

Theatrical films and television rights produced or acquired before their initial exhibition to be sold to third parties, are recorded as a content asset at capitalized cost (mainly direct production and overhead costs) or at their acquisition cost. The cost of theatrical films and television rights are amortized, and other related costs are expensed, pursuant to the estimated revenue method (i.e., based on the ratio of the current period's gross revenues to estimated total gross revenues from all sources on an individual production basis). Vivendi considers that amortization pursuant to the estimated revenue method reflects the rate at which the entity plans to consume the future economic benefits related to the asset, and there is a high correlation between revenue and the consumption of the economic benefits embodied in the intangible assets.

Where appropriate, estimated losses in value are provided in full against earnings for the period in which the losses are estimated, on an individual product basis.

Film and television rights catalogs

Catalogs comprise film rights acquired for a second television screening, or produced or acquired film and television rights that are sold to third parties after their first television screening (i.e., after their first broadcast on a free terrestrial channel). They are recognized as an asset at their acquisition or transfer cost and amortized as groups of films, or individually, based respectively on the estimated revenue method.

Editis

Editorial creation

Editorial creation costs include all expenses incurred during the first phase of the production of a work (i.e., pre-press, reading, correction, flat-rate translation, photo rights, illustration, iconographic research and layout). The editorial phase covers the period of conception, creation and fine-tuning of a final layout.

Editorial creation expenditures are accounted for as a fixed asset if and only if:

- the costs can be reliably measured and relate to clearly individualized projects;
- the publishing company can demonstrate the technical and commercial feasibility of the project;
- the publishing company can demonstrate the existence and intent of probable future economic benefits and the availability of sufficient resources to complete the development and marketing of the book.

Expenses relating to research budgets and market research are considered as expenses when incurred. For all projects, criteria for the recognition of intangible assets and the classification of expenditures are determined so as to be allocated by project.

Copyrights

Advances paid to authors (e.g., capital gains, guaranteed advances and minimum guaranteed payments) are recorded as intangible assets.

1.3.5.4. Research and development costs

Research costs are expensed when incurred. Development expenses are capitalized when the feasibility and, in particular, profitability of the project can reasonably be considered certain.

Cost of internal use software

Direct internal and external costs incurred for the development of computer software for internal use, including website development costs, are capitalized during the application development stage. Application development stage costs generally include software configuration, coding, installation and testing. Costs of significant upgrades and enhancements resulting in additional functionality are also capitalized. These capitalized costs are amortized over 5 to 10 years. Maintenance, minor upgrades, and enhancement costs are expensed as they are incurred.

Cost of developing video games

Development costs of video games are capitalized when, notably, both the technical feasibility and the management's intention to complete the game so that it will be available for use and sale are verified, and when the recoverability is reasonably assured. Because of the uncertainty that exists regarding those criteria, the recognition requirements of IAS 38 are usually not met until the game is launched. Therefore, costs of developing mobile games are usually expensed as incurred.

1.3.5.5. Other intangible assets

Intangible assets separately acquired are recorded at cost, and intangible assets acquired in connection with a business combination are recorded at their fair value at the acquisition date. The historical cost model is applied to intangible assets after they have been recognized. Assets with an indefinite useful life are not amortized but are subject to an annual impairment test. Amortization is accrued for assets with a finite useful life. Useful life is reviewed at the end of each reporting period.

Other intangible assets include trade names and customer bases. By contrast, music catalogs, trade names, subscribers' bases and market shares generated internally are not recognized as intangible assets.

1.3.5.6. Property, plant and equipment

Property, plant and equipment are carried at historical cost less any accumulated depreciation and impairment losses. Historical cost includes the acquisition cost or production cost, costs directly attributable to transporting an asset to its physical location and preparing it for its operational use, the estimated costs relating to the demolition and the collection of property, plant and equipment, and the rehabilitation of the physical location resulting from the incurred obligation.

When property, plant and equipment include significant components with different useful lives, they are recorded and amortized separately. Amortization is calculated using the straight-line method based on the estimated useful life of the assets. Useful lives of the main components are reviewed at the end of each reporting period and are as follows:

- buildings: 5 to 40 years;
- equipment and machinery: 3 to 8 years;
- set-top boxes: 5 to 7 years;
- other: 2 to 10 years.

After initial recognition, the cost model is applied to property, plant and equipment.

Vivendi has elected not to apply the option available under IFRS 1, involving the remeasurement of certain property, plant and equipment at their fair value as of January 1, 2004.

Until December 31, 2018, and in accordance with IFRS 1, Vivendi decided on January 1, 2004, to apply IFRIC Interpretation 4 – *Determining whether an arrangement contains a lease*, which mainly applies to commercial supply agreements for the Canal+ Group satellite capacity, which are commercial service agreements that, in general, do not convey a right to use a specific asset. Contract costs under these agreements are consequently expensed as operational costs for the period.

1.3.5.7. Leases

Vivendi applies IFRS 16 with retrospective effect as from January 1, 2019 without restating comparative periods in the consolidated financial statements.

Licenses of intellectual property granted by a lessor and rights held by a lessee under licensing agreements being excluded from the scope of IFRS 16, and commercial supply agreements for the Canal+ Group satellite capacity being in general commercial service agreements for which contract costs are expensed as operational costs for the period, the main lease contracts for Vivendi correspond to real estate leases for which Vivendi is the lessee.

Real estate leases for which Vivendi is the lessee are recorded at the commencement date and result in the recognition of a lease liability equal to the present value of future lease payments, against a right-of-use asset relating to leases.

The determination of the lease liability as of January 1, 2019 was made by:

1) analyzing operating leases for which contractual obligations were disclosed as off-balance sheet commitments until December 31, 2018 (please refer to Note 22 "Contractual obligations and other commitments" to the Consolidated Financial Statements for the year ended December 31, 2018, page 302 of the 2018 Annual Report);
2) assessing the lease term that relates to the non-cancellable period of the lease, and taking into account all options to extend the lease which Vivendi is reasonably certain to exercise and all options to terminate the lease which Vivendi is reasonably certain not to exercise. Vivendi determined that real estate lease terms in France are generally nine years;
3) estimating the incremental borrowing rate as of January 1, 2019 of each lease contract, taking into account their residual lease term at this date and their duration to reflect the interest rate of a loan with a similar payment profile to the lease payments.

As of January 1, 2019, regarding the main impacts, it is specified that:

- this valuation does not include the impact of the consolidation of Editis as from February 1, 2019;
- for some leases, as permitted by IFRS 16, Vivendi used hindsight;
- Vivendi has applied the practical expedient provided by IFRS 16 to exclude initial direct costs from the measurement of the right-of-use asset at the date of initial application.

From that date, for each lease, the lease term assessment and incremental borrowing rate estimate are determined at the commencement date.

After initial recognition, the liability is:

- increased by the effect of undiscounting (interest expense on lease liabilities);
- decreased by the cash out for lease payments;
- reassessed in the event of an amendment to the lease contract.

The right-of-use asset is recognized at cost at the effective date. The cost of the right-of-use asset includes:

- the lease liability;
- the initial direct costs (incremental costs of obtaining the lease);
- payments made prior to the commencement date less lease incentives received from the lessor;
- dismantling and restoration costs (measured and recognized in accordance with IAS 37);
- the amortization period used is the lease term.

The lease liability is a current or non-current operating liability excluded from the calculation of Financial Net Debt. Depreciation of right-of-use assets is included in Adjusted Earnings Before Interest and Income Taxes (EBITA) and the income from operations. The effect of undiscounting the lease liability (interest expense on lease liabilities) is included in other financial charges and is therefore excluded from adjusted net income (ANI). Cash payments for the principal of the lease liability and any interest thereon, which are presented as financing activities in the consolidated statement of cash flows, impact Cash Flow From Operations (CFFO).

1.3.5.8. Asset impairment

Each time events or changes in the economic environment indicate a risk of impairment of goodwill, other intangible assets, property, plant and equipment, and assets in progress, Vivendi re-examines the value of these assets. In addition, in accordance with applicable accounting standards, goodwill, other intangible assets with an indefinite useful life, and intangible assets in progress are all subject to an annual impairment test undertaken in the fourth quarter of each fiscal year. This impairment test is performed to compare the recoverable amount of each Cash Generating Unit (CGU) or, if necessary, groups of CGU to the carrying value of the corresponding assets (including goodwill). A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Vivendi operates through different media and content businesses. Each business offers different products and services that are marketed through various channels. CGUs are independently defined at each business level, corresponding to the group operating segments. For a description of Vivendi's CGUs and groups of CGUs, please refer to Note 10.

The recoverable amount is determined for each individual asset as the higher of: (i) its value in use; (ii) its fair value (less costs to sell) as described hereafter. If the asset does not generate cash inflows that are largely independent of other assets or groups of assets, the recoverable amount is determined for the group of assets. In particular, an impairment test of goodwill is performed by Vivendi for each CGU or group of CGUs, depending on the level at which Vivendi Management measures return on operations.

The value in use of each asset or group of assets is determined, subject to exceptions, as the discounted value of future cash flows (Discounted Cash Flow method (DCF)) by using cash flow projections consistent with the budget of the following year and the most recent forecasts prepared by the operating segments.

Applied discount rates are determined by reference to available external sources of information, usually based on financial institutions' benchmarks, and reflect the current assessment by Vivendi of the time value of money and risks specific to each asset or group of assets.

Perpetual growth rates used for the evaluation of CGUs are those used to prepare budgets for each CGU or group of CGUs, and beyond the period covered, are consistent with growth rates estimated by the business by extrapolating growth rates used in the budgets, without exceeding the long-term average growth rate for the markets in which the group operates.

The fair value (less costs to sell) is the price that would be received from the sale of an asset or group of assets in an orderly transaction between market participants at the measurement date, less costs to sell. These values are generally determined on the basis of market data (stock market prices or comparison with similar listed companies, with the value attributed to similar assets or companies in recent transactions) or, in the absence of such data, on the basis of discontinued cash flows.

If the recoverable amount is lower than the carrying value of an asset or group of assets, an impairment loss equal to the difference is recognized in EBIT. In the case of a group of assets, this impairment loss is first recorded against goodwill.

The impairment losses recognized in respect of property, plant and equipment, and intangible assets (other than goodwill) may be reversed in a later period if the recoverable amount becomes greater than the carrying value, within the limit of impairment losses previously recognized. Impairment losses recognized in respect of goodwill cannot be reversed at a later date.

1.3.5.9. Financial assets

Financial assets are initially recognized at fair value corresponding, in general, to the consideration paid, which is best evidenced by the acquisition cost (including associated acquisition costs, if any). Thereafter, financial assets are measured at fair value or at amortized cost depending on which financial asset category they belong to.

From January 1, 2018, financial assets are classified into the accounting categories "financial assets at amortized cost", "financial assets at fair value through other comprehensive income" and "financial assets at fair value through profit or loss".

This classification depends on the entity's business model for managing the financial assets and on contractual terms enabling to determine whether the cash flows are solely payments of principal and interest (SPPI). The financial assets that contain an embedded derivative should be considered in full to determine whether their cash flows are SPPI.

Financial assets at fair value

These include financial assets at fair value through other comprehensive income, derivative financial instruments with a positive value (please refer to Note 1.3.7) and other financial assets measured at fair value through profit or loss. Most of these financial assets are actively traded in organized financial markets, as their fair value is calculated by reference to the published market price at the period end. Fair value is estimated for financial assets which do not have a published market price on an active market. As a last resort, when a reliable estimate of fair value cannot be made using valuation techniques in the absence of an active market, the group values financial assets at historical cost, less any impairment losses.

Financial assets at fair value through other comprehensive income include:

- unconsolidated companies that are not held for trading: Vivendi elected to classify these into the category "fair value through other comprehensive income". Unrealized gains and losses on financial assets at fair value through other comprehensive income are recognized in charges and income directly recognized in equity until the financial asset is sold, collected or removed from the Statement of Financial Position in another way, at which time the accumulated gain or loss previously reported in charges and income directly recognized in equity is transferred to retained earnings and never reclassified to profit or loss. Dividends and interest received from unconsolidated companies are recognized in profit or loss;
- debt instruments held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Unrealized gains and losses on financial assets at fair value through other comprehensive income are recognized in charges and income directly recognized in equity until the financial asset is sold, collected or removed from the Statement of Financial Position in other ways, at which time the accumulated gain or loss previously reported in charges and income directly recognized in equity is expensed in other financial charges and income.

Other financial assets measured at fair value through profit or loss mainly consist of assets held for trading which Vivendi intends to sell in the near future (primarily marketable securities) and other financial assets unless it is measured at amortized cost or at fair value through other comprehensive income. Unrealized gains and losses on these assets are recognized in other financial charges and income.

Financial assets at amortized cost

Financial assets at amortized cost consist of debt instruments held within a business model whose objective is to hold financial assets to collect contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. At the end of each period, these assets are measured at amortized cost using the effective interest method. If there is objective evidence that an impairment loss has been incurred, the amount of this loss, measured as the difference between the financial asset's carrying value and its recoverable amount (equal to the present value of estimated future cash flows discounted at the financial asset's initial effective interest rate), is recognized in profit or loss. Impairment losses may be reversed if the recoverable amount of the asset subsequently increases in the future.

Impairment of financial assets

Vivendi assesses the expected credit loss associated with its financial assets recognized at amortized cost and debt instrument recognized at fair value through other comprehensive income on a prospective basis. A loss allowance for expected credit loss based on probability of default is recognized at initial recognition. The loss allowance is updated for changes in these expected credit losses at each reporting date to reflect changes in credit risk since initial recognition.

To assess whether there has been a significant increase in credit risk, Vivendi compares the credit risk at the reporting date with the credit risk at the date of initial recognition based on reasonable forward-looking information and events, including credit ratings if available, significant adverse economic changes (actual or expected), financial or business environment that are expected to result in a material change in the borrower's ability to meet its obligations.

The definition of default and write off policy are defined specifically within each operating entity.

1.3.5.10. Inventories

Inventories are valued at the lower of cost or net realizable value. Cost comprises purchase costs, production costs and other supply and packaging costs. These are usually calculated using the weighted average cost method. Net realizable value is the estimated selling price in the normal course of business, less estimated completion costs and selling costs.

1.3.5.11. Trade accounts receivable

Trade accounts receivable are initially recognized at fair value, which is generally equal to their nominal value. Expected loss rates on trade receivables are calculated by the relevant operating entities over their lifetime from initial recognition and are based on historical data that also incorporates forward-looking information. In addition, account receivables from customers subject to insolvency proceedings or customers with whom Vivendi is involved in litigation or a dispute are generally impaired in full.

1.3.5.12. Cash and cash equivalents

The "cash and cash equivalents" category, defined in accordance with IAS 7, consists, on the one hand, of cash in banks and remunerated or unremunerated demand deposits which correspond to cash, and, on the other hand, monetary UCITS, which meet the qualification requirements of the ANC's and AMF's decision released in November 2018, and other highly liquid investments with initial maturities of generally three months or less which correspond to cash equivalents.

Investments in securities, investments with initial maturities of more than three months without an early termination option and bank accounts subject to restrictions (blocked accounts), other than restrictions due to regulations specific to a country or activity sector (e.g., exchange controls), are not classified as cash equivalents but as financial assets.

Moreover, the historical performances of the investments are monitored regularly to confirm their cash equivalents accounting classification.

1.3.6. Assets held for sale and discontinued operations

A non-current asset or a group of assets and liabilities is held for sale when its carrying value may be recovered principally through its divestiture and not by its continued utilization. To meet this definition, the asset must be available for immediate sale and the divestiture must be highly probable. These assets and liabilities are recognized as assets held for sale and liabilities associated with assets held for sale, without offset. The related assets recorded as assets held for sale are valued at the lowest value between the fair value (net of divestiture fees) and the carrying value (i.e., at their cost less accumulated depreciation and impairment losses), and are no longer depreciated.

An operation is qualified as discontinued when it represents a separate major line of business and the criteria for classification as an asset held for sale have been met or when Vivendi has sold the asset. Discontinued operations are reported on a single line of the Statement of Earnings for the periods reported, comprising the earnings after tax of discontinued operations until divestiture and the gain or loss after tax on sale or fair value measurement, less costs to divest the assets and liabilities of the discontinued operations. In addition, cash flows generated by discontinued operations are reported on a separate line of the Statement of Consolidated Cash Flows for the relevant periods.

1.3.7. Financial liabilities

Long-term and short-term borrowings and other financial liabilities include:

- bonds and credit facilities, as well as various other borrowings (including commercial paper and debt related to finance leases) and related accrued interest;
- obligations arising out of commitments to purchase non-controlling interests;
- bank overdrafts;
- the negative value of other derivative financial instruments. Derivatives with positive values are recorded as financial assets in the Statement of Financial Position.

Borrowings

All borrowings are initially accounted for at fair value net of transaction costs directly attributable to the borrowing. Borrowings bearing interest are subsequently valued at amortized cost, applying the effective interest method. The effective interest rate is the internal yield rate that discounts future cash flows over the term of the borrowing. In addition, where the borrowing comprises an embedded derivative (e.g., an exchangeable bond) or an equity instrument (e.g., a convertible bond), the amortized cost is calculated for the debt component only, after separation of the embedded derivative or equity instrument. In the event of a change in expected future cash flows (e.g., redemption occurs earlier than initially expected), the amortized cost is adjusted against earnings to reflect the value of the new expected cash flows, discounted at the initial effective interest rate.

Commitments to purchase non-controlling interests

Vivendi has committed to purchase the non-controlling interests of some of the minority shareowners of its fully consolidated subsidiaries. These purchase commitments may be optional (e.g., put options) or mandatory (e.g., forward purchase contracts).

The following accounting treatment has been applied in respect of commitments made on or after January 1, 2009:

- upon initial recognition, the commitment to purchase non-controlling interests is recognized as a financial liability for the present value of the purchase price under the put option or forward purchase contract, mainly offset by the book value of non-controlling interests and the remaining balance through equity attributable to Vivendi SE shareowners;
- subsequent changes to the value of the commitment are recognized as a financial liability through an adjustment to equity attributable to Vivendi SE shareowners;
- upon maturity of the commitment, if the non-controlling interests are not purchased, the previously recognized entries are reversed; if the non-controlling interests are purchased, the amount recognized in financial liabilities is reversed, offset by the cash outflow relating to the purchase of the non-controlling interests.

Derivative financial instruments

Vivendi uses derivative financial instruments to manage and reduce its exposure to fluctuations in interest rates, and foreign currency exchange rates. All instruments are either listed on organized markets or traded over-the-counter with highly-rated counterparties. These instruments include interest rate and currency swaps, and forward exchange contracts. All these derivative financial instruments are used for hedging purposes. At the inception of the hedging relationship there is the formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge.

Derivatives are initially measured at fair value on the settlement date and are subsequently remeasured at fair value on each succeeding reporting date. The recognition of subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if applicable, the nature of the hedged item and the type of hedging relationship designated. When these contracts qualify as hedges for accounting purposes, gains and losses arising on these contracts are offset in earnings against the gains and losses relating to the hedged item.

When forward contracts are used as hedging instruments, Vivendi only qualifies as hedging instruments the change in the fair value of the forward contract related to the variation of the spot exchange rate. Changes in the forward points are excluded from the hedging relationship and are recognized in the financial result.

Fair value hedge

When the derivative financial instrument hedges exposures to fluctuations in the fair value of an asset or a liability recognized in the Statement of Financial Position or of a firm commitment which is not recognized in the Statement of Financial Position, it is a fair value hedge. The instrument is remeasured at fair value in earnings, with the gains or losses arising on remeasurement of the hedged portion of the hedged item offset on the same line of the Statement of Earnings, or, as part of a forecasted transaction relating to a non-financial asset or liability, at the initial cost of the asset or liability.

Cash flow hedge

When the derivative financial instrument hedges cash flows, it is a cash flow hedge. The hedging instrument is remeasured at fair value and the portion of the gain or loss that is determined to be an effective hedge is recognized through charges and income directly recognized in equity, whereas its ineffective portion is recognized in earnings; when the hedged item is realized, accumulated gains and losses recognized in equity are released to the Statement of Earnings and recorded on the same line as the hedged item; as part of a forecasted transaction on a non-financial asset or liability, they are recognized at the initial cost of the asset or liability.

Net investment hedge

When the derivative financial instrument hedges a net investment in a foreign operation, it is recognized in the same way as a cash flow hedge. Derivative financial instruments which do not qualify as a hedge for accounting purposes are remeasured at fair value and resulting gains and losses are recognized directly in earnings, without remeasurement of the underlying instrument.

Furthermore, income and expenses relating to foreign currency instruments used to hedge highly probable budget exposures and firm commitments contracted pursuant to the acquisition of editorial content rights (including sports, audiovisual and film rights) are recognized in EBIT. In all other cases, gains and losses arising on the fair value remeasurement of instruments are recognized in other financial charges and income.

1.3.8. Other liabilities

Provisions

Provisions are recognized when, at the end of the reporting period, Vivendi has a legal obligation (statutory, regulatory or contractual) or a constructive obligation, as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the obligation can be reliably estimated. Where the effect of the time value of money is material, provisions are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money. If the amount of the obligation cannot be reliably estimated, no provision is recorded and a disclosure is made in the Notes to the Consolidated Financial Statements.

Employee benefit plans

In accordance with the laws and practices of each country in which it operates, Vivendi participates in, or maintains, employee benefit plans providing retirement pensions, post-retirement health care, life insurance and post-employment benefits to eligible employees, former employees, retirees and such of their beneficiaries who meet the required conditions. Retirement pensions are provided for substantially all employees through defined contribution plans, which are integrated with local social security and multi-employer plans, or defined benefit plans, which are generally managed via group pension plans. The plan funding policy implemented by the group is consistent with applicable government funding requirements and regulations.

Defined contribution plans

Contributions to defined contribution and multi-employer plans are expensed during the year.

Defined benefit plans

Defined benefit plans may be funded by investments in various instruments such as insurance contracts or equity and debt investment securities, excluding Vivendi shares or debt instruments.

Pension expenses and defined benefit obligations are calculated by independent actuaries using the projected unit credit method. This method is based on annually updated assumptions, which include the probability of employees remaining with Vivendi until retirement, expected changes in future compensation and an appropriate discount rate for each country in which Vivendi maintains a pension plan. The assumptions adopted and the means of determining these assumptions, are presented in Note 19. A provision is recorded in the Statement of Financial Position equal to the difference between the actuarial value of the related benefits (actuarial liability) and the fair value of any associated plan assets, and this includes past service costs and actuarial gains and losses.

The cost of defined benefit plans consists of three components recognized as follows:

- the service cost is included in selling, general and administrative expenses. It comprises current service cost, past service cost resulting from a plan amendment or a curtailment, immediately recognized in profit and loss, and gains and losses on settlement;
- the financial component, recorded in other financial charges and income, consists of the undiscounting of the obligation, less the expected return on plan assets determined using the discount rate retained for the valuation of the benefit obligation;
- the remeasurements of the net defined benefit liability (asset), recognized in items of other comprehensive income not reclassified as profit and loss, mainly consist of actuarial gains and losses, i.e., changes in the present value of the defined benefit obligation and plan assets resulting from changes in actuarial assumptions and experience adjustments (representing the differences between the expected effect of some actuarial assumptions applied to previous valuations and the effective impact).

Where the value of plan assets exceeds benefit obligations, a financial asset is recognized up to the present value of future refunds and the expected reduction in future contributions.

Some other post-employment benefits, such as life insurance and medical coverage (mainly in the United States) are subject to provisions which are assessed through an actuarial calculation comparable to the method used for pension provisions.

On January 1, 2004, in accordance with IFRS 1, Vivendi decided to record unrecognized actuarial gains and losses against consolidated equity.

1.3.9. Deferred taxes

Differences existing at closing between the tax base value of assets and liabilities and their carrying value in the Consolidated Statement of Financial Position give rise to temporary differences. Pursuant to the liability method, these temporary differences result in the accounting of:

- deferred tax assets, when the tax base value is greater than the carrying value (expected future tax saving);
- deferred tax liabilities, when the tax base value is lower than the carrying value (expected future tax expense).

Deferred tax assets and liabilities are measured at the expected tax rates for the year during which the asset will be realized or the liability settled, based on tax rates (and tax regulations) enacted or substantially enacted by the closing date. They are reviewed at the end of each year, in line with any changes in applicable tax rates.

Deferred tax assets are recognized for all deductible temporary differences, tax loss carry-forwards and unused tax credits, insofar as it is probable that a taxable profit will be available, or when a current tax liability exists to make use of those deductible temporary differences, tax loss carry-forwards and unused tax credits, except where the deferred tax asset associated with the deductible temporary difference is generated by initial recognition of an asset or liability in a transaction which is not a business combination, and that, at the transaction date, does not impact earnings, nor tax income or loss.

For deductible temporary differences resulting from investments in subsidiaries, joint ventures and other associated entities, deferred tax assets are recorded to the extent that it is probable that the temporary difference will reverse in the foreseeable future and that a taxable profit will be available against which the temporary difference can be utilized.

The carrying value of deferred tax assets is reviewed at each closing date, and revalued or reduced to the extent that it is more or less probable that a taxable profit will be available to allow the deferred tax asset to be utilized. When assessing the probability of a taxable profit being available, account is taken, primarily, of prior years' results, forecasted future results, non-recurring items unlikely to occur in the future and the tax strategy. As such, the assessment of the group's ability to utilize tax losses carried forward is to a large extent judgment-based. If the future taxable results of the group proved to differ significantly from those expected, the group would be required to increase or decrease the carrying value of deferred tax assets with a potentially material impact on the Statement of Financial Position and Statement of Earnings of the group.

Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability results from goodwill or initial recognition of an asset or liability in a transaction which is not a business combination, and that, at the transaction date, does not impact earnings, tax income or loss.

For taxable temporary differences resulting from investments in subsidiaries, joint ventures and other associated entities, deferred tax liabilities are recorded except to the extent that both of the following conditions are satisfied: the parent, investor or venturer is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future.

Current tax and deferred tax shall be charged or credited directly to equity, and not earnings, if the tax relates to items that are credited or charged directly to equity.

1.3.10. Share-based compensation

With the aim of aligning the interests of its executive management and employees with its shareholders' interests by providing them with an additional incentive to improve the company's performance and increase its share price on a long-term basis, Vivendi maintains several share-based compensation plans (share purchase plans, performance share plans and bonus share plans) or other equity instruments based on the value of the Vivendi share price (stock options), which are settled either in equity instruments or in cash. Grants under these plans are approved by the Management Board and the Supervisory Board. In addition, the definitive grant of stock options and performance shares is contingent upon the achievement of specific performance objectives set by the Management Board and the Supervisory Board. Moreover, all granted plans are conditional upon active employment at the vesting date.

In addition, Dailymotion has set up a long-term incentive plan for certain key executives. This plan will be settled in cash and the value will be derived from the growth of Dailymotion's enterprise value.

Please refer to Note 20 for details of the features of these plans and for the status of the plans initially granted by Gameloft SE and by Havas Group.

Share-based compensation is recognized as a personnel cost at the fair value of the equity instruments granted. This expense is spread over the vesting period, i.e., three years for stock option plans and for performance share plans (two years for performance shares granted before June 24, 2014), and two years for Vivendi's bonus share plans, other than in specific cases.

Vivendi uses a binomial model to assess the fair value of such instruments. This method relies on assumptions updated at the valuation date such as the calculated volatility of the relevant shares, the discount rate corresponding to the risk-free interest rate, the expected dividend yield, and the probability of relevant managers and employees remaining employed within the group until the exercise of their rights.

However, depending on whether the instruments granted are equity-settled or cash-settled, the valuation and recognition of the expense will differ:

Equity-settled instruments:

- the expected term of the option granted is deemed to be the mid-point between the vesting date and the end of the contractual term;
- the value of the instruments granted is estimated and fixed at grant date;
- the expense is recognized with a corresponding increase in equity.

Cash-settled instruments:

- the expected term of the instruments granted is deemed to be equal to one-half of the residual contractual term of the instrument for vested rights, and to the average of the residual vesting period at the remeasurement date and the residual contractual term of the instrument for unvested rights;
- the value of instruments granted is initially estimated at grant date and is then re-estimated at each reporting date until the payment date and the expense is adjusted prorata taking into account the vested rights at each such reporting date;
- the expense is recognized as a provision;
- moreover, as plans settled in cash are primarily denominated in US dollars, the value fluctuates based on the EUR/USD exchange rate.

Share-based compensation cost is allocated to each operating segment, prorata to the number of equity instruments or equivalent instruments granted to their managers and employees.

The dilutive effect of stock options and performance shares settled in equity through the issuance of Vivendi shares which are in the process of vesting is reflected in the calculation of diluted earnings per share.

In accordance with IFRS 1, Vivendi elected to retrospectively apply IFRS 2 as of January 1, 2004. Consequently, all share-based compensation plans for which rights remained to be vested as of January 1, 2004 were accounted for in accordance with IFRS 2.

1.4. RELATED PARTIES

Group-related parties are those companies over which the group exercises exclusive control, joint control or significant influence, shareholders exercising joint control over group joint ventures, non-controlling interests exercising significant influence over group subsidiaries, corporate officers, group management and directors and companies over which the latter exercise exclusive control, joint control, or significant influence.

The transactions with subsidiaries over which the group exercises control are eliminated within the intersegment transactions (a list of the group's major consolidated entities is set out in Note 26). Moreover, commercial relationships among subsidiaries of the group, aggregated in operating segments, are conducted on an arm's length basis on terms and conditions similar to those which would be offered by third parties. The operating costs of Vivendi SE's headquarters, after the allocation of a portion of these costs to each of the group's businesses, are included in the Corporate operating segment.

1.5. CONTRACTUAL OBLIGATIONS AND CONTINGENT ASSETS AND LIABILITIES

Once a year, Vivendi and its subsidiaries prepare detailed reports on all contractual obligations, commercial and financial commitments and contingent obligations, for which they are jointly and severally liable and that are material to the group. These detailed reports are updated by the relevant departments and reviewed by senior management on a regular basis. To ensure completeness, accuracy and consistency of these reports, some dedicated internal control procedures are carried out, including (but not limited to) the review of:

- minutes of meetings of the shareholders, Management Board, Supervisory Board and committees of the Supervisory Board in respect of matters such as contracts, litigation, and authorization of asset acquisitions or divestitures;
- pledges and guarantees with banks and financial institutions;
- pending litigation, claims (in dispute) and environmental matters as well as related assessments for unrecorded contingencies with internal and/or external legal counsels;
- tax examiner's reports and, if applicable, notices of reassessments and tax expense analyses for prior years;
- insurance coverage for unrecorded contingencies with the risk management department and insurance agents and brokers with whom the group contracted;
- related-party transactions for guarantees and other given or received commitments;
- more generally, major contracts and agreements.

1.6. NEW IFRS STANDARDS AND IFRIC INTERPRETATIONS THAT HAVE BEEN PUBLISHED BUT ARE NOT YET EFFECTIVE

Among IFRS standards and IFRIC interpretations issued by the IASB/IFRS IC and endorsed by the European Union as of the date of approval of these Consolidated Financial Statements, that are not yet effective and which Vivendi has not elected for early adoption, the main standards which may have an impact on Vivendi are the amendments to the IFRS 9 – *Financial Instruments*, IFRS 7 – *Financial Instruments: Disclosures* and IFRS 16 – *Leases* standards which relate to the Interest Rate Benchmark Reform (Phase 2). These amendments which apply mandatorily from January 1, 2021, were issued by the IASB on August 27, 2020, endorsed by the EU on January 13, 2021, and published in the Official Journal of the EU on January 14, 2021.

Vivendi is currently assessing the potential impact of applying these amendments to the Statement of Earnings, the aggregate comprehensive income, the Statement of Financial Position, the Statement of Cash Flows, and the content of the Notes to the Consolidated Financial Statements.

NOTE 2. MAJOR EVENTS

2.1. SALE OF 20% AND PLANNED DISTRIBUTION OF 60% OF UNIVERSAL MUSIC GROUP'S SHARE CAPITAL

On December 31, 2019, Vivendi and a Tencent-led consortium, which includes Tencent Music Entertainment and other financial co-investors, entered into an agreement for a planned equity investment in Universal Music Group (UMG). This agreement provides for:

- the purchase by this consortium of 10% of UMG's share capital, based on an enterprise value of €30 billion for 100% of UMG's share capital;
- an option for this consortium to acquire, on the same valuation basis, an additional interest of up to 10% of UMG's share capital until January 15, 2021.

Sale of a first tranche of 10% of Universal Music Group's share capital

On March 31, 2020, Vivendi completed the sale of 10% of UMG's share capital to a Tencent-led consortium. This transaction resulted in a cash inflow of €2,842 million for Vivendi.

As a reminder, on March 31, 2020, the sale of 10% of UMG's share capital to a Tencent-led consortium was recorded, in accordance with IFRS standards, as a sale of non-controlling interests and therefore has not impacted the Consolidated Financial Statement of Earnings. In Vivendi's Consolidated Financial Statements, in accordance with IFRS 10, the capital gain on the sale of 10% of UMG's share capital, equal to the difference between the sale price of €2,842 million and the value of sold non-controlling interests in the Consolidated Financial Statements of €457 million, was directly recorded as an increase in equity attributable to Vivendi SE shareowners for €2,385 million.

Sale of a second tranche of 10% of Universal Music Group's share capital

On December 17, 2020, the consortium decided to exercise the option to acquire an additional 10% of UMG.

On January 29, 2021, Vivendi completed the sale of the additional 10% of UMG's share capital to a Tencent-led consortium, based on an enterprise value of €30 billion for 100% of UMG's share capital. This transaction resulted in a cash inflow of €2,847 million for Vivendi.

For information, on January 29, 2021, the sale of an additional 10% of UMG's share capital to a Tencent-led consortium will be recorded, in accordance with IFRS standards, as a sale of non-controlling interests and therefore will not impact the Consolidated Financial Statement of Earnings. In Vivendi's Consolidated Financial Statements, in accordance with IFRS 10, the capital gain on the sale will be directly recorded as an increase in equity attributable to Vivendi SE shareowners.

As from this date, the Tencent-led consortium owns 20% of UMG.

The cash generated by these transactions may be used by Vivendi to reduce its financial debt and to finance acquisitions.

Planned distribution of 60% of Universal Music Group's share capital and its listing on the stock market

On February 13, 2021, Vivendi announced that it will study the planned distribution of 60% of UMG's share capital and its listing by the end of 2021. This distribution, exclusively in kind, would take the form of an exceptional distribution ("special dividend"). The listing of UMG's shares, issued by its holding company, would be applied for on the regulated market of Euronext NV in Amsterdam, in a country that has been one of UMG's historical homes.

A Vivendi Extraordinary Shareholders' Meeting will be called for March 29, 2021, to modify the company's by-laws and make the principle of this distribution in kind possible and pursue this project. Subject to a favorable shareholder vote, a Shareholders' Meeting could be called before the end of 2021 to vote on this distribution of UMG shares.

Minority interest in Universal Music Group's operations in China

In addition, a separate agreement was entered into on March 31, 2020, enabling Tencent Music Entertainment to acquire a minority interest in the share capital of the UMG's subsidiary that owns its Greater China operations.

2.2. ACQUISITION OF EDITIS

On January 31, 2019, Vivendi completed the acquisition of 100% of Antinea 6's share capital, the holding company of Editis, the second-largest French-language publishing group. The purchase price was €829 million, including the repayment of Editis Group's debt on the acquisition date. On January 2, 2019, the French Competition Authority had authorized the transaction unconditionally.

Consolidation of Editis by Vivendi

As from February 1, 2019, Vivendi has fully consolidated Editis. As of December 31, 2020, the final goodwill attributable to Editis was €827 million (unchanged compared to the provisional goodwill as of December 31, 2019).

(in millions of euros)	01/31/2019
Purchase price for 100% of Antinea 6's share capital, the holding company of Editis	332
Editis Group's debt repaid by Vivendi	497
Purchase price for 100% of Editis	**829**
Carrying value of Editis's acquired assets and incurred or assumed liabilities	2
Final goodwill	**827**

2.3. ACQUISITION OF M7 BY CANAL+ GROUP

On September 12, 2019, Canal+ Group completed the acquisition of M7, one of the largest independent pay-TV companies in Europe, operating in Benelux and Central Europe.

Consolidation of M7 by Canal+ Group

As from September 12, 2019, Canal+ Group has fully consolidated M7. As of December 31, 2020, the final goodwill attributable to M7 was €1,009 million (compared to a provisional goodwill of €998 million as of December 31, 2019).

(in millions of euros)	09/12/2019
Purchase price for 100% of M7	**1,136**
Carrying value of M7's acquired assets and incurred or assumed liabilities **(a)**	127
Final goodwill	**1,009**

(a) Notably included the final allocation to acquired M7 subscriber bases and brands.

2.4. VIVENDI'S INVESTMENT IN LAGARDÈRE SCA

In 2020, Vivendi acquired 38,297 thousand shares of Lagardère SCA. On December 31, 2020, Vivendi owned 29.2% of the share capital and 22.4% in the voting rights of Lagardère SCA.

Following the announcement of very poor half-year results by Lagardère, on August 10, 2020, Vivendi and Amber Capital, in spite of their differences, entered into a pact. Within this context, Vivendi and Amber Capital took steps with Lagardère to obtain minority representation on Lagardère's Supervisory Board, including three seats for Amber Capital and one seat for Vivendi. The two companies, wishing to stabilize Lagardère's shareholder base, also entered into a five-year reciprocal right of first offer and pre-emption right with respect to their respective Lagardère shares.

After the Supervisory Board and Managing Partners of Lagardère rejected the proposals of Vivendi and Amber Capital (Lagardère's first and second-largest shareholders, respectively), in early September 2020, Vivendi and Amber filed a motion with the Paris Commercial Court seeking to convene an extraordinary general meeting of Lagardère's shareholders.

On October 14, 2020, the Paris Commercial Court dismissed Vivendi and Amber Capital's request to convene an extraordinary general meeting of Lagardère's shareholders. On October 19, 2020, Vivendi appealed against this decision. On December 17, 2020, the Paris Court of Appeal upheld the lower court's decision (please refer to Note 25).

2.5. CANAL+ GROUP'S INVESTMENT IN MULTICHOICE GROUP LTD

In 2020, Canal+ Group acquired 53,100 thousand shares of MultiChoice Group Ltd., a leader in pay-TV in anglophone and lusophone sub-Saharan Africa. As on December 31, 2020, Canal+ Group owned 12.0% of the share capital and 12.4% of the voting rights of MultiChoice Group Ltd., thus becoming the second largest shareholder.

2.6. CONTEMPLATED ACQUISITION OF PRISMA MEDIA

On December 14, 2020, Vivendi announced that it had entered into exclusive negotiations to acquire 100% of Prisma Media. On December 23, 2020, Vivendi announced that it had entered into a put option agreement for 100% of Prisma Media, following exclusive negotiations with Gruner+Jahr/Bertelsmann and the favorable opinion of Vivendi's employee representative bodies.

In accordance with applicable regulations, the contemplated acquisition remains subject to the information and consultation process with Prisma Media's employee representative bodies as well as finalization of the legal documentation.

NOTE 3. COVID-19 PANDEMIC IMPACTS

Although the Covid-19 pandemic is having a more significant impact on certain countries or businesses than others, in 2020, Vivendi has demonstrated resilience in adapting its activities to continue to best serve and entertain its customers, while reducing costs to preserve its margins. The business activities showed good resilience, in particular, music and pay television. However, as previously mentioned, the other businesses such as Havas Group and Vivendi Village (in particular live entertainment) were affected by the pandemic's effects. Editis has enjoyed a strong rebound in its businesses in France since June 2020.

Vivendi continually monitors the current and potential consequences of the crisis. It is difficult at this time to determine how it will impact Vivendi's results in 2021. Businesses related to advertising and live performance have a risk of being more impacted than others. Nevertheless, the Group remains confident in the resilience of its main businesses. It continues to make every effort to ensure the continuity of its activities, as well as to best serve and entertain its customers and audiences while complying with the guidelines of authorities in each country where it operates.

In 2020, Vivendi tested the value of goodwill allocated to its Cash-Generating Units (CGU) or groups of CGU by applying valuation methods consistent with previous years. Vivendi ensured that the recoverable amount of CGU or groups of CGU tested exceeded their carrying value (including goodwill). Government measures implemented to address the Covid-19 pandemic in the main regions where Vivendi operates, have slowed down the conduct of certain business activities, such as Havas Group, Studiocanal and Vivendi Village and have slowed down the conduct of the operating performance of these activities. Notwithstanding the uncertainties created by the Covid-19 pandemic, Vivendi considered that the decline in the operating performance of these businesses observed in 2020 is unlikely to be permanent and should not affect their long-term outlook.

In 2020, Vivendi's Financial Net Debt increased by €889 million, from €4,064 million as of December 31, 2019, to €4,953 million as of December 31, 2020. In addition, Vivendi has significant financing capacity. As of December 31, 2020, €3.3 billion of the group's committed credit facilities were available.

As of December 31, 2020, the average "economic" term of the group's financial debt, calculated based on the assumption that the available medium-term credit lines may be used to redeem the group's shortest term borrowings, was 4.8 years (compared to 5.3 years as of December 31, 2019).

For a detailed description on borrowings and other financial liabilities and financial risk management, please refer to Note 21.

NOTE 4. SEGMENT DATA

Vivendi Management evaluates the performance of its business segments and allocates necessary resources to them based on certain operating performance indicators (segment earnings and cash flow from operations). Income from operations and EBITA reflect the earnings of each business segment.

The operating segments presented hereunder are strictly identical to the information given to Vivendi's Management Board.

Vivendi's main businesses are aggregated within the following operating segments:

- **Universal Music Group:** sale of recorded music (digital and physical), exploitation of music publishing rights, as well as artist services and merchandising.
- **Canal+ Group:** publishing and distribution of premium and thematic pay-TV and free-to-air channels in France, Benelux, Poland, Central Europe, Africa and Asia, and production, sales and distribution of movies and TV series.
- **Havas Group:** communications group spanning all the communications disciplines (creativity, media expertise and healthcare/wellness).
- **Editis:** publishing group in France with leading positions in the fields of literature, educational and reference books, as well as in book selling and distribution.
- **Gameloft:** creation and publishing of downloadable video games for mobile phones, tablets, triple-play boxes and smart TVs.
- **Vivendi Village:** Vivendi Ticketing (in Europe and the United States through See Tickets) and live performances through Olympia Production, Festival Production, and the venues in Paris (l'Olympia and Théâtre de l'Œuvre) and Africa (CanalOlympia).
- **New Initiatives:** Dailymotion (video content aggregation and distribution platform) and Group Vivendi Africa (development of ultra-high-speed Internet service in Africa).
- **Corporate:** centralized services.

Intersegment commercial operations are conducted on an arm's-length basis on terms and conditions similar to those that would be offered by third parties.

4.1. REVENUES

By business segment

(in millions of euros)	Year ended December 31 2020	2019
Universal Music Group	7,432	7,159
Canal+ Group	5,498	5,268
Havas Group	2,137	2,378
Editis	725	687
Gameloft	253	259
Vivendi Village	40	141
New Initiatives	65	71
Elimination of intersegment transactions	(60)	(65)
Revenues	**16,090**	**15,898**

By activity

(in millions of euros)	Year ended December 31 2020	2019
Intellectual property licensing	8,465	8,042
Subscription services	4,940	4,599
Advertising, merchandising and other	2,745	3,322
Elimination of intersegment transactions	(60)	(65)
Revenues	**16,090**	**15,898**

By geographical area

Revenues are broken down by customer location.

(in millions of euros)	Year ended December 31 2020		2019	
France	4,820	*30%*	4,792	*30%*
Rest of Europe	3,884	*24%*	3,850	*24%*
Americas	5,094	*32%*	5,001	*32%*
Asia/Oceania	1,536	*10%*	1,559	*10%*
Africa	756	*4%*	696	*4%*
Revenues	**16,090**	***100%***	**15,898**	***100%***

4.2. OTHER MAIN AGGREGATES OF THE STATEMENT OF EARNINGS

	Year ended December 31	
(in millions of euros)	**2020**	**2019**
Income from operations		
Universal Music Group	1,377	1,168
Canal+ Group	485	431
Havas Group	163	268
Editis	51	59
Gameloft	(17)	(28)
Vivendi Village	(51)	(16)
New Initiatives	(65)	(68)
Corporate	(128)	(95)
	1,815	**1,719**
Restructuring charges		
Universal Music Group	(20)	(24)
Canal+ Group	(42)	(92)
Havas Group	(33)	(35)
Editis	(6)	(3)
Gameloft	(2)	(3)
Vivendi Village	(2)	(1)
New Initiatives	-	(1)
Corporate	(1)	(2)
	(106)	**(161)**
Income/(charges) related to share-based compensation plans		
Universal Music Group	(10)	(5)
Canal+ Group	(10)	(5)
Havas Group	(10)	(12)
Editis	(1)	-
Gameloft	(3)	(4)
Vivendi Village	(1)	-
New Initiatives	-	-
Corporate	(8)	(6)
	(43)	**(32)**

	Year ended December 31	
(in millions of euros)	2020	2019
Other non-current operating charges and income		
Universal Music Group	(18)	(15)
Canal+ Group	2	9
Havas Group	1	4
Editis	(6)	(4)
Gameloft	(2)	(1)
Vivendi Village	(5)	-
New Initiatives	(10)	4
Corporate	(1)	3
	(39)	**-**
Adjusted earnings before interest and income taxes (EBITA)		
Universal Music Group	1,329	1,124
Canal+ Group	435	343
Havas Group	121	225
Editis	38	52
Gameloft	(24)	(36)
Vivendi Village	(59)	(17)
New Initiatives	(75)	(65)
Corporate	(138)	(100)
	1,627	**1,526**

Reconciliation of EBIT to EBITA and to income from operations

	Year ended December 31	
(in millions of euros)	2020	2019
EBIT (a)	**1,468**	**1,381**
Adjustments		
Amortization of intangible assets acquired through business combinations	158	125
Impairment losses on intangible assets acquired through business combinations **(a)**	1	20
EBITA	**1,627**	**1,526**
Adjustments		
Restructuring charges **(a)**	106	161
Charges related to share-based compensation plans	43	32
Other non-current operating charges and income	39	-
Income from operations	**1,815**	**1,719**

(a) As reported in the Consolidated Statement of Earnings.

4.3. STATEMENT OF FINANCIAL POSITION BY OPERATING SEGMENT

Segment assets and liabilities

(in millions of euros)	12/31/2020	12/31/2019
Segment assets (a)		
Universal Music Group	13,036	11,344
Canal+ Group	9,814	9,468
Havas Group	5,438	5,848
Editis	1,372	1,383
Gameloft	734	730
Vivendi Village	309	327
New Initiatives	360	328
Corporate	5,219	4,632
of which investments in equity affiliates	*3,179*	*3,248*
listed equity securities	*1,700*	*924*
	36,281	**34,060**
Segment liabilities (b)		
Universal Music Group	5,670	5,181
Canal+ Group	2,946	2,859
Havas Group	4,024	4,265
Editis	545	535
Gameloft	117	109
Vivendi Village	159	204
New Initiatives	72	75
Corporate	500	530
	14,032	**13,758**

(a) Segment assets include goodwill, content assets, other intangible assets, property, plant and equipment, rights-of-use relating to leases, equity affiliates, financial assets, inventories and trade accounts receivable, and other.

(b) Segment liabilities include provisions, other non-current liabilities, short-term and long-term lease liabilities and trade accounts payable and other.

For additional operating segment data, please refer to the following Notes: Note 10 "Goodwill" and Note 11 "Content assets and commitments".

Segment assets by geographic area

(in millions of euros)	12/31/2020		12/31/2019	
France	13,197	*36%*	12,657	*37%*
Rest of Europe	11,520	*32%*	10,990	*32%*
Americas	10,303	*28%*	9,445	*28%*
Asia/Oceania	551	*2%*	684	*2%*
Africa	710	*2%*	284	*1%*
Segment assets	**36,281**	***100%***	**34,060**	***100%***

Capex, depreciation and amortization

(in millions of euros)	Year ended December 31 2020	2019
Capital expenditures, net (capex net) (a)		
Universal Music Group	65	73
Canal+ Group	305	261
Havas Group	25	34
Editis	7	10
Gameloft	1	5
Vivendi Village	5	5
New Initiatives	26	16
Corporate	1	1
	435	**405**
Increase in tangible and intangible assets and rights-of-use relating to leases		
Universal Music Group	104	134
Canal+ Group	327	265
Havas Group	98	86
Editis	6	107
Gameloft	8	8
Vivendi Village	18	10
New Initiatives	26	16
Corporate	1	59
	588	**685**
Depreciation of tangible assets		
Universal Music Group	59	53
Canal+ Group	135	123
Havas Group	43	42
Editis	4	5
Gameloft	4	5
Vivendi Village	5	4
New Initiatives	5	5
Corporate	2	2
	257	**239**
Amortization of rights-of-use relating to leases		
Universal Music Group	69	64
Canal+ Group	41	39
Havas Group	84	78
Editis	12	15
Gameloft	8	8
Vivendi Village	4	4
New Initiatives	4	3
Corporate	7	9
	229	**220**

	Year ended December 31	
(in millions of euros)	2020	2019
Amortization of intangible assets excluding those acquired through business combinations		
Universal Music Group	-	-
Canal+ Group	105	79
Havas Group	14	8
Editis	47	45
Gameloft	2	1
Vivendi Village	1	1
New Initiatives	4	6
Corporate	-	-
	173	**140**
Amortization of intangible assets acquired through business combinations		
Universal Music Group	108	85
Canal+ Group	46	29
Havas Group	-	-
Editis	2	2
Gameloft	1	8
Vivendi Village	-	-
New Initiatives	1	1
Corporate	-	-
	158	**125**
Impairment losses on intangible assets acquired through business combinations		
Universal Music Group	1	1
Canal+ Group	-	19
Havas Group	-	-
Editis	-	-
Gameloft	-	-
Vivendi Village	-	-
New Initiatives	-	-
Corporate	-	-
	1	**20**

(a) Relates to cash used for capital expenditures, net of proceeds from sales of property, plant and equipment, and intangible assets.

NOTE 5. EBIT

5.1. PERSONNEL COSTS AND AVERAGE EMPLOYEE NUMBERS

		Year ended December 31	
(in millions of euros)	Note	2020	2019
Salaries		2,800	2,783
Social security and other employment charges		593	592
Capitalized personnel costs		(23)	(18)
Wages and expenses		**3,370**	**3,357**
Share-based compensation plans	20	43	32
Employee benefit plans	19	123	73
Other		64	62
Personnel costs		**3,600**	**3,524**
Annual average number of full-time equivalent employees (in thousands)		*42.8*	*43.9*

5.2. ADDITIONAL INFORMATION ON OPERATING EXPENSES

Advertising costs amounted to €393 million in 2020 (compared to €416 million in 2019).

Expenses recorded in the statement of earnings, with respect to service contracts related to satellite transponders amounted to €105 million in 2020 (compared to €115 million in 2019).

Research and development costs amounted to a net charge of €107 million in 2020 (compared to €124 million in 2019).

5.3. TAXES ON PRODUCTION

Taxes on production amounted to €136 million in 2020 (compared to €132 million in 2019).

NOTE 6. FINANCIAL CHARGES AND INCOME

6.1. INTEREST

		Year ended December 31	
(in millions of euros)	Note	2020	2019
(Charge)/Income			
Interest expense on borrowings	21	(52)	**(a)** (69)
Interest income from cash, cash equivalents and investments		15	23
Interest		**(37)**	**(46)**
Fees and premiums on borrowings and credit facilities issued		*(2)*	*(3)*
		(39)	**(49)**

(a) Included the annual coupon on the €700 million bond issued by Vivendi SE, which matured in December 2019 for €31 million.

6.2. OTHER FINANCIAL INCOME AND CHARGES

		Year ended December 31	
(in millions of euros)	Note	2020	2019
Capital gain and revaluation on financial investments **(a)**		676	198
Effect of undiscounting assets **(b)**		-	-
Expected return on plan assets related to employee benefit plans	19.2	9	13
Foreign exchange gain		10	15
Change in value of derivative instruments		4	9
Other		5	-
Other financial income		**704**	**235**
Capital loss and downside adjustment on financial investments **(a)**		(8)	(50)
Effect of undiscounting liabilities **(b)**		(2)	(1)
Interest cost related to employee benefit plans	19.2	(19)	(29)
Fees and premiums on borrowings and credit facilities issued		(2)	(3)
Interest expenses on lease liabilities		(41)	(43)
Foreign exchange loss		(18)	(13)
Other		(25)	(31)
Other financial charges		**(115)**	**(170)**
Net total		**589**	**65**

(a) Included the revaluation of the interests in Spotify and Tencent Music Entertainment for a net amount of €591 million (compared to €139 million in 2019). In 2020, it also included the additional payment of €56 million which Vivendi received for the sale of GVT in 2015, following the favorable settlement of a tax litigation in Brazil.

(b) In accordance with applicable accounting standards, where the effect of the time value of money is material, assets and liabilities are initially recorded in the Statement of Financial Position at the present value of the expected revenues and expenses. At the end of each subsequent period, the present value of such assets and liabilities is adjusted to account for the passage of time.

NOTE 7. INCOME TAXES

7.1. FRENCH TAX GROUP AND CONSOLIDATED GLOBAL PROFIT TAX SYSTEMS

Vivendi SE benefits from the French Tax Group System and, up until December 31, 2011 inclusive, it benefited from the Consolidated Global Profit Tax System pursuant to Article 209 quinquies of the French Tax Code. As from January 1, 2012, Vivendi SE benefits only from the French Tax Group System.

- Under the French Tax Group System, Vivendi is entitled to consolidate its own tax profits and losses with the tax profits and losses of the French subsidiaries that are at least 95% owned, directly or indirectly, by it. As of December 31, 2020, this mainly applies to Canal+ Group, Havas Group, Editis and Gameloft entities in France, as well as the companies involved in the group's development projects in France (e.g., Vivendi Village and Dailymotion).
- Up until December 31, 2011, the Consolidated Global Profit Tax System enabled Vivendi to obtain a tax authorization which allowed the company to consolidate its own tax profits and losses with the tax profits and losses of subsidiaries that were at least 50% owned, directly or indirectly, by it and that were also located in France or abroad. This authorization was granted for an initial five-year period – from January 1, 2004 to December 31, 2008 – and was then renewed, on May 19, 2008, for a three-year period – from January 1, 2009 to December 31, 2011. As a reminder, on July 6, 2011, Vivendi filed a request with the French Ministry of Finance to renew its authorization to use the Consolidated Global Profit Tax System for a three-year period – from January 1, 2012 to December 31, 2014.
- In 2011, pursuant to changes in French Tax Law, the Consolidated Global Profit Tax System was terminated as of September 6, 2011, and the deduction for tax losses carried forward was capped at 60% of taxable income. Since 2012, the deduction for tax losses carried forward has been capped at 50% of taxable income.

The French Tax Group and Consolidated Global Profit Tax Systems have the following impact on the valuation of Vivendi's tax attributes (tax losses, foreign tax receivables and tax credits carried forward):

- In 2012, Vivendi, considering that it was entitled to use the Consolidated Global Profit Tax System up until the end of the authorization period granted by the French Ministry of Finance (i.e., until December 31, 2011), filed a contentious claim for a €366 million refund in respect of fiscal year 2011. In a decision dated October 25, 2017, marking the end of legal proceedings brought before administrative courts, the French Council of State *(Conseil d'État)* recognized that Vivendi had a legitimate expectation that it would be afforded the Consolidated Global Profit Tax System for the entire period covered by the authorization, including for the fiscal year ending December 31, 2011. Given that the power of final adjudication is vested in the French Council of State the amount of €366 million paid to Vivendi, coupled with moratorium interest of €43 million, was definitively acquired by Vivendi. As a result, Vivendi recorded a tax income of €409 million for the fiscal year ended December 31, 2017.

- Vivendi, considering that its foreign tax receivables available upon the exit from the Consolidated Global Profit Tax System could be carried forward after the end of the authorization period, requested a refund of the tax paid in respect of the fiscal year ended December 31, 2012. At the end of the legal proceedings initiated by Vivendi before the Administrative Court of Montreuil followed by the Versailles Administrative Court of Appeal, on December 19, 2019, Vivendi received a favorable decision from the French Council of State *(Conseil d'État)* regarding the use of foreign tax receivables upon exit from the Consolidated Global Profit Tax System. In addition, in light of the decision of the Court of First Instance in its litigation relating to the year 2012, Vivendi requested a refund of tax due for the year ended December 31, 2015. The decision of the French Council of State *(Conseil d'État)* on December 19, 2019, led the tax authorities to issue a refund of the tax paid by Vivendi for 2012 and to reduce the tax paid by Vivendi for 2015 automatically.
- The decision of the French Council of State *(Conseil d'État)* on December 19, 2019 resulted in the following measures:
  - in its Financial Statements for the year ended December 31, 2019, Vivendi recorded a current tax income of €473 million, i.e., €244 million with respect to fiscal year 2012 (€218 million principal and €26 million moratorium interest) and €229 million with respect to fiscal year 2015 (€203 million principal and €26 million moratorium interest),
  - on December 27, 2019, the tax authorities repaid €223 million to Vivendi (€218 million principal and €5 million moratorium interest). In addition, in January 2020, the tax authorities repaid €250 million to Vivendi, i.e., a balance of €21 million with respect to moratorium interest for fiscal year 2012 and €229 million with respect to fiscal year 2015 (€203 million principal and €26 million moratorium interest).
- This decision allowed Vivendi to seek a refund of any additional corporate tax payment already made for the 2012-2016 period, notably following audit of its integrated subsidiaries, and will finally allow Vivendi to pay any future tax amount that will be claimed as a result of its own situation, or of its integrated subsidiaries, for the same 2012-2016 period.
- Moreover and finally, in light of the principle of the right to deferral of foreign tax receivables upon exit from the Global Profit Tax System recognized by the French Council of State *(Conseil d'État)* in its decision on December 19, 2019, Vivendi considered that its foreign tax receivables were usable without limitation of duration, therefore beyond the five-year period provided by decree. Vivendi therefore requested from the tax authorities, by means of a contentious claim filed on November 25, 2020, the refund of the tax paid for the fiscal year ended December 31, 2017, for €7 million.
- In the Financial Statements for the year ended December 31, 2020, the tax results of the subsidiaries comprised within the scope of Vivendi SE's French Tax Group System are calculated based on estimates. As a result, the amount of tax attributes as of December 31, 2020 could not be reliably determined. As of December 31, 2020, taking into account the impact of the estimated 2020 tax results and before the effects of the ongoing tax audits on the amount of tax attributes (please refer to Note 7.5), it is anticipated that Vivendi SE will likely be able to achieve €711 million in tax savings from tax attributes (based on the income tax rate applicable as of January 1, 2021, i.e., 28.41%). At a rate of 25.83% applicable in 2022, it is anticipated that Vivendi would achieve €647 million in tax savings from tax attributes.
- Vivendi SE values its tax attributes based on one year's forecasted results, taken from the following year's budget. On this basis, in 2021, it is anticipated that Vivendi will likely be able to achieve tax savings of €94 million from the French Tax Group System (based on the income tax rate applicable in 2021, i.e., 28.41%).

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7.2. PROVISION FOR INCOME TAXES AND INCOME TAX PAID BY GEOGRAPHIC AREA

Provision for income taxes

	Year ended December 31	
(in millions of euros)	2020	2019
(Charge)/Income		
Current		
France	(77)	**(a)** 405
Rest of Europe	(70)	(24)
United States	(140)	(77)
Rest of the world	(135)	(102)
	(422)	**202**
Deferred		
France	(14)	(21)
Rest of Europe **(b)**	(161)	(66)
United States	12	24
Rest of the world	10	1
	(153)	**(62)**
Provision for income taxes	**(575)**	**140**

(a) Included a current tax income of €473 million resulting from a favorable decision from the French Council of State *(Conseil d'État)* on December 19, 2019 regarding the use of foreign tax receivables upon exit from the Global Profit Tax System, i.e., €244 million with respect to fiscal year 2012 (€218 million principal and €26 million moratorium interest) and €229 million with respect to fiscal year 2015 (€203 million principal and €26 million moratorium interest).

(b) Included the deferred tax charge relating to the revaluation through profit or loss of the interests in Spotify and Tencent Music for an aggregate amount of -€142 million in 2020, compared to -€36 million in 2019.

Income tax paid

	Year ended December 31	
(in millions of euros)	2020	2019
France **(a)**	198	(20)
Rest of Europe	(81)	(62)
United States	(110)	(109)
Rest of the world	(96)	(92)
Income tax (paid)/collected	**(89)**	**(283)**

(a) As a reminder, in 2019, pursuant to a decision of the Versailles Administrative Court of Appeal regarding the use of foreign tax receivables by Vivendi for the payment of income tax in respect of the fiscal year ended December 31, 2012, on February 15, 2019, Vivendi complied with the tax authorities' request and repaid an amount of €239 million (€218 million principal and €21 million moratorium interest). Following a favorable decision of the French Council of State *(Conseil d'État)* on December 19, 2019, the tax authorities repaid €223 million to Vivendi (€218 million principal and €5 million moratorium interest) on December 27, 2019. In January 2020, the tax authorities repaid €250 million to Vivendi, i.e., a balance of €21 million with respect to moratorium interest for fiscal year 2012 and €229 million with respect to fiscal year 2015 (€203 million principal and €26 million moratorium interest).

7.3. EFFECTIVE TAX RATE

	Year ended December 31	
(in millions of euros, except %)	2020	2019
Earnings (before non-controlling interests)	**1,607**	**1,617**
Eliminations		
Income from equity affiliates	(108)	(71)
Earnings from discontinued operations	-	-
Provision for income taxes	575	(140)
Earnings from continuing operations before provision for income taxes	**2,074**	**1,406**
French statutory tax rate	***32.02%***	***34.43%***
Theoretical provision for income taxes based on French statutory tax rate	**(664)**	**(484)**
Reconciliation of the theoretical and effective provision for income taxes		
Earnings tax rates differences	180	180
Impacts of the changes in tax rates	(3)	(11)
Use or recognition of tax losses	150	187
Depreciation or non-recognition of tax losses	(124)	(114)
Changes in deferred tax assets related to Vivendi SE's French Tax Group and the Consolidated Global Profit Tax Systems	(18)	(6)
Adjustments to tax expense from previous years	12	64
Favorable settlement of the litigation related to the foreign tax receivables for 2012 and 2015	-	**(a)** 473
Other	(108)	(149)
Provision for income taxes	**(575)**	**140**
Effective tax rate	***27.7%***	***-9.9%***
Adjustment		
– Favorable settlement of the litigation related to the foreign tax receivables for 2012 and 2015		***(a)*** *-473*
Restated effective tax rate	***27.7%***	***23.7%***

(a) Included a current tax income of €473 million resulting from a favorable decision of the French Council of State *(Conseil d'État)* on December 19, 2019, regarding the use of foreign tax receivables upon exit from the Global Profit Tax System, i.e., €244 million with respect to fiscal year 2012 (€218 million principal and €26 million moratorium interest) and €229 million with respect to fiscal year 2015 (€203 million principal and €26 million moratorium interest).

7.4. DEFERRED TAX ASSETS AND LIABILITIES

Changes in deferred tax assets/(liabilities), net

	Year ended December 31	
(in millions of euros)	2020	2019
Opening balance of deferred tax assets/(liabilities), net	**(255)**	**(363)**
Provision for income taxes	(153)	(62)
Charges and income directly recorded in equity	(31)	22
Other business combinations	(2)	(92)
Changes in foreign currency translation adjustments and other	11	240
Closing balance of deferred tax assets/(liabilities), net	**(430)**	**(255)**

Components of deferred tax assets and liabilities

(in millions of euros)	12/31/2020	12/31/2019
Deferred tax assets		
Recognizable deferred taxes		
Tax attributes – Vivendi SE Tax Group **(a) (b)**	711	765
Tax attributes – US Tax Group **(a) (c)**	95	139
Tax attributes – Havas Group **(a)**	246	269
Tax attributes – Other subsidiaries **(a)**	337	351
Other	776	805
Of which non-deductible provisions	*91*	*125*
employee benefits	*191*	*211*
working capital	*170*	*171*
Total gross deferred taxes	**2,165**	**2,329**
Deferred taxes, unrecognized		
Tax attributes – Vivendi SE Tax Group **(a) (b)**	(617)	(653)
Tax attributes – US Tax Group **(a) (c)**	(95)	(139)
Tax attributes – Havas Group **(a)**	(234)	(257)
Tax attributes – Other subsidiaries **(a)**	(327)	(320)
Other	(155)	(178)
Total deferred tax assets, unrecognized	**(1,428)**	**(1,547)**
Recorded deferred tax assets	**737**	**782**
Deferred tax liabilities		
Asset revaluations **(d)**	(381)	(434)
Other	(786)	(603)
Recorded deferred tax liabilities	**(1,167)**	**(1,037)**
Deferred tax assets/(liabilities), net	**(430)**	**(255)**

(a) The amounts of tax attributes presented in this table were estimated at the end of the relevant fiscal years. In jurisdictions which are significant to Vivendi, mainly France and the United States, tax returns are filed on May 1 and October 15 at the latest of the following year, respectively. As a result, the amount of tax attributes shown in this table and the amount reported to tax authorities may differ, and if necessary, may need to be adjusted in this table at the end of the following year.

(b) Related to deferred tax assets recognizable in respect of tax attributes by Vivendi SE as head of the French Tax Group (please refer to Note 7.1); i.e., €711 million as of December 31, 2020 (compared to €765 million as of December 31, 2019), in respect of tax losses only, taking into account the estimated impact (€32 million) of transactions in fiscal year 2020 (taxable income and use or expiration of tax credits) and the change in corporate tax rate in France from 32.02% to 28.41% as from January 1, 2021 (-€86 million), but before taking into account the potential outcomes of ongoing tax audits (please refer to Note 7.5). In France, tax losses can be carried forward indefinitely and the foreign tax receivables can be carried forward upon exit from the Consolidated Global Profit Tax System.

(c) Primarily related to deferred tax assets recognizable in respect of tax credits carried forward by Universal Music Group, Inc. in the United States as head of the US Tax Group, i.e., $114 million as of December 31, 2020 (compared to $154 million as of December 31, 2019), taking into account the estimated impact (-$40 million) of 2020 transactions, but before taking into account the final contingent outcome of ongoing tax audits (please refer to Note 7.5).

(d) These tax liabilities, stemming from asset revaluations as part of the purchase price allocation of entities acquired by the group, are cancelled upon amortization or divestiture of the related assets and never generate any current tax liabilities.

7.5. TAX LITIGATION

In the normal course of their business, Vivendi SE and its subsidiaries are subject to tax audits by the relevant tax authorities in the countries in which they conduct or conducted business. Various tax authorities have proposed adjustments to the financial results reported by Vivendi and its subsidiaries for fiscal year 2019 and prior years, under statutes of limitation applicable to Vivendi and its subsidiaries. In litigation situations, Vivendi's policy is to pay the taxes it intends to contest, and to seek a refund through appropriate legal proceedings. Regarding ongoing tax audits, no provision is recorded where the impact that could result from an unfavorable outcome cannot be reliably assessed. Vivendi Management believes that it has solid legal grounds to defend its positions for determining the taxable income of all its subsidiaries. Vivendi Management therefore considers that the outcome of the ongoing tax audits are unlikely to have a material impact on the group's financial position or liquidity.

Regarding the tax audit for fiscal years 2008 to 2012, Vivendi SE is subject to a rectification procedure for which the tax authorities challenge the accounting and tax treatment of NBC Universal shares received in consideration of the sale of Vivendi Universal Entertainment shares in 2004. Additionally, the tax authorities challenge the deduction of the €2.4 billion loss recorded as part of the sale of these shares in 2010 and 2011. Proceedings were brought before the National Direct Tax System *(Commission nationale des impôts directs)*, which rendered its opinion on December 9, 2016 (which was notified to Vivendi SE on January 13, 2017), in which it declared the discontinuation of the adjustments suggested by the tax authorities. Moreover, given that the disagreement was based on administrative doctrine, Vivendi asked for its cancellation on the ground that it was tantamount to adding to the law. On May 29, 2017, the French Council of State *(Conseil d'État)* favorably received Vivendi's appeal for misuse of authority. By a letter dated April 1, 2019 and following various appeals, the tax authorities confirmed the continuation of the rectification procedure. On June 18, 2019, Vivendi therefore initiated legal proceedings before the tax department that issued the taxation in question. As no reply was received from the tax authorities, on December 30, 2019, Vivendi filed a complaint before the Administrative Court of Montreuil. On December 14, 2020, after almost one year had passed since the complaint was filed, the tax authorities filed a statement of defense, to which Vivendi replied on January 21, 2021. On February 3, 2021, the court registry issued a statement closing the investigation as of March 1, 2021.

In addition, the tax audit for fiscal years 2013 to 2016 continues in respect of the group's consolidated earnings. With regard to Vivendi's individual earnings, on June 4, 2020, the tax authorities proposed a set of adjustments for €33 million (base) for these four financial years. This proposal will lead to a correction of Vivendi's tax losses carried forward and will not result in any current tax liabilities as any tax claimed will be paid by way of foreign tax receivables. Following Vivendi's reply to this proposal on July 21, 2020, the administration confirmed its position on September 14, 2020. Vivendi does not fully agree with the positions taken by the tax authorities but does not intend, given the stakes, to challenge them.

In respect of the US Tax Group, the tax audit for fiscal years 2011, 2012, and 2013 is now closed. On January 31, 2018, Vivendi was informed by the US tax authorities that fiscal years 2014, 2015 and 2016 were under audit, ongoing until December 31, 2020.

With regard to the Havas Group, Havas SA initiated legal proceedings for the refund of the withholding tax paid by the company between 2000 and 2002 on the redistribution of dividends from European subsidiaries (€34 million). On July 28, 2017, following the filing of the case before the Paris Administrative Court and Court of Appeal and the Versailles Court of Appeal, the French Council of State *(Conseil d'État)* found that the appeal in cassation made by Havas against the decision of the Versailles Court of Appeal was inadmissible. This decision irrevocably ended the tax litigation and barred Havas from obtaining a refund of the withholding tax. To restore Havas's right to compensation, three combined actions were taken: (i) a claim before the European Commission, (ii) a filing before the European Court of Human Rights, and (iii) a claim for compensation under an action for damages against the French state.

At the time of the sale of GVT to Telefônica Brasil in May 2015, Vivendi realized a capital gain that was subject to withholding tax in Brazil. On March 2, 2020, the Brazilian tax authorities challenged the methods for calculating this capital gain and asked Vivendi to pay an amount of 1 billion BRL (i.e., approximately €160 million) in duties, late interest and penalties. This additional tax assessment and the refusal to take into account the reduction of the capital gain resulting from price adjustments were unsuccessfully challenged before the administrative authorities. Vivendi will take legal action to assert its rights and believes that it has a strong chance of succeeding. Accordingly, no provision has been recorded in the financial statements for the year ended December 31, 2020 in respect of this assessment.

NOTE 8. EARNINGS PER SHARE

	Year ended December 31			
	2020		2019	
	Basic	Diluted	Basic	Diluted
Earnings (in millions of euros)				
Earnings from continuing operations attributable to Vivendi SE shareowners	1,440	1,440	1,583	1,583
Earnings from discontinued operations attributable to Vivendi SE shareowners	-	-	-	-
Earnings attributable to Vivendi SE shareowners	**1,440**	**1,440**	**1,583**	**1,583**
Number of shares (in millions)				
Weighted average number of shares outstanding **(a)**	1,140.7	1,140.7	1,233.5	1,233.5
Potential dilutive effects related to share-based compensation	-	4.1	-	4.9
Adjusted weighted average number of shares	**1,140.7**	**1,144.8**	**1,233.5**	**1,238.4**
Earnings per share (in euros)				
Earnings from continuing operations attributable to Vivendi SE shareowners per share	1.26	1.26	1.28	1.28
Earnings from discontinued operations attributable to Vivendi SE shareowners per share	-	-	-	-
Earnings attributable to Vivendi SE shareowners per share	**1.26**	**1.26**	**1.28**	**1.28**

(a) Net of the weighted average number of treasury shares (44.7 million shares in 2020, compared to 28.0 million shares in 2019).

NOTE 9. CHARGES AND INCOME DIRECTLY RECOGNIZED IN EQUITY

9.1. DETAILS OF CHANGES IN EQUITY RELATED TO OTHER COMPREHENSIVE INCOME

	Items not subsequently reclassified to profit or loss		Items to be subsequently reclassified to profit or loss			
(in millions of euros)	Actuarial gains/ (losses) related to employee defined benefit plans (a)	Financial assets at fair value through other comprehensive income	Unrealized gains/ (losses) Hedging instruments (b)	Foreign currency translation adjustments	Other comprehensive income from equity affiliates, net	Other comprehensive income
Balance as of December 31, 2018	**(242)**	**(431)**	**81**	**(269)**	**(81)**	**(942)**
Charges and income directly recognized in equity	(163)	(40)	(4)	170	53	16
Tax effect	23	-	-	-	-	23
Other	(3)	3	-	-	-	-
Balance as of December 31, 2019	**(385)**	**(468)**	**77**	**(99)**	**(c) (28)**	**(903)**
Charges and income directly recognized in equity	13	(88)	2	(672)	(165)	(910)
Tax effect	(1)	(30)	-	-	-	(31)
Other	-	-	-	-	(2)	(2)
Balance as of December 31, 2020	**(373)**	**(586)**	**79**	**(771)**	**(c) (195)**	**(1,846)**

(a) Please refer to Note 19.

(b) Please refer to Note 21.7.

(c) Included foreign currency translation from Telecom Italia for -€218 million as of December 31, 2020, compared to -€9 million as of December 31, 2019.

NOTE 10. GOODWILL

(in millions of euros)	12/31/2020	12/31/2019
Goodwill, gross	27,924	29,266
Impairment losses	(13,741)	(14,576)
Goodwill	**14,183**	**14,690**

10.1. CHANGES IN GOODWILL

(in millions of euros)	12/31/2019	Impairment losses	Business combinations	Changes in foreign currency translation adjustments and other	12/31/2020
Universal Music Group	5,381	-	7	**(a)** (473)	4,915
Canal+ Group	5,660	-	12	(9)	5,663
Havas Group	2,053	-	45	(90)	2,008
Editis	837	-	1	-	838
Gameloft	594	-	6	-	600
Vivendi Village	162	-	(2)	(4)	156
New Initiatives	3	-	-	-	3
Total	**14,690**	**-**	**69**	**(576)**	**14,183**

(in millions of euros)	12/31/2018	Impairment losses	Business combinations	Changes in foreign currency translation adjustments and other	12/31/2019
Universal Music Group	4,977	-	**(b)** 75	**(a)** 329	5,381
Canal+ Group	4,595	-	**(c)** 1,068	(3)	5,660
Havas Group	1,940	-	87	26	2,053
Editis	-	-	**(d)** 837	-	837
Gameloft	591	-	3	-	594
Vivendi Village	125	-	31	6	162
New Initiatives	210	-	-	(207)	3
Total	**12,438**	**-**	**2,101**	**151**	**14,690**

(a) Notably included the foreign currency translation of the dollar (USD) against the euro.

(b) Notably included the provisional goodwill attributable to Ingrooves, consolidated by Universal Music Group as from March 15, 2019.

(c) Primarily included the provisional goodwill recognized as a result of the acquisition of M7 consolidated by Canal+ Group since September 12, 2019 (please refer to Note 2.3).

(d) Primarily included the provisional goodwill recognized as a result of the acquisition of Editis consolidated since February 1, 2019 (please refer to Note 2.2).

10.2. GOODWILL IMPAIRMENT TEST

In 2020, Vivendi tested the value of goodwill allocated to its Cash-Generating Units (CGU) or groups of CGU by applying valuation methods consistent with previous years. Vivendi ensured that the recoverable amount of CGU or groups of CGU tested exceeded their carrying value (including goodwill). The recoverable amount is determined as the higher of the value in use, determined by the discounted value of future cash flows (Discounted Cash Flow method (DCF)), and the fair value (less costs to sell), determined on the basis of market data (stock market prices, comparable listed companies, comparison with the value attributed to similar assets or companies in recent acquisition transactions). For a description of the methods used for the impairment test, please refer to Note 1.3.5.8.

Presentation of CGU or groups of CGU

Operating Segments	Cash Generating Units (CGU)	CGU or groups of CGU tested
Universal Music Group	Recorded music	Universal Music Group **(a)**
	Music publishing	
	Artist services and merchandising	
Canal+ Group	Pay-TV in Mainland France	Canal+ Group excluding Studiocanal **(a)**
	Canal+ International **(b)**	
	Platforma Canal+ (Poland)	
	M7 (Central Europe and Benelux)	
	Free-to-air TV in France	
	Studiocanal	Studiocanal
Havas Group **(c)**	Havas Creative Group	Havas Group **(a)**
	Havas Health & You	
	Havas Media Group	
Editis	Editis	Editis
Gameloft	Gameloft	Gameloft
Vivendi Village	Paddington	Paddington
	Live entertainment in France	Live entertainment in France
	Live entertainment in the United Kingdom	Live entertainment in the United Kingdom
	Venues in France	Venues in France
	See Tickets France	Ticketing (Vivendi Ticketing) **(a)**
	See Tickets AG (formerly Starttickets) **(d)**	
	See Tickets United Kingdom	
	See Tickets United States	
	See Tickets BV (formerly Paylogic)	
New Initiatives	Dailymotion	Dailymotion
	Group Vivendi Africa	Group Vivendi Africa

(a) Corresponds to the level of monitoring return on investments.

(b) Relates to pay-TV in overseas France, Africa and Asia.

(c) In 2019, a goodwill impairment test was performed on the CGUs mainly in Spain, North America and France. In 2020, CGUs were redefined to reflect the current operational organization of the Havas Group, with the integration of Creative and Media activities within the Havas Villages, as well as the development of the Health & You division. As of December 31, 2020, Vivendi had also performed a goodwill impairment test for the Creative, Health & You and Media activities at the level of the consolidated Havas Group CGU, which is the level at which return on these investments is monitored.

(d) As of December 31, 2020, no goodwill impairment test attributable to See Tickets AG (formerly Starttickets) was completed given that the acquisition date of See Tickets AG (December 30, 2019) was close to the financial closing date.

During the fourth quarter of 2020, Vivendi performed a goodwill impairment test on each CGU or group of CGU, on the basis of valuations of recoverable amounts determined through internal valuations or with the assistance of third-party appraisers. As a result, Vivendi Management concluded that, as of December 31, 2020, the recoverable amount for each CGU or group of CGU tested exceeded their carrying value.

Presentation of key assumptions used for the determination of recoverable amounts

The value in use of each CGU or group of CGU is usually determined as the discounted value of future cash flows by using cash flow projections consistent with the 2021 budget and the most recent forecasts prepared by the operating segments. These forecasts are prepared on the basis of financial targets as well as the following main key assumptions: discount rate, perpetual growth rate and EBITA as defined in Note 1.2.3, capital expenditures, the competitive and regulatory environments, technological developments and level of commercial expenses. When the business plan of a CGU or group of CGU is not available at the time of the re-examination of the value of goodwill, Vivendi ensures that the recoverable amount exceeds the carrying value on the basis of market data only. The recoverable amount used for the relevant CGU or group of CGU was determined based on its value in use in accordance with the main key assumptions set out below.

In 2020, government measures implemented to address the Covid-19 pandemic in the main regions where Vivendi operates, namely population lockdowns and the closing of certain businesses, have slowed down the conduct of certain business activities, which adversely affected the operating performance of Vivendi's businesses in 2020, in particular Havas Group, Studiocanal and Vivendi Village. Notwithstanding the uncertainties created by the Covid-19 pandemic, Vivendi considered that the decline in the operating performance of these businesses observed in 2020 is unlikely to be permanent and should not affect their long-term outlook.

		Valuation Method		Discount Rate (a)		Perpetual Growth Rate	
Operating segments	**CGU or groups of CGU tested**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Universal Music Group	Universal Music Group **(b)**	Transaction	Transaction	na	na	na	na
Canal+ Group	Canal+ Group excluding Studiocanal **(c)**	Comparables	Comparables	na	na	na	na
	Studiocanal	DCF	DCF	7.70%	7.70%	1.00%	1.00%
Havas Group	Havas Group	DCF & comparables model **(d)**	**(e)**	7.80%	**(e)**	1.50%	**(e)**
Editis	Editis	DCF & comparables model	**(f)**	6.90%	**(f)**	1.50%	**(f)**
Gameloft	Gameloft	DCF & comparables model	DCF & comparables model	10.00%	9.00%	2.00%	2.00%
Vivendi Village	Paddington	DCF	DCF	8.80%	8.80%	1.00%	1.00%
	Live entertainment in France	DCF	DCF	9.50%	10.00%	1.00%	1.00%
	Live entertainment in the United Kingdom	DCF	DCF	10.10%	10.00%	1.00%	1.00%
	Venues in France	DCF	DCF	9.00%	9.00%	1.00%	1.00%
	Ticketing (Vivendi Ticketing)	DCF	DCF	9.30%	9.30%	2.00%	2.00%

na: not applicable.

(a) The determination of recoverable amounts using a post-tax discount rate applied to post-tax cash flows provides recoverable amounts consistent with the ones that would have been obtained using a pre-tax discount rate applied to pre-tax cash flows.

(b) On December 31, 2019, Vivendi and a consortium of investors led by Tencent entered into an agreement providing for the sale of 10% of UMG's share capital, based on an enterprise value of €30 billion for 100% of UMG's share capital, with the option to acquire, until January 15, 2021, on the same valuation basis, an additional amount of up to 10% of UMG's share capital. On March 31, 2020, Vivendi sold 10% of UMG's share capital to the Tencent-led consortium. On December 17, 2020, the consortium exercised its option to acquire an additional 10% of UMG. On January 29, 2021, Vivendi sold an additional 10% of UMG's share capital to the Tencent-led consortium based on the same enterprise value of €30 billion for 100% of UMG's share capital. On this basis, UMG's recoverable amount exceeded its carrying value (please refer to Note 2.1).

(c) Based on multiple valuations observed in recent acquisitions, Vivendi considered that Canal+ Group's recoverable amount exceeded its carrying value.

(d) Please refer to reference **(c)** in the table above.

(e) In 2019, DCF method for the CGUs in Spain, North America and France with a discount rate of 7.37%, 8.00% and 7.70%, respectively, and a perpetual growth rate of 2%.

(f) As of December 31, 2019, no goodwill impairment test relating to Editis was performed given that the acquisition date of Editis (January 31, 2019) was close to the financial closing date.

Sensitivity of recoverable amounts of CGUs or groups of CGUs whose value in use is determined in particular by the DCF method

	12/31/2020				
	Discount rate		Perpetual growth rate		Discounted cash flows
	Applied rate (in %)	Increase in the discount rate required for the recoverable amount to be equal to the carrying amount (in number of points)	Applied rate (in %)	Decrease in the perpetual growth rate required for the recoverable amount to be equal to the carrying amount (in number of points)	Decrease in the discounted cash flows required for the recoverable amount to be equal to the carrying amount (in %)
Canal+ Group					
Studiocanal	7.70%	+1.27 pts	1.00%	-2.12 pts	-17%
Havas Group (a)	**7.80%**	**+8.59 pts**	**1.50%**	**-24.31 pts**	**-62%**
Editis	**6.90%**	**+1.14 pts**	**1.50%**	**-2.14 pts**	**-19%**
Gameloft (b)	**na**	**na**	**na**	**na**	**na**

	12/31/2019				
	Discount rate		Perpetual growth rate		Discounted cash flows
	Applied rate (in %)	Increase in the discount rate required for the recoverable amount to be equal to the carrying amount (in number of points)	Applied rate (in %)	Decrease in the perpetual growth rate required for the recoverable amount to be equal to the carrying amount (in number of points)	Decrease in the discounted cash flows required for the recoverable amount to be equal to the carrying amount (in %)
Canal+ Group					
Studiocanal	7.70%	+1.05 pts	1.00%	-1.71 pts	-15%
Havas Group (a)					
Spain	7.37%	+7.99 pts	2.00%	-13.43 pts	-57%
North America	8.00%	+8.27 pts	2.00%	-16.69 pts	-57%
France	7.70%	+6.00 pts	2.00%	-8.80 pts	-51%
Gameloft (b)	**na**	**na**	**na**	**na**	**na**

na: not applicable.

(a) Please refer to reference **(d)** in the table above.

(b) Vivendi Management considered that Gameloft's recoverable amount as of December 31, 2019, which was determined using standard valuation methods (the value in use, determined as the discounted value of future cash flows, and the fair value, determined on the basis of market data: stock market prices, comparable listed companies, comparison with the value attributed to similar assets or companies in recent acquisition transactions) was at least equal to its carrying value.

Vivendi Village's business plans are based on the assumption of a return to a normal level of activity in the fourth quarter of 2021. Following the sensitivity analyses performed, the possible one-year delay in the return to a normal level of activity is unlikely to have a material impact on the long-term valuation outlook as this would result in a limited decrease in the recoverable amount (estimated at -13%), which will remain higher than the carrying value for the relevant CGUs.

NOTE 11. CONTENT ASSETS AND COMMITMENTS

11.1. CONTENT ASSETS

	12/31/2020		
(in millions of euros)	Content assets, gross	Accumulated amortization and impairment losses	Content assets
Music catalogs and publishing rights	9,196	(6,866)	2,330
Advances to artists and repertoire owners	1,859	-	1,859
Merchandising contracts and artists services	20	(20)	-
Film and television costs	7,064	(6,486)	579
Sports rights	416	-	416
Editorial creations	902	(859)	43
Other	48	(27)	21
Content assets	**19,505**	**(14,258)**	**5,248**
Deduction of current content assets	(1,366)	20	(1,346)
Non-current content assets	**18,139**	**(14,238)**	**3,902**

	12/31/2019		
(in millions of euros)	Content assets, gross	Accumulated amortization and impairment losses	Content assets
Music catalogs and publishing rights	8,999	(7,405)	1,594
Advances to artists and repertoire owners	1,266	-	1,266
Merchandising contracts and artists services	22	(22)	-
Film and television costs	7,111	(6,328)	783
Sports rights	466	-	466
Editorial creations	861	(816)	45
Other	44	(29)	15
Content assets	**18,769**	**(14,600)**	**4,169**
Deduction of current content assets	(1,440)	17	(1,423)
Non-current content assets	**17,329**	**(14,583)**	**2,746**

Changes in content assets

(in millions of euros)	Year ended December 31 2020	2019
Opening balance	**4,169**	**3,540**
Amortization of content assets excluding those acquired through business combinations	(75)	(65)
Amortization of content assets acquired through business combinations	(108)	(84)
Impairment losses on content assets acquired through business combinations	-	-
Increase	3,987	3,440
Decrease	(2,530)	(2,769)
Business combinations	-	50
Foreign currency translation adjustments and other	(195)	57
Closing balance	**5,248**	**4,169**

11.2. CONTRACTUAL CONTENT COMMITMENTS

Commitments given recorded in the Statement of Financial Position: content liabilities

Content liabilities are mainly recorded in "Trade accounts payable and other" or in "Other non-current liabilities" whether they are current or non-current, as applicable.

	Minimum future payments as of 12/31/2020				
		Due in			
(in millions of euros)	Total	2021	2022-2025	After 2025	Total minimum future payments as of 12/31/2019
Music royalties to artists and repertoire owners	2,315	2,305	10	-	2,264
Film and television rights **(a)**	174	174	-	-	198
Sports rights	275	275	-	-	394
Creative talent, employment agreements and others	535	278	252	5	362
Content liabilities	**3,299**	**3,032**	**262**	**5**	**3,218**

Off-balance sheet commitments given/(received)

(in millions of euros)	Minimum future payments as of 12/31/2020				Total minimum future payments as of 12/31/2019
		Due in			
	Total	2021	2022-2025	After 2025	
Film and television rights **(a)**	4,063	1,194	2,844	25	3,136
Sports rights	**(b)** 2,601	991	1,602	8	1,998
Creative talent, employment agreements and others **(c)**	1,374	747	599	28	1,362
Given commitments	**8,038**	**2,932**	**5,045**	**61**	**6,496**
Film and television rights **(a)**	(176)	(133)	(43)	-	(159)
Sports rights	(52)	(52)		-	(104)
Creative talent, employment agreements and others **(c)**			not available		
Other	(7)	(5)	(2)	-	(6)
Received commitments	**(235)**	**(190)**	**(45)**	**-**	**(269)**
Total net	**7,803**	**2,742**	**5,000**	**61**	**6,227**

(a) Mainly includes contracts valid over several years for movies and TV production broadcasting rights (primarily exclusivity contracts with major US studios), pre-purchases of rights in the French cinema industry, Studiocanal's film production and co-production commitments (given and received), and Canal and Platforma Canal+ multichannel digital TV package broadcasting rights. They are recorded as content assets when the broadcast is available for initial release or after the initial significant payment. As of December 31, 2020, provisions recorded in respect of these commitments amounted to €52 million (compared to €22 million as of December 31, 2019).

In addition, these amounts do not include commitments under contracts for channel diffusion rights and non-exclusive distribution of channels, in respect of which Canal+ Group did not grant or receive minimal guaranteed amounts. The variable amount of these commitments cannot be reliably determined and is not reported in either the Statement of Financial Position or in the commitments and is instead recorded as an expense for the period in which it was incurred. Based on an estimate of the future subscriber base at Canal+ Group, given commitments would have increased by a net amount of €380 million as of December 31, 2020, compared to €426 million as of December 31, 2019. These amounts notably included the distribution agreement signed with beIN Sports for the period from June 1, 2020 to May 31, 2025.

Moreover, on November 8, 2018, Canal+ Group announced the renewal of its May 7, 2015 agreement with all the cinema professional organizations (ARP, BLIC and BLOC), extending until December 31, 2022, the historic partnership of more than 30 years between Canal+ and French cinema. Pursuant to this agreement, the Canal+ channel undertook to invest 12.5% of its annual revenues every year in the financing of European cinematographic works. With respect to audiovisual, pursuant to the agreements entered into with producers' and authors' organizations in France, the Canal+ channel is required to invest 3.6% of its total net annual revenue in the financing of heritage works every year. Only films for which an agreement in principle is made with producers are accounted for in the off-balance sheet commitments, as it is otherwise not possible to reliably determine a future and total estimate of commitments under agreements with cinema professional organizations and with producers' and authors' organizations.

(b) Notably included broadcasting rights held by Canal+ Group to the following sporting events:

- Lot 3 of the French professional Soccer League 1 for the three seasons from 2021/2022 to 2023/2024 with the deal signed with beIN Sports on February 12, 2020;
- the Soccer Champions League, on an exclusive basis for the two premium lots for three seasons, from 2021/2022 to 2023/2024, awarded on November 29, 2019;
- the English Premier League in France and in Poland, for the season 2021/2022;
- the National French Rugby Championship "Top 14", on an exclusive basis, for the two seasons 2021/2022 to 2022/2023;
- Formula 1, Formula 2 and GP3 racings: on January 21, 2020, Canal+ Group announced the extension of the agreement for the exclusive broadcast for the entire 2021 and 2022 seasons;
- MotoGP™, Moto2 and Moto3 for the seasons 2021 to 2023.

These commitments will be recorded in the Statement of Financial Position either upon the start of every season or upon an initial significant payment.

(c) Primarily relates to UMG, which routinely commits to pay agreed amounts to artists and other parties upon delivery of content or other products ("Creative talent and employment agreements"). Until the artist or the other party has delivered his or her content or until the repayment of an advance, UMG discloses its obligation as an off-balance sheet given commitment. While the artist or the other party is obligated to deliver content or another product to UMG (these arrangements are generally exclusive), this counterpart cannot be reliably determined and, thus, is not reported in received commitments.

NOTE 12. LEASES

Since 2019, Vivendi applies the new accounting standard IFRS 16 – *Leases*. In accordance with IFRS 16, the impact of the change of accounting standard was recorded in the opening balance sheet as of January 1, 2019. For a detailed description, please refer to Note 1.3.5.7.

12.1. RIGHTS-OF-USE RELATING TO LEASES

As of December 31, 2020, the rights-of-use relating to leases amounted to €1,068 million (€1,245 million as of December 31, 2019) less the accumulated amortization and impairment losses for €822 million as of December 31, 2020 (€741 million as of December 31, 2019). These rights-of-use relate to real estate leases.

Changes in the rights-of-use

	Year ended December 31	
(in millions of euros)	2020	2019
Opening balance	**1,245**	**1,131**
Amortization	(228)	(220)
Acquisitions/increase	132	265
Sales/decrease	(1)	(1)
Business combinations	-	40
Foreign currency translations and other	(80)	30
Closing balance	**1,068**	**1,245**

12.2. MATURITY OF LEASE LIABILITIES

The maturity of lease liabilities is based on assumptions notably made upon the initial application of IFRS 16.

(in millions of euros)	12/31/2020	12/31/2019
< 1 year	221	236
Between 1 and 5 years	619	720
> 5 years	451	503
Lease liabilities	**1,291**	**1,459**

12.3. LEASE-RELATED EXPENSES

Lease-related expenses recorded in the Statement of Earnings amounted to €271 million in 2020, compared to €263 million in 2019.

NOTE 13. INVESTMENTS IN EQUITY AFFILIATES

13.1. MAIN INVESTMENTS IN EQUITY AFFILIATES

As of December 31, 2020, the main companies accounted for by Vivendi under the equity method were as follows:

- Telecom Italia: fixed and mobile telephony operator in Italy and Brazil;
- Banijay Group Holding: producer and distributor of television programs;
- Vevo: premium music video and entertainment platform.

	Voting interest		Net carrying value of equity affiliates	
(in millions of euros)	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Telecom Italia **(a)**	23.75%	23.94%	3,179	3,248
Banijay Group Holding **(b)**	32.9%	31.4%	238	148
Vevo	49.4%	49.4%	62	78
Other			63	46
			3,542	**3,520**

(a) As of December 31, 2020, Vivendi held 3,640 million Telecom Italia ordinary shares with voting rights, representing 23.75% of the ordinary shares with voting rights and 17.04% of the total share capital of Telecom Italia, taking into account non-voting savings shares with privileged dividend rights. Based on the stock market price as of December 31, 2020 (€0.377 per ordinary share), the market value of this interest amounted to €1,374 million. For an analysis of the value of Vivendi's interest in Telecom Italia as of December 31, 2020, please refer to paragraph 13.2 below.

(b) On July 3, 2020, Banijay Group Holding completed the acquisition of 100% of Endemol Shine Group's share capital. This transaction was notably financed by a capital increase in which Vivendi subscribed for €100 million. Vivendi now holds 32.9% of Banijay Group Holding's share capital.

Change in value of investments in equity affiliates

	Years ended December 31	
(in millions of euros)	2020	2019
Opening balance	**3,520**	**3,418**
Acquisitions	119	12
Sales	-	-
Write-downs	-	(9)
Income from equity affiliates **(a)**	108	71
Change in other comprehensive income	(166)	53
Dividends received	(40)	(8)
Other	1	(17)
Closing balance	**3,542**	**3,520**

(a) Mainly included Vivendi's share of Telecom Italia's net earnings (please see below).

13.2. TELECOM ITALIA

Equity accounting of Telecom Italia

As of December 31, 2020, Vivendi held 3,640 million Telecom Italia ordinary shares with voting rights, representing 23.75% of the ordinary shares with voting rights and 17.04% of the total share capital of Telecom Italia, taking into account non-voting savings shares with privileged dividend rights.

As of December 31, 2020, Vivendi continues to consider that it has the power to participate in Telecom Italia's financial and operating policy decisions, particularly given the 23.75% voting rights it holds in Telecom Italia. As a result, it is deemed to exercise a significant influence over Telecom Italia.

Vivendi's share of Telecom Italia's earnings

Vivendi relies on Telecom Italia's public financial information to account for its interest in Telecom Italia under the equity method. Given Vivendi's and Telecom Italia's respective publication dates of their financial statements, Vivendi always accounts for its share of Telecom Italia's net earnings with a three-month reporting lag. Therefore, in 2020, Vivendi's earnings take into account its share of Telecom Italia's net earnings for the fourth quarter of 2019 and for the first nine months of 2020, i.e., a total of €126 million, which was calculated as follows:

- €4 million, attributable to Vivendi's share of Telecom Italia's profit for the fourth quarter of 2019, calculated based on the financial information for the year ended December 31, 2019, as publicly disclosed by Telecom Italia on March 11, 2020;

- €182 million, attributable to Vivendi's share of Telecom Italia's profit for the first nine months of 2020, calculated based on the financial information for the first nine months of 2020, as publicly disclosed by Telecom Italia on November 10, 2020. This amount included Vivendi's share (€77 million) of the capital gain recognized by Telecom Italia on the Inwit transaction;
- -€60 million, excluded from adjusted net income, relating to the amortization of intangible assets related to the purchase price allocation for Telecom Italia.

In addition, Vivendi's share of Telecom Italia's charges and income directly recognized in equity amounted to -€159 million in 2020, including -€209 million related to foreign currency translation adjustments.

On February 24, 2021, Telecom Italia publicly released its earnings for the fourth quarter of 2020, including a significant deferred tax income following a change in tax regulations in Italy. Due to a three-month reporting lag in the recognition of Vivendi's share of Telecom Italia's net earnings accounted for under the equity method, Vivendi will review the consistency of this deferred tax income in accordance with its accounting policies for the half-year closing as of June 30, 2021. Excluding this non-recurring tax impact, Vivendi's share of Telecom Italia's net earnings for the fourth quarter of 2020 is a €7 million profit, which will be recognized in the first quarter of 2021.

Value of Vivendi's interest in Telecom Italia as of December 31, 2020

As of December 31, 2020, the stock market price of Telecom Italia ordinary shares (€0.377 per share) remained lower than the purchase price paid by Vivendi (€1.071 per share). As of December 31, 2020, Vivendi performed an impairment loss test on its interest in Telecom Italia to determine whether its recoverable amount was greater than its carrying value. As every year, the test was carried out with the assistance of a third-party appraiser and the value determined using standard valuation methods (the value in use, determined as the discounted value of future cash flows, and the fair value, determined on the basis of market data: stock market prices, comparable listed companies, comparison with the value attributed to similar assets or companies in recent acquisition transactions).

Vivendi Management concluded that there were no triggering events that would indicate a decrease in the value of its interest in Telecom Italia compared to December 31, 2019. Notwithstanding the uncertainties created by the Covid-19 pandemic, Vivendi considers that the decrease in the stock market price of Telecom Italia ordinary shares is not permanent given Telecom Italia's long-term valuation outlook. In Vivendi's Consolidated Financial Statements for the year ended December 31, 2020, the value of Telecom Italia shares accounted for under the equity method was €3,179 million.

Financial information related to 100% of Telecom Italia

The main aggregates in the Consolidated Financial Statements, as publicly disclosed by Telecom Italia, are as follows:

(in millions of euros)	**Nine-month Financial Statements as of 09/30/2020**	**Annual Financial Statements as of 12/31/2019**
Date of publication by Telecom Italia:	*11/10/2020*	*03/11/2020*
Non-current assets	55,819	55,996
Current assets	9,036	14,108
Total assets	**64,855**	**70,104**
Total equity	21,473	22,626
Non-current liabilities	33,002	35,550
Current liabilities	10,380	11,928
Total liabilities	**64,855**	**70,104**
*of which net financial debt **(a)***	*25,632*	*28,246*
Revenues	11,657	17,974
EBITDA **(a)**	5,118	8,151
Earnings attributable to Telecom Italia shareowners	1,178	916
Total comprehensive income/(loss) attributable to Telecom Italia shareowners	249	916

(a) Non-GAAP measures ("Alternative Performance Measures"), as publicly disclosed by Telecom Italia.

NOTE 14. FINANCIAL ASSETS

	12/31/2020			12/31/2019		
(in millions of euros)	Total	Current	Non-current	Total	Current	Non-current
Financial assets at fair value through profit or loss						
Term deposits **(a)**	-	-	-	154	154	-
Level 1						
Listed equity securities	1,862	-	1,862	1,001	-	1,001
Other financial assets	50	50	-	55	55	-
Level 2						
Unlisted equity securities	43	-	43	42	-	42
Derivative financial instruments	7	3	4	25	8	17
Level 3 – Other financial assets **(b)**	39	1	38	31	-	31
Financial assets at fair value through other comprehensive income						
Level 1 – Listed equity securities	2,095	-	2,095	925	-	925
Level 2 – Unlisted equity securities	20	-	20	22	-	22
Level 3 – Unlisted equity securities	24	-	24	38	-	38
Financial assets at amortized cost	**210**	**11**	**199**	**225**	**38**	**187**
Bolloré SE current account **(a)**	70	70	-	na	na	na
Financial assets	**4,420**	**135**	**4,285**	**2,518**	**255**	**2,263**

na: not applicable.

The three classification levels for the measurement of financial assets at fair value are defined in Note 1.3.1.

(a) Relates to cash management financial assets included in the cash position (please refer to Note 16).

(b) These financial assets notably included the fair value of the bond redeemable for either shares or cash (ORAN 2) subscribed to by Vivendi in 2016 in connection with its investment in Banijay Group Holding.

14.1. LISTED EQUITY AND FINANCIAL ASSETS PORTFOLIO

	12/31/2020								
	Number of shares held	Voting interest	Ownership interest	Average purchase price (a)	Stock market price	Carrying value	Change in value over the period	Cumulative unrealized capital gain/(loss)	*Sensitivity at +/-10 pts*
	(in thousands)			(€/share)		(in millions of euros)			
Mediaset	340,246	**(b)** 9.99%	28.80%	3,70	2.09	710	(195)	(549)	*+71/-71*
Lagardère **(c)**	38,297	22.44%	29.21%	15,53	20.48	784	189	189	*+78/-78*
MultiChoice **(c)**	53,100	12.44%	12.00%	5,54	7.44	395	101	101	*+40/-40*
Other **(d)**						2,068	679	1,638	
Total						**3,957**	**774**	**1,379**	

	12/31/2019								
	Number of shares held	Voting interest	Ownership interest	Average purchase price (a)	Stock market price	Carrying value	Change in value over the period	Cumulative unrealized capital gain/(loss)	*Sensitivity at +/-10 pts*
	(in thousands)			(€/share)		(in millions of euros)			
Mediaset	340,246	**(b)** 9.99%	28.80%	3.70	2.66	905	(29)	(354)	*+91/-91*
Other **(d)**						1,021	210	959	
Total						**1,926**	**181**	**605**	

(a) Includes acquisition fees and taxes.

(b) The partnership agreement entered into between Vivendi and Mediaset on April 8, 2016 is the subject of litigation. On April 9, 2018, in compliance with the undertakings given to the Italian communications authority (AGCOM), Vivendi transferred the portion of its voting rights in excess of 10% to an independent Italian trustee (please refer to Note 25).

(c) For a detailed description, please refer to Note 2.

(d) Mainly Spotify and Tencent Music Entertainment.

14.2. EQUITY MARKET VALUE RISKS

As part of a sustainable investing strategy, Vivendi has built an equity portfolio comprising listed and non-listed French and European companies in the telecommunication and media sectors that are leaders in the production and distribution of content.

As of December 31, 2020, Vivendi held a portfolio of listed non-controlling equity interests (including Telecom Italia). The aggregate market value was approximately €5.3 billion (before taxes). Vivendi is exposed to the risk of fluctuation in the value of these interests: as of December 31, 2020, the net unrealized capital gains or losses represented a net unrealized capital loss amounting to approximately €1.2 billion (before taxes). A 10% uniform decrease in the value of all of these shares, valued as of December 31, 2020, would have a cumulative negative impact of approximately €1.7 billion on Vivendi's financial position; a 20% uniform decrease in the value of all of these shares would have a cumulative negative impact of approximately €2.2 billion on Vivendi's financial position.

NOTE 15. NET WORKING CAPITAL

15.1. CHANGES IN NET WORKING CAPITAL

(in millions of euros)	12/31/2019	Changes in operating working capital (a)	Business combinations	Divestitures in progress or completed	Changes in foreign currency translation adjustments	Other (b)	12/31/2020
Inventories	277	109	-	-	(19)	(1)	366
Trade accounts receivable and other	5,661	10	18	10	(226)	9	5,482
Of which trade accounts receivable	*3,979*	*(206)*	*18*	*5*	*(152)*	*1*	*3,645*
trade accounts receivable write-offs	*(205)*	*(12)*	*(2)*	*1*	*6*	*(11)*	*(223)*
Working capital assets	**5,938**	**119**	**18**	**10**	**(245)**	**8**	**5,848**
Trade accounts payable and other	10,494	400	23	14	(467)	(369)	10,095
Other non-current liabilities	183	13	4	-	(19)	735	916
Working capital liabilities	**10,677**	**413**	**27**	**14**	**(486)**	**366**	**11,011**
Net working capital	**(4,739)**	**(294)**	**(9)**	**(4)**	**241**	**(358)**	**(5,163)**

(in millions of euros)	01/01/2019 (c)	Changes in operating working capital (a)	Business combinations	Divestitures in progress or completed	Changes in foreign currency translation adjustments	Other (b)	12/31/2019
Inventories	206	-	66	-	3	2	277
Trade accounts receivable and other	5,311	(3)	262	(1)	52	40	5,661
Of which trade accounts receivable	*3,840*	*(110)*	*221*	*1*	*36*	*(9)*	*3,979*
trade accounts receivable write-offs	*(197)*	*16*	*(27)*	-	*(1)*	*4*	*(205)*
Working capital assets	**5,517**	**(3)**	**328**	**(1)**	**55**	**42**	**5,938**
Trade accounts payable and other	9,513	61	676	17	122	105	10,494
Other non-current liabilities	223	3	5	(1)	4	(51)	183
Working capital liabilities	**9,736**	**64**	**681**	**16**	**126**	**54**	**10,677**
Net working capital	**(4,219)**	**(67)**	**(353)**	**(17)**	**(71)**	**(12)**	**(4,739)**

(a) Excludes content investments.

(b) Mainly includes the change in net working capital relating to content investments, capital expenditures and other investments.

(c) As from January 1, 2019, Vivendi applies the new accounting standard IFRS 16 – *Leases*.

15.2. TRADE ACCOUNTS RECEIVABLE AND OTHER

Credit risk

Vivendi does not consider there to be a significant risk of non-recovery of trade accounts receivables for its business segments: the large individual customer base, the broad variety of customers and markets, as well as the geographic diversity of its business segments enable Vivendi to minimize the risk of credit concentration related to trade accounts receivable.

Vivendi's operational subsidiaries have set up procedures and systems for tracking their trade accounts receivable and recovering outstanding amounts. In addition, Havas has insured its main client credit risks worldwide with a leading credit insurer. Similarly, certain UMG subsidiaries have occasionally used the same insurance system.

15.3. TRADE ACCOUNTS PAYABLE AND OTHER

(in millions of euros)	Note	12/31/2020	12/31/2019
Trade accounts payable		4,498	5,057
Music royalties to artists and repertoire owners	11.2	2,305	2,251
Other		3,292	3,186
Trade accounts payable and other		**10,095**	**10,494**

NOTE 16. CASH POSITION

Vivendi's cash position comprises cash and cash equivalents, as well as cash management financial assets classified as current financial assets. As defined by Vivendi, cash management financial assets relate to financial investments, which do not satisfy the criteria for classification as cash equivalents set forth in IAS 7, and, with respect to money market funds, the ANC's and AMF's decision released in November 2018.

On March 20, 2020, Vivendi SE and Bolloré SE entered into an intragroup cash management agreement on market terms to optimize investment and financing capacities within the two groups, in accordance with Article L. 511-7 of the French Monetary and Financial Code. Under this cash management agreement, on March 31, 2020, Vivendi SE advanced €150 million to Bolloré SE, repayable on first request by Vivendi SE (please refer to Note 23). As of December 31, 2020, the outstanding amount of this advance amounted to €70 million.

	12/31/2020			12/31/2019		
(in millions of euros)	Carrying value	Fair value	*Level (a)*	Carrying value	Fair value	*Level (a)*
Term deposits	-	na	*na*	154	na	*na*
Bolloré SE current account	70	na	*na*	na	na	*na*
Other financial assets	50	50	*2*	50	50	*2*
Cash management financial assets	**120**			**204**		
Cash	314	na	*na*	339	na	*na*
Term deposits and current accounts	662	na	*na*	1,602	na	*na*
Money market funds	-	na	*na*	189	189	*1*
Cash and cash equivalents	**976**			**2,130**		
Cash position	**1,096**			**2,334**		

na: not applicable.

(a) The three classification levels for the measurement of financial assets at fair value are defined in Note 1.3.1.

In 2020, the average interest rate on Vivendi's investments was 0.49% (compared to 0.64% in 2019).

16.1. INVESTMENT RISK AND COUNTERPARTY RISK

Vivendi SE centralizes daily cash surpluses (cash pooling) of all controlled entities (i) which are not subject to local regulations restricting the transfer of financial assets, or (ii) which are not subject to other agreements.

As of December 31, 2020, the group's cash position amounted to €1,096 million (compared to €2,334 million as of December 31, 2019), of which €258 million was held by Vivendi SE (compared to €1,479 million as of December 31, 2019). On January 29, 2021, Vivendi completed the sale of an additional 10% of UMG's share capital to the Tencent-led consortium, based on an enterprise value of €30 billion for 100% of UMG's share capital. This transaction resulted in a cash inflow to Vivendi of €2,847 million (please refer to Note 2.1).

Vivendi's investment policy mainly aims to minimize its exposure to counterparty risk. Consequently, Vivendi allocates a portion of the amounts available within (i) mutual funds with a low risk class (1 or 2) as defined by the European Securities and Markets Authority's (ESMA) synthetic risk and reward indicator (SRRI) which comprises seven risk classes, and (ii) credit institutions with high long-term and/or short-term credit ratings (at least A – (Standard & Poor's)/A3 (Moody's) and A-2 (Standard & Poor's)/P-2 (Moody's), respectively). Moreover, Vivendi allocates investments among selected banks and limits the amount of each such investment.

16.2. LIQUIDITY RISK

As of March 1, 2021, (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2020), Vivendi considers that the cash flows generated by its operating activities, its cash surpluses, net of the cash used to reduce its debt, as well as the cash available through undrawn bank credit facilities (please refer to Note 21.3) will be sufficient to cover its operating expenses and investments, its debt service (including redemption of bonds), the payment of income taxes, the distribution of dividends and any potential share repurchases under existing authorizations, as well as its investment projects, if any, for the next twelve months.

NOTE 17. EQUITY

17.1. CHANGES IN THE SHARE CAPITAL OF VIVENDI SE

(in thousands)	12/31/2020	12/31/2019
Number of shares comprising the share capital (nominal value: €5.5 per share)	**1,185,996**	**1,184,576**
Treasury shares	(93,166)	(14,001)
Number of shares, net	**1,092,830**	**1,170,575**
Number of voting rights, gross	1,262,578	1,258,445
Treasury shares	(93,166)	(14,001)
Number of voting rights, net	**1,169,412**	**1,244,444**

As of December 31, 2020, Vivendi SE's share capital amounted to €6,523 million, divided into 1,185,996 thousand shares. In addition, as of December 31, 2020, 1,310 thousand stock options and 5,344 thousand performance shares were outstanding (please refer to Note 20.1), representing a potential maximum nominal share capital increase of €37 million (i.e., 0.56%).

17.2. SHARE REPURCHASES AND CANCELLATION

In 2020

Between January 1 and December 31, 2020, Vivendi SE repurchased 89,240 thousand shares at an average price of €24.09 per share, for an aggregate amount of €2,150 million excluding fees and taxes for €7 million. In 2020, Vivendi did not cancel any treasury shares.

On April 20, 2020, the General Shareholder's Meeting adopted the following two resolutions relating to share repurchases:

- the renewal of the authorizations granted to the Management Board by the Shareholders' Meeting of April 15, 2019 to repurchase shares of the company of up to 10% of the share capital at a maximum purchase price of €26 per share (2020-2021 program), with the possibility of cancelling the shares acquired up to the limit of 10% of the share capital;
- the renewal of the authorizations granted to the Management Board to purchase shares of the company by way of a Public Share Buyback Offer (OPRA) of up to 30% of Vivendi's share capital at a maximum price of €26 per share (or 20% depending on repurchases made under the new program that are deducted from this 30% limit), and to cancel the shares acquired.

Since the authorization granted at the Shareholders' Meeting of April 20, 2020, the following share repurchases were implemented:

	Share repurchases		
	% of the share capital (a)	**in thousands of shares**	**in millions of euros**
Share repurchases made between April 29 and May 20, 2020	0.70%	**(b)** 8,250	160
Share repurchases made between July 28 and July 30, 2020	0.05%	**(c)** 609	14
Share repurchases made between July 31 and October 20, 2020	2.32%	**(c)** 27,549	666
Share repurchases made between October 22 and December 31, 2020	2.51%	**(c)** 29,811	758
Position as of December 31, 2020	**5.59%**	**66,219**	**1,598**
Share repurchases made between January 1 and March 1, 2021	0.61%	**(d)** 7,277	189
Position as of March 1, 2021	**6.20%**	**73,496**	**1,787**

(a) At the share buyback program's implementation date.

(b) Allocated to employee shareholding plans.

(c) Shares acquired for cancelation purposes.

(d) As of December 31, 2020, Vivendi recorded a financial liability of €189 million related to share repurchases made between January 1 and February 12, 2021.

As of December 31, 2020, Vivendi SE held 93,166 thousand treasury shares, representing 7.86% of its share capital, of which 77,072 thousand shares were designated for cancellation, 8,634 thousand shares were allocated to covering employee shareholding plans and 7,459 thousand shares were allocated to covering performance share plans.

Between January 1 and March 1, 2021 (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2020), Vivendi repurchased 7,277 thousand shares at an average price of €25.90 per share, for an aggregate amount of €189 million. As of March 1, 2021, Vivendi held 100,439 thousand treasury shares, representing 8.47% of its share capital, of which 84,349 thousand shares were designated for cancellation, 8,634 thousand shares were allocated to covering employee shareholding plans and 7,456 thousand shares were allocated to covering performance share plans.

In 2019

Between January 1 and December 31, 2019, Vivendi SE repurchased 107,910 thousand of its own shares at an average price of €24.69 per share, for an aggregate amount of €2,664 million (excluding fees and taxes for €9 million).

Following the decision of the Management Board at a meeting held on May 24, 2019, and in accordance with the authorization from the Shareholders' Meeting of April 15, 2019, Vivendi implemented a share buyback program for up to 10% of Vivendi's share capital and at a maximum price of €25 per share, with the possibility of cancelling the shares acquired up to a limit of 10% of the share capital.

As from that date, major transactions on Vivendi SE's share capital were as follows:

	Share repurchases		**Cancellation of shares**			
	in thousands of shares		in thousands of shares			
	% of the share capital (a)	**Total**	***Resulting from the share repurchases***	***Others***	**Total**	**% of the share capital (a)**
Share repurchases made between May 28 and July 25, 2019	5.00%	65,465				
Cancellation of treasury shares on June 17, 2019			*20,018*	**(b)** *29,982*	*50,000*	*3.82%*
Cancellation of treasury shares on July 25, 2019			*44,679*	*-*	*44,679*	*3.41%*
Share repurchases made between August 7 and November 13, 2019	2.13%	27,866				
Share repurchases made between November 18 and December 31, 2019	1.11%	14,579				
Cancellation of treasury shares on November 26, 2019			*32,083*	**(c)** *4,169*	*36,252*	*2.77%*
Position as of December 31, 2019	**8.24%**	**107,910**	***96,780***	***34,151***	**130,931**	**10.00%**
Share repurchases made between January 1 and March 6, 2020	1.76%	23,021				
Transactions authorized at the Shareholders' Meeting of April 15, 2019	**10.00%**	**130,931**	***96,780***	***34,151***	**130,931**	**10.00%**

(a) At the share buyback program's implementation date.

(b) Shares previously held for external growth transactions.

(c) Shares previously allocated to covering performance share plans.

17.3. SHAREHOLDERS' DIVIDEND DISTRIBUTIONS

On March 1, 2021 (the date of Vivendi's Management Board Meeting that approved the Consolidated Financial Statements for the year ended December 31, 2020 and the allocation of earnings for the fiscal year then ended), the Management Board decided to propose to shareholders the payment of an ordinary dividend of €0.60 per share. This proposal was presented to, and approved by, Vivendi's Supervisory Board at its meeting held on March 3, 2021, and it will be submitted to the General Shareholders' Meeting to be held on June 22, 2021 for approval.

On April 23, 2020, with respect to fiscal year 2019, an ordinary dividend of €0.60 per share was paid (following the coupon detachment on April 21, 2020), representing a total distribution of €690 million.

NOTE 18. PROVISIONS

(in millions of euros)	Note	12/31/2020	12/31/2019
Employee benefits **(a)**		839	859
Restructuring costs **(b)**		89	112
Litigations	25	411	289
Losses on onerous contracts		77	39
Contingent liabilities due to disposal **(c)**		10	16
Other **(d)**		304	306
Provisions		**1,730**	**1,621**
Deduction of current provisions		(670)	(494)
Non-current provisions		**1,060**	**1,127**

(a) Includes deferred employee compensation as well as provisions for employee defined benefit plans, but excludes employee termination reserves recorded under restructuring costs.

(b) Primarily included provisions for restructuring at Canal+ Group (€77 million as of December 31, 2020, compared to €97 million as of December 31, 2019) and at UMG (€11 million as of December 31, 2020, compared to €13 million as of December 31, 2019).

(c) Certain commitments given in relation to divestitures are the subject of provisions. These provisions are not significant and the amount is not disclosed because such disclosure could be prejudicial to Vivendi.

(d) Notably includes litigation provisions for which the amount and nature are not disclosed because such disclosure could be prejudicial to Vivendi.

18.1. CHANGES IN PROVISIONS

	Years ended December 31	
(in millions of euros)	2020	2019
Opening balance	**1,621**	**1,290**
Addition	507	279
Utilization	(206)	(174)
Reversal	(165)	(98)
Business combinations	6	110
Divestitures, changes in foreign currency translation adjustments and other	(33)	214
Closing balance	**1,730**	**1,621**

NOTE 19. EMPLOYEE BENEFITS

19.1. ANALYSIS OF EXPENSES RELATED TO EMPLOYEE BENEFIT PLANS

The table below provides information about the cost of employee benefit plans, excluding its financial component. The total cost of defined benefit plans is set forth in Note 19.2.2 below.

		Year ended December 31	
(in millions of euros)	Note	2020	2019
Employee defined contribution plans		69	67
Employee defined benefit plans	19.2.2	54	6
Employee benefit plans		**123**	**73**

19.2. EMPLOYEE DEFINED BENEFIT PLANS

19.2.1. Assumptions used in the evaluation and sensitivity analysis

Discount rate, expected return on plan assets, and rate of compensation increase

The assumptions underlying the valuation of defined benefit plans were made in compliance with the accounting policies presented in Note 1.3.8 and have been applied consistently for several years. Demographic assumptions (including notably the rate of compensation increase) are company specific. Financial assumptions (notably the discount rate) are determined by independent actuaries and other independent advisors and are reviewed by Vivendi's Finance department. The discount rate is therefore determined for each country by reference to yields on notes issued by investment grade companies having a credit rating of AA and maturities identical to that of the valued plans, generally based on relevant rate indices. The discount rates selected are therefore used, at year-end, to determine a best estimate by Vivendi's Finance department of expected trends in future payments from the first benefit payments.

In accordance with IAS 19, the expected return on plan assets is estimated by using the selected discount rate to value the obligations of the previous year.

In weighted average

	Pension benefits		Post-retirement benefits	
	2020	2019	2020	2019
Discount rate **(a)**	1.2%	1.3%	2.4%	2.9%
Rate of compensation increase	1.4%	1.3%	na	na
Duration of the benefit obligation (in years)	14.4	15.0	9.2	9.3

na: not applicable.

(a) A 50 basis point increase (or a 50 basis point decrease, respectively) to the 2020 discount rate would have led to a decrease of €1.5 million in pre-tax expense (or an increase of €1.6 million, respectively) and would have led to a decrease in the obligations of pension and post-retirement benefits of €96 million (or an increase of €104 million, respectively).

Assumptions used in accounting for pension benefits, by country

	United States		United Kingdom		Germany		France	
	2020	2019	2020	2019	2020	2019	2020	2019
Discount rate	2.50%	3.00%	1.50%	1.75%	0.75%	0.50%	0.75%	0.50%
Rate of compensation increase (weighted average)	na	na	na	na	1.75%	1.75%	3.38%	3.39%

na: not applicable.

Assumptions used in accounting for post-retirement benefits, by country

	United States		Canada	
	2020	2019	2020	2019
Discount rate	2.50%	3.00%	2.50%	2.75%
Rate of compensation increase (weighted average)	na	na	na	na

na: not applicable.

Allocation of pension plan assets

	12/31/2020	12/31/2019
Equity securities	7%	7%
Debt securities	28%	26%
Diversified funds	9%	9%
Insurance contracts	37%	39%
Real estate	1%	1%
Cash and other	18%	18%
Total	**100%**	**100%**

Pension plan assets are mainly financial assets actively traded in organized financial markets.

These assets do not include occupied buildings or assets used by Vivendi group nor shares or debt instruments of the group.

Cost evolution of post-retirement benefits

For the purpose of measuring post-retirement benefits, Vivendi assumed the annual growth in the per capita cost of covered health care benefits would slow down from 5.7% for the under 65 years of age and 65 years of age and older categories in 2020, to 4.4% in 2027 for these categories. In 2020, a one-percentage-point increase in the assumed cost evolution rates would have increased post-retirement benefit obligations by €6 million and the pre-tax expense by €0.2 million. Conversely, a one-percentage-point decrease in the assumed cost evolution rates would have decreased post-retirement benefit obligations by €5 million and the pre-tax expense by €0.1 million.

19.2.2. Analysis of the expense recorded and of the amount of benefits paid

	Pension benefits		Post-retirement benefits		Total	
(in millions of euros)	2020	2019	2020	2019	2020	2019
Current service cost **(a)**	31	28	-	-	31	28
Past service cost **(b)**	22	(23)	-	-	22	(23)
(Gains)/losses on settlements	-	-	-	-	-	-
Other	1	1	-	-	1	1
Impact on selling, administrative and general expenses	**54**	**6**	**-**	**-**	**54**	**6**
Interest cost	15	24	4	5	19	29
Expected return on plan assets	(9)	(13)	-	-	(9)	(13)
Impact on other financial charges and income	**6**	**11**	**4**	**5**	**10**	**16**
Net benefit cost recognized in profit or loss	**60**	**17**	**4**	**5**	**64**	**22**

(a) Current service cost notably includes the charge recorded with respect to rights acquired under the new supplemental pension plan set up by Vivendi SE in 2020, at a level equivalent to the charge recorded, as of December 31, 2019, with respect to rights acquired under Vivendi SE's previous supplemental and differential defined-benefit pension plans.

(b) In 2019, past service cost included an operating income of €21 million, corresponding to the impact of the French "Pacte Law" *(loi Pacte)* on the management of Vivendi SE's previous supplemental and differential defined-benefit pension plans. In 2020, past service cost included an operating charge of €12 million to level the residual cost of Vivendi SE's previous supplemental and differential defined-benefit pension plans over the remaining employment period of the Vivendi beneficiaries, as well as an operating charge of €9 million following execution, on December 7, 2020, of an amendment to Vivendi SE's company-level collective agreement impacting the end-of-career compensation plan.

In 2020, benefits paid amounted to (i) €46 million with respect to pensions (€51 million in 2019), of which €13 million was paid by pension funds (€19 million in 2019), and (ii) €10 million was paid with respect to post-retirement benefits (€10 million in 2019).

19.2.3. Analysis of net benefit obligations with respect to pensions and post-retirement benefits

Changes in value of benefit obligations, fair value of plan assets, and funded status

		Employee defined benefit plans		
		Year ended December 31, 2020		
		Benefit obligation	Fair value of plan assets	Net (provision)/asset recorded in the statement of financial position
(in millions of euros)	Note	(A)	(B)	(B)-(A)
Opening balance		**1,472**	**665**	**(807)**
Current service cost		31		(31)
Past service cost		22		(22)
(Gains)/losses on settlements		-	-	-
Other		-	(1)	(1)
Impact on selling, administrative and general expenses				***(54)***
Interest cost		19		(19)
Expected return on plan assets			9	9
Impact on other financial charges and income				***(10)***
Net benefit cost recognized in profit or loss				**(64)**
Experience gains/(losses) **(a)**		(17)	1	18
Actuarial gains/(losses) related to changes in demographic assumptions				-
Actuarial gains/(losses) related to changes in financial assumptions		6		(6)
Adjustment related to asset ceiling		-	(2)	(2)
Actuarial gains/(losses) recognized in other comprehensive income				**10**
Contributions by plan participants		1	1	-
Contributions by employers		-	58	58
Benefits paid by the fund		(13)	(13)	-
Benefits paid by the employer		(43)	(43)	-
Business combinations		-	-	-
Divestitures of businesses		-	-	-
Transfers		-	-	-
Foreign currency translation and other		(47)	(36)	11
Closing balance		**1,431**	**639**	**(792)**
of which wholly or partly funded benefits		*969*		
wholly unfunded benefits ***(b)***		*462*		
of which assets related to employee benefit plans				*10*
provisions for employee benefit plans ***(c)***	*18*			*(802)*

		Employee defined benefit plans		
		Year ended December 31, 2019		
		Benefit obligation	Fair value of plan assets	Net (provision)/asset recorded in the statement of financial position
(in millions of euros)	Note	(A)	(B)	(B)-(A)
Opening balance		**1,205**	**553**	**(652)**
Current service cost		28		(28)
Past service cost		(23)		23
(Gains)/losses on settlements		-	-	-
Other		-	(1)	(1)
Impact on selling, administrative and general expenses				***(6)***
Interest cost		29		(29)
Expected return on plan assets			13	13
Impact on other financial charges and income				***(16)***
Net benefit cost recognized in profit or loss				**(22)**
Experience gains/(losses) **(a)**		37	76	39
Actuarial gains/(losses) related to changes in demographic assumptions		(4)		4
Actuarial gains/(losses) related to changes in financial assumptions **(d)**		200		(200)
Adjustment related to asset ceiling		-	-	-
Actuarial gains/(losses) recognized in other comprehensive income				**(157)**
Contributions by plan participants		2	2	-
Contributions by employers		-	55	55
Benefits paid by the fund		(19)	(19)	-
Benefits paid by the employer		(42)	(42)	-
Business combinations **(e)**		24	-	(24)
Divestitures of businesses		-	-	-
Transfers		-	-	-
Foreign currency translation and other		35	28	(7)
Closing balance		**1,472**	**665**	**(807)**
of which wholly or partly funded benefits		*1,006*		
*wholly unfunded benefits **(b)***		*466*		
of which assets related to employee benefit plans				*9*
*provisions for employee benefit plans **(c)***	*18*			*(816)*

(a) Includes the impact on the benefit obligations resulting from the difference between actuarial assumptions at the previous year-end and effective benefits during the year, and the difference between the expected return on plan assets at the previous year-end and the actual return on plan assets during the year.

(b) In accordance with local laws and practices, certain plans are not covered by plan assets. As of December 31, 2020 and 2019, such plans principally comprised supplementary pension plans in the United States, pension plans in Germany and post-retirement benefit plans in the United States.

(c) Included a current liability of €72 million as of December 31, 2020 (compared to €55 million as of December 31, 2019).

(d) Included €210 million attributable to a decrease in discount rates in 2019, of which €81 million relating to the Eurozone, €107 million relating to the United Kingdom and €18 million relating to the United States.

(e) Corresponded mainly to the impact of the acquisition of Editis on February 1, 2019, on the value of the benefit obligation, plan assets and net provision.

Benefit obligation, fair value of plan assets, and funded status detailed by country

	Pension benefits (a)		Post-retirement benefits (b)		Total	
	December 31,		December 31,		December 31,	
(in millions of euros)	2020	2019	2020	2019	2020	2019
Benefit obligation						
US companies	104	118	99	115	203	233
UK companies **(c)**	529	559	3	3	532	562
German companies	184	198	-	-	184	198
French companies	412	380	3	3	415	383
Other	88	84	9	12	97	96
	1,317	**1,339**	**114**	**133**	**1,431**	**1,472**
Fair value of plan assets						
US companies	46	54	-	-	46	54
UK companies **(c)**	467	495	-	-	467	495
German companies	2	2	-	-	2	2
French companies	70	59	-	-	70	59
Other	54	55	-	-	54	55
	639	**665**	**-**	**-**	**639**	**665**
Net provision						
US companies	(58)	(64)	(99)	(115)	(157)	(179)
UK companies **(c)**	(62)	(64)	(3)	(3)	(65)	(67)
German companies	(182)	(196)	-	-	(182)	(196)
French companies	(342)	(321)	(3)	(3)	(345)	(324)
Other	(34)	(29)	(9)	(12)	(43)	(41)
	(678)	**(674)**	**(114)**	**(133)**	**(792)**	**(807)**

(a) No employee defined benefit plan individually exceeded 10% of the aggregate value of the obligations and net provision under these plans.

(b) Primarily relates to medical coverage (hospitalization, surgery, doctor visits and drug prescriptions), post-retirement and life insurance benefits for certain employees and retirees in the United States. In accordance with current regulations in relation to the funding policy of this type of plan, the plan is not funded. The main risks for the group relate to changes in discount rates as well as increases in the cost of benefits (please refer to the sensitivity analysis described in Note 19.2.1).

(c) In December 2017, the UMPGS fund in the United Kingdom purchased a buy-in insurance policy, covering pension benefits. This insurance policy is an asset to the UMGPS plan. It was purchased following the exercise by some beneficiaries of the right to exit the UMGPS plan against a payment in cash. Vivendi continues to cover the benefits with regards to the remaining beneficiaries of the plan. In principle, the benefit obligations are equal to the plan's assets, and no net pension liability is recorded in the Consolidated Statement of Financial Position.

19.2.4. Benefits estimation and future payments

For 2021, hedge fund contributions and benefit payments by Vivendi to retirees are estimated at €62 million in respect of pensions, of which €36 million relates to pension funds and €9 million relates to post-retirement benefits.

Estimates of future benefit payments to beneficiaries by the relevant pension funds or by Vivendi (in nominal value for the following 10 years) are as follows:

(in millions of euros)	Pension benefits	Post-retirement benefits
2021	62	10
2022	62	9
2023	40	9
2024	61	9
2025	48	8
2026-2030	257	37

NOTE 20. SHARE-BASED COMPENSATION PLANS

Vivendi SE and its subsidiaries maintain (i) share-based compensation plans for the beneficiary entities (share purchase plans, performance share plans, bonus share plans) or (ii) other equity instruments based on the value of the Vivendi share price (stock options) or (iii) long-term incentive plans tied to the growth of the enterprise value.

As of December 31, 2020, only Vivendi SE's share-based compensation plans are ongoing.

20.1. PLANS GRANTED BY VIVENDI SE

20.1.1. Equity-settled instruments

Transactions relating to outstanding instruments that occurred in 2019 and 2020 were as follows:

	Stock options		Performance shares
	Number of outstanding stock options (in thousands)	**Weighted average strike price of outstanding stock options** (in euros)	**Number of outstanding performance shares** (in thousands)
Balance as of December 31, 2018	**7,245**	**15.6**	**4,790**
Granted	-	na	1,647
Exercised/Issued	**(a)** (3,897)	15.8	(759)
Forfeited	(265)	16.1	-
Cancelled	(5)	16.0	**(b)** (396)
Balance as of December 31, 2019	**3,078**	**15.3**	**5,282**
Granted	-	na	1,660
Exercised/Issued	**(a)** (1,419)	15.9	(1,173)
Forfeited	(349)	15.8	-
Cancelled	-	na	**(b)** (425)
Balance as of December 31, 2020	**(c) 1,310**	**14.4**	**(d) 5,344**
Acquired/Exercisable as of December 31, 2020	**1,310**	**14.4**	**-**
Rights acquired as of December 31, 2020	**1,310**	**14.4**	**575**

na: not applicable.

(a) In 2020, beneficiaries exercised stock options at the weighted average stock market price of €22.8 (compared to €24.8 for stock options exercised in 2019).

(b) At its meeting held on February 13, 2020, after a review by the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board approved the achievement level of objectives set for the cumulative fiscal years 2017, 2018 and 2019 for the performance share plan granted in 2017. It was confirmed that all the criteria had been met with a maximum rate of 100%. However, given that the negative impact of the situation in Italy was not reflected in the financial results, the Supervisory Board decided to confirm the final grant of the 2017 performance share plan only up to 75% of the initial grant. Consequently, 349,403 rights to performance shares, which were granted in 2017, were cancelled, of which 50,000 of such cancelled rights were for members of the Management Board. In addition, 74,839 rights were cancelled due to the termination of employment of certain beneficiaries.

For the performance share plan granted in 2016, at its meeting held on February 14, 2019, after a review by the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board approved the achievement level of objectives set for the cumulative fiscal years 2016, 2017 and 2018. It was confirmed that all the criteria had been met with a maximum rate of 100%. However, given that the negative impact of the situation in Italy was not reflected in the financial results, the Supervisory Board decided to confirm the final grant of the 2016 performance share plan only up to 75% of the initial grant. Consequently, 222,663 rights to performance shares, which were granted in 2016, were cancelled, of which 73,750 of such cancelled rights were for members of the Management Board. In addition, 173,690 rights were cancelled due to the termination of employment of certain beneficiaries.

(c) At the stock market price on December 31, 2020, the cumulative intrinsic value of remaining stock options to be exercised could be estimated at €16 million.

(d) The weighted-average remaining period before delivering performance shares was 1.7 years.

Please refer to Note 17 for a description of the potential impact on the share capital of Vivendi SE of the outstanding stock options and performance shares.

Outstanding stock options as of December 31, 2020

Range of strike prices	Number (in thousands)	Weighted average strike price (in euros)	Weighted average remaining life (in years)
Under €17	695	11.9	1.3
€17-€18	615	17.2	0.3
More than €18	-	-	-
	1,310	**14.4**	**0.8**

Performance share plan

On February 13, 2020, Vivendi SE granted to employees and executive management 1,595 thousand performance shares, of which 185 thousand were granted to members of the Management Board. On February 14, 2019, Vivendi granted to employees and executive management 1,601 thousand performance shares, of which 165 thousand were granted to members of the Management Board.

As of February 13, 2020, the share price was €25.19 and the expected dividend yield was 2.38% (compared to €22.60 and 2.21% respectively as of February 14, 2019). After taking into account the cost associated with the retention period of the shares (described below), the discount for non-transferability was set at 7.0% of the share price as of February 13, 2020 (compared to 7.9% in 2019). Consequently, the fair value of each granted performance share was estimated at €21.68 (compared to €19.37 in 2019), corresponding to an aggregate fair value of the plan of €35 million (compared to €31 million in 2019).

Subject to satisfaction of the performance criteria, performance shares definitively vest at the end of a three-year period, subject to the presence of the beneficiaries in the group (vesting period). Furthermore, the shares must be held by the beneficiaries for an additional two-year period (retention period). The compensation cost is recognized on a straight-line basis over the vesting period. The accounting methods that are applied to estimate and recognize the value of these granted plans are described in Note 1.3.10.

Satisfaction of the objectives that determine the definitive grant of performance shares is assessed over a three-year consecutive period based on the following performance criteria:

- Internal indicators (with a weighting of 70%):
  - the adjusted net income per share (50%);
  - the group's cash flow from operations after interest and income tax paid – CFAIT (20%).
- External indicators (with a weighting of 30%) tied to changes in Vivendi's share price compared to the STOXX® Europe Media index (20%) and to the CAC 40 index (10%).

The granted shares correspond to the same class of common shares making up the share capital of Vivendi SE, and as a result, at the end of the three-year vesting period, beneficiaries will be entitled to the dividends and voting rights attached to these shares. The compensation cost recognized corresponds to the estimated value of the equity instruments granted to the beneficiary, and is equal to the difference between the fair value of the shares to be received and the aggregate discounted value of the dividends that were not received over the vesting period.

In 2020, the charge recognized with respect to all performance share plans amounted to €26 million, compared to €24 million in 2019.

20.1.2. Employee stock purchase and leveraged plans

On July 21, 2020, Vivendi SE carried out an employee shareholding plan through the sale of treasury shares under an employee stock purchase plan and leveraged plan, reserved for employees, retirees and corporate officers of the group. The shares were previously repurchased by Vivendi SE pursuant to the authorization granted at the General Shareholders' Meeting of April 15, 2019 (please refer to Note 17).

On July 17, 2019, Vivendi carried out a capital increase through an employee stock purchase plan and leveraged plan which gave the group's employees and retirees an opportunity to subscribe for Vivendi shares.

These shares, which are subject to certain sale or transfer restrictions during a five-year period, are acquired by the beneficiaries referred to above at a discount of up to 15% on the average opening market price for Vivendi shares during the 20 trading days preceding the date on which the Management Board meeting set the acquisition price for the new shares. The difference between the acquisition price for the shares and the share price on that date represents the benefit granted to the beneficiaries. In addition, Vivendi applied a discount for non-transferability during a five-year period, which is deducted from the benefit granted to the employees. The value of the acquired shares is estimated and fixed at the date on which the acquisition price for the new shares is set.

The applied valuation assumptions were as follows:

	2020	2019
Grant date	June 18	June 14
Data at grant date:		
Share price (in euros)	22.77	24.48
Expected dividend yield	2.64%	2.04%
Risk-free interest rate	-0.48%	-0.44%
5-year interest rate	3.91%	3.96%
Repo rate	0.36%	0.36%
Discount for non-transferability per share	18.64%	19.28%

Under the employee stock purchase plan (ESPP), 1,187 thousand shares were acquired in 2020 through a company mutual fund *(Fonds Commun de Placement d'Entreprise)* at a price of €16.554 per share (compared to 531 thousand shares at a price of €21.106 subscribed for in 2019). The benefit granted to the beneficiaries, which is equal to the positive difference between the acquisition price and the stock price at the end of the subscription period on June 18, 2020 (discount of 27.3%), was higher than the discount for non-transferability (18.6%). In 2020, the charge recognized with respect to the employee stock purchase plan amounted to €2 million. In 2019, the benefit granted (discount of 13.8%) was lower than the discount for non-transferability (19.3%), no charges were recognized.

Under the leveraged plan, 6,486 thousand shares were acquired in 2020 through a company mutual fund at a price of €16.554 per share (compared to 4,694 thousand shares at a price of €21.106 in 2019). The leveraged plan entitles employees, retirees and corporate officers, who are beneficiaries of Vivendi SE and its French and foreign subsidiaries, to acquire Vivendi shares at a discounted price and to ultimately receive the capital gain (calculated pursuant to the terms and conditions of the plan) equal to 10 shares for each acquired share. A financial institution mandated by Vivendi hedges this transaction. In addition, 193 thousand shares were acquired as part of an identical employee shareholding plan implemented for employees of the group's Japanese subsidiaries (compared to 151 thousand shares subscribed for in 2019). In 2020, the charge recognized with respect to the leveraged plan amounted to €14 million, compared to nearly €1 million in 2019.

20.2. RESTRICTED AND PERFORMANCE SHARE PLANS GRANTED BY HAVAS GROUP

The restricted and performance share plans were valued based on the stock market price of Havas Group shares as of the date of the Board of Directors' meeting that approved the grant of these shares. Subject to satisfaction of the performance criteria for certain plans, shares definitively vest at the end of a period of 36 to 51 months, subject to the presence of the beneficiaries in the group.

In light of both the implementation of the mandatory squeeze-out resulting in the absence of liquidity for Havas shares and the change of control of Havas to Vivendi, Vivendi's Supervisory Board resolved that the restricted and performance shares granted by Havas would be replaced by Vivendi shares, on the basis of 0.44 Vivendi share for every one Havas share.

In 2018, beneficiaries of Havas restricted or performance shares were individually given the option of being definitively granted the corresponding shares initially granted to them, subject to having entered into a liquidity contract with Vivendi, which contains:

- a put option, giving such beneficiaries the right to sell their Havas restricted and performance shares to Vivendi within thirty calendar days from the first business day following the date of vesting of their Havas restricted and performance shares;
- a call option, giving Vivendi the right to acquire the relevant Havas restricted and performance shares within fifteen calendar days following the expiry of the exercise period of the abovementioned put option.

The exercise price of these options will be the cash equivalent, for one Havas share, of the market value of 0.44 Vivendi share calculated on the basis of the average stock market price for Vivendi shares on Euronext Paris, weighted by the daily trading volumes on the regulated market of Euronext Paris, during the ten trading days preceding the date of vesting of Havas restricted and performance shares.

Transactions relating to outstanding shares that have occurred since January 1, 2019 were as follows:

	Number of outstanding shares (in thousands)
Balance as of December 31, 2018	**5,867**
Forfeited	**(a)** (2,051)
Cancelled	(181)
Balance as of December 31, 2019	**3,635**
Forfeited	**(b)** (3,610)
Cancelled	(25)
Balance as of December 31, 2020	-

(a) In 2019, related to the plans granted on the following dates:

- on January 19, 2015 and which expired on April 19, 2019: 825 thousand Havas shares were settled in cash by Vivendi at a price of €11.51 per share in accordance with the liquidity agreement, and 973 thousand Havas shares were exchanged for 428 thousand Vivendi shares in accordance with the terms and conditions of the plan;
- on May 10, 2016 and which expired on May 10, 2019: 120 thousand Havas shares were settled in cash by Vivendi at a price of €11.24 per share in accordance with the liquidity agreement;
- on March 19, 2015 and which expired on June 19, 2019: 70 thousand Havas shares were exchanged for 31 thousand Vivendi shares in accordance with the terms and conditions of the plan;
- on August 27, 2015 and which expired on November 27, 2019: 9 thousand Havas shares were settled in cash by Vivendi at a price of €10.93 per share in accordance with the liquidity agreement, and 53 thousand Havas shares were exchanged for 24 thousand Vivendi shares in accordance with the terms and conditions of the plan.

(b) In 2020, related to the plans granted on the following dates:

- February 28, 2017, which expired on February 27, 2020: 551 thousand shares were settled in cash by Vivendi at a price of €11.00 per share and 983 thousand Havas shares were exchanged for 433 thousand Vivendi shares, on the basis of 0.44 Vivendi share for every Havas share in accordance with the terms and conditions of the plan;
- May 10, 2016, which expired on May 10, 2020: 696 thousand shares were settled in cash by Vivendi at a price of €8.66 per share and 1,307 thousand Havas shares were exchanged for 575 thousand Vivendi shares, on the basis of 0.44 Vivendi share for every Havas share in accordance with the terms and conditions of the plan;
- July 21, 2016, which expired on July 21, 2020: 11 thousand shares were settled in cash by Vivendi at a price of €10.32 per share and 62 thousand Havas shares were exchanged for 28 thousand Vivendi shares, on the basis of 0.44 Vivendi share for every Havas share in accordance with the terms and conditions of the plan.

In 2020, the charge recognized in respect of all restricted and performance share plans granted by Havas amounted to €1 million, compared to €8 million in 2019.

20.3. RESTRICTED SHARE PLANS GRANTED BY GAMELOFT SE

The restricted share plans of Gameloft SE ("Gameloft") were valued on the basis of the stock market price of Gameloft SE shares as of the date of the Board of Directors meeting that approved the grant of restricted shares, taking into account the retention period on the shares following vesting. The definitive grant of shares to beneficiaries is conditional upon the beneficiary's employment contract with the company being continuously in force throughout the entire vesting period, of two or four years depending on the plan.

On March 21, 2019, Vivendi acquired 717 thousand shares in accordance with the liquidity agreement signed with the beneficiaries during the second half of 2018. As of December 31, 2019, the number of remaining shares referred to in this agreement was 874 thousand shares.

In March 2020, Vivendi repurchased the remaining 874 thousand Gameloft shares in accordance with the liquidity agreement.

20.4. DAILYMOTION'S LONG-TERM INCENTIVE PLAN

In 2015, Vivendi implemented a long-term incentive plan for a five-year period until June 30, 2020 for certain key executives of Vivendi. This plan was tied to the growth of Dailymotion's enterprise value compared to its acquisition value, as measured as of June 30, 2020, based upon an independent expertise. In the event of an increase in Dailymotion's value, the amount of the compensation with respect to the incentive plan was capped at a percentage of such increase, depending on the beneficiary. Within the six months following June 30, 2020, the plan had to be settled in cash, if applicable.

As of June 30, 2020, the plan has expired without any charges having been recognized and without any cash payments having been made.

NOTE 21. BORROWINGS AND OTHER FINANCIAL LIABILITIES AND FINANCIAL RISK MANAGEMENT

		12/31/2020			12/31/2019		
(in millions of euros)	Note	Total	Long-term	Short-term	Total	Long-term	Short-term
Bonds	21.2	5,050	4,050	1,000	5,450	5,050	400
Bank credit facilities	21.3	661	-	661	36	-	36
Short-term marketable securities issued		310	-	310	870	-	870
Bank overdrafts		10	-	10	18	-	18
Accrued interest to be paid		16	-	16	17	-	17
Cumulative effect of amortized cost	21.1	(17)	(16)	(1)	(23)	(22)	(1)
Other		19	11	8	30	9	21
Borrowings at amortized cost		**6,049**	**4,045**	**2,004**	**6,398**	**5,037**	**1,361**
Commitments to purchase non-controlling interests		324	108	**(a)** 216	528	118	**(a)** 410
Derivative financial instruments		28	18	10	11	5	6
Borrowings and other financial liabilities		**6,401**	**4,171**	**2,230**	**6,937**	**5,160**	**1,777**
Lease liabilities	12	1,291	1,070	221	1,459	1,223	236
Total		**7,692**	**5,241**	**2451**	**8,396**	**6,383**	**2,013**

(a) As of December 31, 2020, it included the commitment of €189 million related to the share buyback program in place as of December 31, 2020. As of December 31, 2019, it included the commitment of €360 million related to the share buyback program in place as of December 31, 2019. For a detailed description, please refer to Note 17.

21.1. FAIR MARKET VALUE OF BORROWINGS AND OTHER FINANCIAL LIABILITIES

	12/31/2020			12/31/2019		
(in millions of euros)	Carrying value	Fair market value	*Level (a)*	Carrying value	Fair market value	*Level (a)*
Nominal value of borrowings	6,066			6,421		
Cumulative effect of amortized cost	(17)			(23)		
Borrowings at amortized cost	**6,049**	**6,228**	***na***	**6,398**	**6,512**	***na***
Commitments to purchase non-controlling interests	**(b)** 324	324	*1-3*	**(b)** 528	528	*1-3*
Derivative financial instruments	28	28	*2*	11	11	*2*
Borrowings and other financial liabilities	**6,401**	**6,580**		**6,937**	**7,051**	

na: not applicable.

(a) The three classification levels for the measurement of financial liabilities at fair value are defined in Note 1.3.1.

(b) As of December 31, 2020, it included the commitment of €189 million related to the share buyback program in place as of December 31, 2020, classified as Level 1. As of December 31, 2019, it included the commitment of €360 million related to the share buyback program in place as of December 31, 2019, classified as Level 1. For a detailed description, please refer to Note 17.

21.2. BONDS

(in millions of euros)	Interest rate (%) nominal	effective	Maturity	12/31/2020	12/31/2019
Bonds issued by Vivendi SE					
€700 million (June 2019)	0.000%	0.17%	June 2022	700	700
€700 million (June 2019)	0.625%	0.67%	June 2025	700	700
€700 million (June 2019)	1.125%	1.27%	December 2028	700	700
€850 million (September 2017)	0.875%	0.99%	September 2024	850	850
€600 million (November 2016)	1.125%	1.18%	November 2023	600	600
€1 billion (May 2016)	0.750%	0.90%	**(a)** May 2021	1,000	1,000
€500 million (May 2016)	1.875%	1.93%	May 2026	500	500
Bond issued by Havas SA					
€400 million (December 2015)	1.875%	1.94%	**(b)** September 2020	-	400
Nominal value of bonds				**5,050**	**5,450**

(a) This bond contains a one-month early redemption clause at par as from April 26, 2021.

(b) This bond was fully redeemed early on September 8, 2020.

On April 3, 2020, Vivendi renewed its Euro Medium-Term Note (EMTN) program, increasing it to €8 billion, giving Vivendi full flexibility to issue bonds. This program was filed with the AMF *(Autorité des marchés financiers)* under visa no. 20-117 for a twelve-month period.

Bonds issued by Vivendi SE contain customary provisions, related to events of default, negative pledge and rights of payment (*pari-passu* ranking). They also contain an early redemption clause in the event of a change of control **(1)** if, as a result of any such event, the long-term rating of Vivendi SE is downgraded below investment grade status (Baa3/BBB-).

(1) Bolloré Group was carved out of the change-of-control provision under the bonds issued since 2016.

21.3. BANK CREDIT FACILITIES

21.3.1. Vivendi SE

On December 10, 2020, Vivendi SE's syndicated bank credit facility of €2.2 billion was extended by one-year until January 16, 2026. As a reminder, in January 2019, Vivendi SE signed eight committed bilateral credit facilities granted by leading banks, for an aggregate available amount of €1.2 billion maturing in January 2024. As of December 31, 2020, five of these credit facilities were drawn by Universal Music Group Inc. for €422 million (please see below).

These credit facilities are no longer required to comply with financial covenants but they contain customary provisions relating to events of default and covenants applicable to Vivendi in terms of negative pledge and merger transactions.

As of December 31, 2020, €2.7 billion of Vivendi SE's facilities were available, taking into account drawings on bilateral credit facilities and the short-term marketable securities issued and backed by these credit facilities for €310 million.

As of March 1, 2021 (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2020), €3.1 billion of the Vivendi SE's facilities were available, taking into account UMG Inc. drawings on Vivendi SE bilateral credit facilities on which it is co-borrower for €0.3 billion.

21.3.2. Universal Music Group

Universal Music Group Inc. bank credit facilities

Universal Music Group Inc. (UMG Inc.) is now an additional borrower under five of Vivendi SE's eight bilateral credit facilities up to the aggregate limit of €750 million (please see above). As of December 31, 2020, drawings made by UMG Inc. were €422 million (drawings made in US dollars).

In addition, UMG Inc. has its own credit facilities maturing in 2021 for an aggregate amount of $570 million, i.e. €466 million including a committed credit facility of €245 million maturing in September 2021.

As of December 31, 2020, drawings made by UMG Inc. were €213 million (drawings made in US dollars), i.e. €131 million on the committed credit facility.

Universal Music Group borrowings and intragroup investments with Vivendi SE

In addition to drawings made by UMG Inc. on bank credit facilities, Universal International Music BV borrows from Vivendi SE, and Universal Music Group Treasury places its cash surpluses with Vivendi SE. As of December 31, 2020 and 2019, UMG's intragroup borrowings and deposit positions with Vivendi SE were as follows:

(in millions of euros)	12/31/2020	12/31/2019
Universal International Music BV	(2,368)	-
Universal Music Group Treasury	815	623
Universal Music Group SAS	-	49
Net total	**(1,553)**	**672**

21.3.3. Havas SA

Havas SA has committed credit facilities, undrawn as of December 31, 2020, granted by leading banks for an aggregate amount of €510 million, of which €150 million is maturing in 2023, €280 million maturing in 2024 and €80 million maturing in 2025. These credit facilities are no longer required to comply with any financial covenants.

As of March 1, 2021 (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2020), €90 million of the Havas SA's facilities were available taking into account the short-term marketable securities issued and backed by these credit facilities for €420 million.

21.3.4. Vivendi group

Taking into account the foregoing, as of December 31, 2020, €3.3 billion of the Vivendi group's committed credit facilities were available.

As of March 1, 2021 (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2020), €3.2 billion of the Vivendi group's facilities were available, taking into account the foregoing.

21.4. BORROWINGS BY MATURITY

(in millions of euros)	12/31/2020		12/31/2019	
Maturity				
< 1 year **(a)**	2,004	*33%*	1,362	*21%*
Between 1 and 2 years	706	*12%*	1,004	*16%*
Between 2 and 3 years	602	*10%*	702	*11%*
Between 3 and 4 years	851	*14%*	601	*9%*
Between 4 and 5 years	702	*11%*	851	*13%*
> 5 years	1,201	*20%*	1,901	*30%*
Nominal value of borrowings	**6,066**	***100%***	**6,421**	***100%***

(a) Notably included Vivendi SE's bond maturing in May 2021 for €1 billion, credit facility drawings made by UMG Inc. for €635 million, marketable securities issued by Vivendi SE for €310 million as of December 31, 2020 (compared to €870 million as of December 31, 2019) and bank overdrafts for €10 million as of December 31, 2020 (compared to €18 million as of December 31, 2019). As of December 31, 2019, they included Havas SA's bond, which were redeemed early on September 8, 2020 for €400 million.

The average "economic" term of the group's financial debt, calculated based on the assumption that available medium-term credit lines may be used to redeem the group's shortest term borrowings, was 4.8 years as of December 31, 2020 (compared to 5.3 years as of December 31, 2019).

As of December 31, 2020, the future undiscounted cash flows related to borrowings and other financial liabilities amounted to €6,584 million (compared to €6,809 million as of December 31, 2019) with a carrying value of €6,401 million (compared to €6,937 million as of December 31, 2019) and are set out in Note 24.1 in the group's contractual minimum future payments schedule.

21.5. INTEREST RATE RISK MANAGEMENT

Vivendi's interest rate risk management seeks to reduce its net exposure to interest rate increases. Therefore, Vivendi uses, if needed, interest rate swaps. These instruments enable the group to manage and reduce the volatility of future cash flows related to interest payments on borrowings.

As of December 31, 2020, the nominal value of borrowings at fixed interest rate amounted to €5,090 million (compared to €5,489 million as of December 31, 2019) and the nominal value of borrowings at floating interest rate amounted to €976 million as of December 31, 2020 (compared to €932 million as of December 31, 2019).

As of December 31, 2020, and 2019, Vivendi had not entered into any interest rate swaps.

21.6. FOREIGN CURRENCY RISK MANAGEMENT

Breakdown by currency

(in millions of euros)	12/31/2020		12/31/2019	
Euro – EUR	5,385	*89%*	6,346	*99%*
US dollar – USD	635	*10%*	3	-
Other	46	*1%*	72	*1%*
Nominal value of borrowings before hedging	**6,066**	***100%***	**6,421**	***100%***
Currency swaps USD	*492*		*577*	
Other currency swaps	*213*		*(73)*	
Net total of hedging instruments (a)	***705***		***504***	
Euro – EUR	6,090	*100%*	6,850	*107%*
US dollar – USD	143	*3%*	(574)	*-9%*
Other	(167)	*-3%*	145	*2%*
Nominal value of borrowings after hedging	**6,066**	***100%***	**6,421**	***100%***

(a) Notional amounts of hedging instruments translated into euros at the closing rates.

Foreign currency risk

The group's foreign currency risk management is centralized by Vivendi SE's Financing and Treasury Department for all its controlled subsidiaries, except if, during a transition period, an acquired subsidiary is authorized to pursue, at its level, spot and forward exchange transactions. This policy primarily seeks to hedge budget exposures resulting from monetary flows generated by operations performed in currencies other than the euro as well as from external firm commitments, primarily relating to the acquisition of editorial content (e.g., sports, audiovisual and film rights) and certain capital expenditures (e.g., set-top boxes), realized in currencies other than the euro. All of the hedging instruments are foreign currency swaps or forward contracts that mostly have a maturity period of less than one year. Considering the foreign currency hedging instruments set up, an unfavorable and uniform euro change of 1% against all foreign currencies in position as of December 31, 2020 would have a non-significant cumulative impact on net earnings. In addition, the group may hedge foreign currency exposure resulting from foreign-currency denominated financial assets and liabilities. Moreover, due to their non-significant nature, net exposures related to subsidiaries' net working capital (internal flows of royalties as well as external purchases) are generally not hedged. The associated risks are reduced at the end of each month by translating the amounts into the functional currency of the relevant operating entities.

In the context of the United Kingdom's withdrawal from the European Union, effective as from January 1, 2021, no significant impact on Vivendi's consolidated financial position has been identified as of the date of this report.

The following tables set out the foreign currency risk management instruments used by the group; the positive amounts relate to currencies to be received and the negative amounts relate to currencies to be delivered at contractual exchange rates:

	12/31/2020						
	Notional amounts					Fair value	
(in millions of euros)	Total	USD	PLN	GBP	Other	Assets	Liabilities
Sales against the euro	(430)	(192)	(71)	(30)	(137)	2	4
Purchases against the euro	1,690	1,026	106	140	418	6	19
Other	-	169	(112)	1	(58)	-	5
	1,260	**1,003**	**(77)**	**111**	**223**	**8**	**28**
Breakdown by accounting category of foreign currency hedging instruments							
Cash Flow Hedge							
Sales against the euro	(95)	(14)	-	-	(81)	-	1
Purchases against the euro	103	59	-	2	42	-	1
Other	-	19	(8)	-	(11)	-	-
	8	**64**	**(8)**	**2**	**(50)**	**-**	**2**
Fair Value Hedge							
Sales against the euro	(315)	(178)	(71)	(30)	(36)	2	3
Purchases against the euro	931	855	-	67	9	3	18
Other	-	102	(102)	1	(1)	-	4
	616	**779**	**(173)**	**38**	**(28)**	**5**	**25**
Economic Hedging (a)							
Sales against the euro	(20)	-	-	-	(20)	-	-
Purchases against the euro	656	112	106	71	367	3	-
Other	-	48	(2)	-	(46)	-	1
	636	**160**	**104**	**71**	**301**	**3**	**1**

	12/31/2019						
	Notional amounts					Fair value	
(in millions of euros)	Total	USD	PLN	GBP	Other	Assets	Liabilities
Sales against the euro	(524)	(152)	(185)	(56)	(131)	1	6
Purchases against the euro	1,303	786	120	118	279	20	3
Other	-	225	(140)	(51)	(34)	4	2
	779	**859**	**(205)**	**11**	**114**	**25**	**11**
Breakdown by accounting category of foreign currency hedging instruments							
Cash Flow Hedge							
Sales against the euro	(116)	(45)	(30)	-	(40)	-	2
Purchases against the euro	59	53	-	6	-	-	-
Other	-	38	(36)	-	(2)	-	1
	(57)	**46**	**(66)**	**6**	**(42)**	**-**	**3**
Fair Value Hedge							
Sales against the euro	(366)	(107)	(155)	(26)	(78)	-	4
Purchases against the euro	848	733	-	112	3	19	2
Other	-	119	(104)	(15)	-	4	1
	482	**745**	**(259)**	**71**	**(75)**	**23**	**7**
Economic Hedging (a)							
Sales against the euro	(42)	-	-	(30)	(12)	1	-
Purchases against the euro	396	-	120	-	276	1	1
Other	-	68	-	(36)	(32)	-	-
	354	**68**	**120**	**(66)**	**232**	**2**	**1**

(a) The economic hedging instruments relate to derivative financial instruments that are not eligible for hedge accounting pursuant to IFRS 9.

21.7. DERIVATIVE FINANCIAL INSTRUMENTS

Value on the Statement of Financial Position

		12/31/2020		12/31/2019	
(in millions of euros)	Note	Assets	Liabilities	Assets	Liabilities
Interest rate risk management	21.5	-	-	-	-
Foreign currency risk management	21.6	8	28	25	11
Other		-	-	-	-
Derivative financial instruments		**8**	**28**	**25**	**11**
Deduction of current derivative financial instruments		(4)	(10)	(8)	(6)
Non-current derivative financial instruments		**4**	**18**	**17**	**5**

Unrealized gains and losses recognized directly in equity

	Cash Flow Hedge			
(in millions of euros)	Interest rate risk management	Foreign currency risk management	Net Investment Hedge	Total
Balance as of December 31, 2018	**-**	**-**	**81**	**81**
Charges and income directly recognized in equity	-	(4)	-	(4)
Items to be reclassified as profit or loss	-	-	-	-
Tax effect	-	-	-	-
Balance as of December 31, 2019	**-**	**(4)**	**81**	**77**
Charges and income directly recognized in equity	-	2	-	2
Items to be reclassified as profit or loss	-	-	-	-
Tax effect	-	-	-	-
Balance as of December 31, 2020	**-**	**(2)**	**81**	**79**

21.8. CREDIT RATINGS

As of March 1, 2021 (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2020), Vivendi's credit ratings were as follows:

Rating agency	Type of debt	Ratings	
Moody's	Long-term senior unsecured debt	Baa2	Negative outlook **(a)**
Standard & Poor's	Senior unsecured debt	BBB	Negative CreditWatch **(b)**

(a) On February 16, 2021, Moody's lowered its outlook from Stable to Negative.

(b) As of February 22, 2021, Standard & Poor's ratings were placed on Negative CreditWatch. On February 23, 2021, Vivendi requested the withdrawal of its Standard & Poor's rating.

NOTE 22. CONSOLIDATED CASH FLOW STATEMENT

22.1. ADJUSTMENTS

		Year ended December 31,	
(in millions of euros)	Note	2020	2019
Items related to operating activities with no cash impact			
Amortization and depreciation of intangible and tangible assets	4	818	744
Change in provision, net		183	30
Other non-cash items from EBIT		4	-
Other			
Income from equity affiliates – operational		18	(4)
Proceeds from sales of property, plant, equipment and intangible assets		12	9
Adjustments		**1,035**	**779**

22.2. INVESTING AND FINANCING ACTIVITIES WITH NO CASH IMPACT

In 2020 and 2019, there were no significant investing and financing activities with no cash impact.

NOTE 23. RELATED PARTIES

Vivendi's related parties are corporate officers, members of Vivendi's Supervisory and Management Boards, as well as other related parties, including:

- companies fully consolidated by Vivendi. The transactions between these companies have been eliminated for the preparation of Vivendi's Consolidated Financial Statements;
- companies over which Vivendi exercises a significant influence;
- all companies in which corporate officers or their close relatives hold significant voting rights;
- minority shareholders exercising a significant influence over the group's subsidiaries;
- Bolloré Group's related parties, as Vivendi has been fully consolidated by Bolloré Group since April 26, 2017.

23.1. CORPORATE OFFICERS

Supervisory Board

The Supervisory Board is currently comprised of 13 members, including an employee shareholder representative and two employee representatives. It is made up of seven women, i.e., a ratio of 55% (in accordance with French Law No. 2011-103 of January 27, 2011, the two employee representatives are not taken into account for the calculation of this percentage **(1)**). In 2020 and 2019, the composition of the Supervisory Board changed as follows:

- On April 20, 2020, Vivendi SE's General Shareholders' Meeting renewed the term of office of Mr. Yannick Bolloré and appointed Mr. Laurent Dassault as a member of the Supervisory Board for a four-year term. In addition, on the same date, the Supervisory Board renewed the term of office of Mr. Yannick Bolloré as Chairman of the Supervisory Board for a four-year term.

  At its meeting held on September 23, 2020, the European Company Committee appointed Ms. Athina Vasilogiannaki as an employee representative on the Supervisory Board for a three-year term. In addition, Vivendi SE's Employee Representative Committee *(Comité social et économique)* renewed Mr. Paulo Cardoso's term of office, as an employee representative on the Supervisory Board for a three-year term as from October 19, 2020.
- On April 15, 2019, Vivendi's General Shareholders' Meeting appointed Mr. Cyrille Bolloré as a member of the Supervisory Board for a four-year term, thereby replacing Mr. Vincent Bolloré who decided to terminate his term of office as a member of the Supervisory Board following the Shareholders' Meeting. At the same meeting, Mr. Dominique Delport's term of office as a member of the Supervisory Board was renewed for a four-year term.

  Mr. Tarak Ben Ammar's term of office as a member of the Supervisory Board expired on April 15, 2019. Mr. Tarak Ben Ammar did not ask for the renewal of his office. Since that date, Bleufontaine (formerly Quinta Communications) is no longer a related party to Vivendi.

1) In addition, when the current employee shareholder representative reaches the end of his respective term of office as member of the Supervisory Board on June 22, 2021, his successor will also not be included in the calculation, in accordance with Article L. 225-71 of the French Commercial Code, as amended by French Law No. 2019-486 of May 22, 2019 (the "Pacte Law").

With respect to fiscal year 2020, the gross compensation of Mr. Yannick Bolloré, as Chairman of the Supervisory Board of Vivendi SE amounted to €400,000 (compared to €400,000 with respect to fiscal year 2019), from which the amount of his remuneration (formerly called "attendance fees") of €60,000 (compared to €60,000 with respect to fiscal year 2019) is deducted in accordance with Article L. 225-83 of the French Commercial Code *(Code de commerce)*.

In addition, as Chairman and Chief Executive Officer of Havas, a Vivendi subsidiary, Mr. Yannick Bolloré received compensation, as well as benefits in kind, totaling a gross amount of €1,662,197 in 2020 (including a gross variable portion of €600,000 paid in 2020 with respect to fiscal year 2019), compared to a gross amount of €1,428,993 in 2019 (including a gross variable portion of €370,000 paid in 2019 with respect to fiscal year 2018). On February 13, 2020, the Chairman and Chief Executive Officer of Havas was granted 15,000 Vivendi performance shares (18,000 shares granted on February 14, 2019), subject to the satisfaction of certain performance criteria as described in Note 20.1.1.

With respect to fiscal year 2020, the gross amount of the compensation paid to the members of the Supervisory Board of Vivendi SE was an aggregate gross amount of €1,150,000 (compared to €1,085,000 with respect to fiscal year 2019).

Management Board

The Management Board is currently comprised of seven members.

In 2020, the gross compensation paid by the Vivendi group to the Management Board members amounted to €11.9 million (compared to €10.6 million paid in 2019). This amount included:

- fixed compensation of €6.0 million (compared to €5.9 million in 2019);
- variable compensation of €5.3 million paid in 2020 with respect to fiscal year 2019 (compared to €4 million paid in 2019 with respect to fiscal year 2018);
- other compensation paid or allocated by controlled subsidiaries;
- benefits in kind.

The charge recorded by Vivendi with respect to equity-settled share-based compensation plans granted to the members of the Management Board amounted to €3.7 million in 2020 (compared to €3.6 million in 2019).

As part of new requirements of French Executive Order no. 2019-697 of July 3, 2019 relating to supplemental occupational pension plans, the Supervisory Board decided, at its meeting held on November 14, 2019, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, to set the rights of the group supplemental defined-benefit pension plan, implemented in December 2005 and approved at the Shareholders' Meeting held on April 20, 2006, according to the seniority acquired as of December 31, 2019. The Supervisory Board, at its meeting held on February 13, 2020, confirmed that the performance criteria applying to the pension rights growth rate under this plan had been met with respect to fiscal year 2019. The charge recorded by Vivendi related to such rights as of December 31, 2019 under pension commitments toward Management Board members and high-level management amounted to €14.9 million in 2019, including the charge recorded by Vivendi related to vested rights according to the seniority acquired as of December 31, 2019. As of December 31, 2019, their net pension commitments amounted to €58.4 million as of December 31, 2019.

The new group benefit supplemental pension plan, implemented in 2020, is described in the compensation policy of the Chairman and members of the Management Board for 2020, as approved at the Shareholders' Meeting held on April 20, 2020, and which is included in the report on corporate governance pursuant to Articles L. 22-10-20 and L. 225-68 of the French Commercial Code and included in Section 2 of Chapter 3 of the 2019 Annual Report – Universal Registration Document. The Supervisory Board, at its meeting held on March 3, 2021, confirmed that the performance criteria applying to the pension rights growth rate under this plan had been met with respect to fiscal year 2020. The charge recorded by Vivendi related to pension commitments of the Management Board members and of the high-level management amounted to €16.1 million in 2020. As of December 31, 2020, the net pension commitments of the Management Board members and the high-level management under the group supplemental pension plan was an aggregate amount of €72.4 million.

The Chairman of the Management Board, Mr. Arnaud de Puyfontaine, waived his employment contract. In accordance with the resolutions approved at the General Shareholders' Meeting held on April 17, 2015, he is entitled to severance compensation upon an involuntary termination, subject to the satisfaction of performance conditions. At its meeting held on February 14, 2019, the Supervisory Board, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, decided:

- to increase from 80% to 90% the minimum achievement level of performance criteria conditioning the payment of the severance compensation;
- to revoke his right to maintain all rights to performance shares. These rights may be maintained, if appropriate, pro rata to the duration of his presence within the Group during the vesting period, subject to the satisfaction of the related performance criteria.

On February 13, 2020, the Chairman of the Management Board was granted 40,000 Vivendi performance shares (compared to 40,000 shares granted on February 14, 2019).

The report on corporate governance that is included in Section 2 of Chapter 4 of the 2020 Annual Report – Universal Registration Document contains a detailed description of the compensation policy to Vivendi's corporate officers for 2021. This chapter also contains details of the fixed and variable components of their compensation and the benefits of any kind paid in fiscal year 2020 or attributed with respect to the same fiscal year.

Other high-level management

At its meeting held on April 15, 2019, following the Shareholders' Meeting and upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board unanimously appointed Mr. Vincent Bolloré as a non-voting board member *(censeur)* for a four-year period and as Advisor to the Chairman of Vivendi's Management Board. As a non-voting board member *(censeur),* Mr. Vincent Bolloré receives no compensation. Pursuant to his employment contract as Advisor to the Chairman of Vivendi's Management Board, Mr. Vincent Bolloré's gross annual fixed compensation amounts to €500,000, with a variable portion (target: 80%; maximum: 100%) determined according to the same performance criteria as those used for Vivendi SE's main operational managers, i.e., a gross amount of €450,000 paid in 2020 with respect to fiscal year 2019.

23.2. BOLLORÉ GROUP

On March 20, 2020, Vivendi SE and Bolloré SE entered into an intragroup cash management agreement on market terms to optimize investment and financing capacities within the two groups, in accordance with Article L. 511-7 of the French Monetary and Financial Code. Under this cash management agreement, Vivendi SE advanced €150 million to Bolloré SE on March 31, 2020, repayable on first request by Vivendi SE. As of December 31, 2020, the outstanding amount of this advance amounted to €70 million.

On April 23, 2020, as part of Vivendi SE's payment of a dividend to its shareholders with respect to fiscal year 2019, Bolloré Group received a dividend of €192 million (compared to a dividend with respect to fiscal year 2018 of €165 million, which was paid in 2019).

On December 31, 2020, Bolloré Group held 320,521,374 Vivendi shares carrying an amount of 375,309,383 voting rights, i.e., 27.03% of Vivendi SE's share capital and 29.73% of the gross voting rights.

In light of the analysis conducted by Bolloré Group, following Vivendi's General Shareholders' Meeting held on April 25, 2017, of other facts and circumstances that indicate its ability to direct the relevant activities of Vivendi, Bolloré Group determined that the conditions of control within the meaning of IFRS 10 were fulfilled. The shareholding in Vivendi, which had previously been accounted for using the equity method since October 7, 2016, was fully consolidated as from April 26, 2017.

23.3. OTHER RELATED-PARTY TRANSACTIONS

Vivendi's other related parties are companies over which Vivendi exercises a significant influence (i.e., primarily Telecom Italia, Banijay Group Holding and Vevo: please refer to Note 13) and companies in which Vivendi's corporate officers or their close relatives hold significant voting rights. They notably included Bolloré Group and its subsidiaries, either directly or indirectly controlled by Mr. Vincent Bolloré, high-level management at Vivendi, and his family. Moreover, as Bolloré Group has fully consolidated Vivendi since April 26, 2017, Vivendi's related parties also include Bolloré Group's related parties (in particular Mediobanca).

In addition, certain Vivendi subsidiaries maintain business relationships, on an arm's-length basis, involving non-material amounts, with Groupe NUXE (controlled by Ms. Aliza Jabès, a member of Vivendi's Supervisory Board), Interparfums (controlled by Mr. Philippe Bénacin, Vice Chairman of Vivendi's Supervisory Board) and Groupe Dassault (of which Mr. Laurent Dassault is a corporate officer and, as from April 20, 2020, a member of Vivendi's Supervisory Board).

(in millions of euros)	12/31/2020	12/31/2019
Assets		
Non-current content assets	-	1
Rights-of-use relating to leases	-	7
Of which Bolloré Group	*-*	*7*
Non-current financial assets	113	99
Of which Banijay Group Holding and Lov Banijay loans	*97*	*88*
Trade accounts receivable and other	90	67
Of which Bolloré Group	*5*	*4*
Telecom Italia ***(a)***	*36*	*32*
Banijay Group Holding ***(b)***	*2*	*2*
Mediobanca ***(c)***	*4*	*4*
Other current financial assets	70	na
Of which Bolloré SE current account	*70*	*na*
Liabilities		
Lease liabilities	-	8
Of which Bolloré Group	*-*	*8*
Trade accounts payable and other	27	35
Of which Bolloré Group	*14*	*18*
Banijay Group Holding ***(b)***	*5*	*6*
Off-balance sheet contractual obligations, net	**87**	**77**
Of which Banijay Group Holding ***(b)***	*97*	*90*

	Year ended December 31	
(in millions of euros)	2020	2019
Statement of earnings		
Operating income	234	232
Of which Bolloré Group	*5*	*7*
Telecom Italia ***(a)***	*13*	*8*
Banijay Group Holding ***(b)***	*2*	*3*
Mediobanca ***(c)***	*-*	*-*
Bleufontaine ***(d)***	*na*	*-*
Other (Interparfums, Groupe NUXE and Groupe Dassault) ***(e)***	*-*	*1*
Operating expenses	(104)	(114)
Of which Bolloré Group	*(33)*	*(31)*
Banijay Group Holding ***(b)***	*(41)*	*(55)*
Mediobanca ***(c)***	*-*	*(2)*
Other (Interparfums, Groupe NUXE and Groupe Dassault) ***(e)***	*-*	*-*

na: not applicable.

(a) Certain Vivendi subsidiaries have rendered operating services to Telecom Italia and its subsidiaries, on an arm's-length basis (mainly communication services and music sales): operating income of €8.5 million for Havas Group (€5.2 million in 2019), €3.1 million for Gameloft (€1.3 million in 2019) and €1.4 million for Universal Music Group (€1.4 million in 2019).

(b) Vivendi and its subsidiaries (mainly Canal+ Group) entered into production and program purchase agreements with certain Banijay Group Holding subsidiaries on an arm's-length basis.

(c) Certain Havas Group subsidiaries have rendered communications services to Mediobanca and its subsidiaries on an arm's-length basis.

(d) Between January 1 and April 15, 2019, Canal+ Group recorded an operating charge of €0.2 million against Bleufontaine (formerly Quinta Communications) relating to repayments for the operation of its Studiocanal catalog. Mr. Tarak Ben Ammar's term of office as a member of the Supervisory Board expired on April 15, 2019. Mr. Tarak Ben Ammar did not ask for the renewal of his office. Since that date, Bleufontaine is no longer a related party to Vivendi.

(e) Certain Vivendi subsidiaries maintained business relationships, on an arm's-length basis, involving non-significant amounts with Interparfums, Groupe NUXE and Groupe Dassault (of which Mr. Laurent Dassault is a corporate officer and, as from April 20, 2020, a member of Vivendi's Supervisory Board).

The following constitutes complementary information about certain related-party transactions (the amounts of which are included in the table above):

- CanalOlympia (Vivendi Village subsidiary) and Bolloré Africa Logistics (Bolloré Group subsidiary) entered into an agreement to take over the operations of nine of Bolloré Africa Logistics' Bluezones and two of its Bluebus lines, for an eight-year period starting January 1, 2018, with the aim of supporting the development of the network of CanalOlympia's venues in Africa. For the occupancy of land and buildings, and for the solar energy supply, CanalOlympia paid a rent of €1.5 million in 2020. The entities entered into an amendment concerning the solar energy supply, which will no longer be stored, but used as it is produced and supplemented by the use of the national electricity grid. This change will be made on each of the Bluezones during 2021 according to a predefined schedule, which will allow the annual rent to be lowered in relation to the maintenance of electrical equipment. Thus, CanalOlympia will now pay a rent of €1 million per year until 2025. Given that CanalOlympia and Bolloré Africa Logistics have no common directors and executive managers, this agreement is not regulated by the procedure applying to related-party agreements.
- On June 2, 2017, Vivendi SE acquired a 5% interest in the Economic Interest Grouping (GIE – *Groupement d'intérêt économique)* Fleet Management Services, a Bolloré Group's subsidiary dedicated, among other things, to providing air transport operations, for a consideration of €0.1 million. This acquisition entailed the correlative transfer of the portion of the corresponding reciprocal receivables and payables related to the special depreciation of the GIE's assets, i.e., receivables for €2.0 million (compared to €1.9 million as of December 31, 2019) and payables for €3.3 million as of December 31, 2020 (compared to €1.9 million as of December 31, 2019). In addition, on the same date, Havas Group acquired a 2% interest in this GIE. The charge recognized with respect to the use of the GIE's services by Vivendi Group amounted to €3.5 million in 2020 (compared to €3.5 million in 2019).

In addition, the Supervisory Board, at its meeting held on November 14, 2019, formalized a procedure for regularly assessing agreements on ordinary transactions and entered into on an arm's length basis, pursuant to Article L. 225-87 of the amended French Commercial Code. This procedure and its implementation were included in section 1.2.10.7 of Chapter 4 of the 2020 Annual Report – Universal Registration Document.

NOTE 24. CONTRACTUAL OBLIGATIONS AND OTHER COMMITMENTS

Vivendi's material contractual obligations and contingent assets and liabilities include:

- certain contractual obligations relating to the group's business operations, such as content commitments (please refer to Note 11.2), contractual obligations and commercial commitments recorded in the Statement of Financial Position, including leases and off-balance sheet commercial commitments, such as long-term service contracts and purchase or investment commitments;
- commitments related to the group's consolidation scope made in connection with acquisitions or divestitures such as share purchase or sale commitments, contingent assets and liabilities subsequent to given or received commitments related to the divestiture or acquisition of shares, commitments under shareholders' agreements and collateral and pledges granted to third parties over Vivendi's assets;
- commitments related to the group's financing: undrawn confirmed bank credit facilities as well as the management of interest rate, foreign currency and liquidity risks (please refer to Note 21.3);
- contingent assets and liabilities resulting from legal proceedings in which Vivendi and/or its subsidiaries are either plaintiff or defendant (please refer to Note 25).

24.1. CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

		Minimum future payments as of 12/31/2020				
			Payments due in			Total minimum future payments as of 12/31/2019
(in millions of euros)	Note	Total	2021	2022-2025	After 2025	
Borrowings and other financial liabilities		6,584	2,257	3,087	1,240	6,809
Lease liabilities		1,291	221	619	451	1,459
Content liabilities	11.2	3,299	3,032	262	5	3,218
Consolidated statement of financial position items		**11,174**	**5,510**	**3,968**	**1,696**	**11,486**
Contractual content commitments	11.2	7,803	2,742	5,000	61	6,227
Commercial commitments		(3,337)	(1,885)	(1,654)	202	(728)
Net commitments not recorded in the Consolidated Statement of Financial Position		**4,466**	**857**	**3,346**	**263**	**5,499**
Contractual obligations and commercial commitments		**15,640**	**6,367**	**7,314**	**1,959**	**16,985**

Off-balance sheet commercial commitments

(in millions of euros)	Minimum future payments as of 12/31/2020				Total minimum future payments as of 12/31/2019
		Due in			
	Total	2021	2022-2025	After 2025	
Satellite transponders	568	76	316	176	502
Investment commitments	89	48	35	6	179
Other	703	296	387	20	620
Given commitments	**1,360**	**420**	**738**	**202**	**1,301**
Satellite transponders	(90)	(51)	(39)	-	(108)
Other **(a)**	(4,607)	(2,254)	(2,353)	-	(1,921)
Received commitments	**(4,697)**	**(2,305)**	**(2,392)**	**-**	**(2,029)**
Net total	**(3,337)**	**(1,885)**	**(1,654)**	**202**	**(728)**

(a) Includes minimum guarantees to be received by the group pursuant to distribution agreements entered into with third parties, notably Internet Service Providers and other digital platforms.

In addition, Canal+ Group and the telecom operators Free, Orange and Bouygues Telecom entered into distribution agreements for Canal channels. The variable amounts of these commitments, which are based on the number of subscribers, cannot be reliably determined and are not reported in either the Statement of Financial Position or described in the commitments. They are instead recorded as an expense or income in the period in which they were incurred.

24.2. OTHER COMMITMENTS GIVEN OR RECEIVED RELATING TO OPERATIONS

Given commitments amounted cumulatively to €111 million (compared to €129 million as of December 31, 2019). In addition, Vivendi and Havas Group have granted guarantees in various forms to financial institutions or third parties on behalf of their subsidiaries in the course of their operations.

Received commitments amounted cumulatively to €4 million (compared to €36 million as of December 31, 2019).

24.3. SHARE PURCHASE AND SALE COMMITMENTS

In connection with the purchase or sale of operations and financial assets, Vivendi has granted or received commitments to purchase or sell securities:

- on December 18, 2020, Vivendi announced that the Tencent-led consortium decided to exercise its option to acquire an additional 10% of Universal Music Group (UMG) based on an enterprise value of €30 billion for 100% of UMG's share capital. Closing and payment took place on January 29, 2021 (please refer to Note 2.1);
- on August 10, 2020, Vivendi and Amber Capital entered into a pact and a five-year reciprocal first offer and pre-emption rights agreement relating to Lagardère SCA shares. For a detailed description of Vivendi's investment in Lagardère SCA (please refer to Note 2.4);
- on December 23, 2020, Vivendi announced that it had entered into a put option agreement for 100% of Prisma Media. Pursuant to applicable regulation, the contemplated acquisition remains subject to the information and consultation process with Prisma Media's representative bodies and finalization of the legal documentation (please refer to Note 2.6);
- liquidity rights relating to Canal+ Polska SA are described in Note 24.5 below;
- on March 7, 2019 (the settlement date), Vivendi sold all of its Ubisoft shares. In addition, Vivendi made the commitment to refrain from purchasing Ubisoft shares for a period of five years.

In addition, Vivendi and its subsidiaries granted or received put and call options on shares in equity affiliates and unconsolidated investments.

24.4. CONTINGENT ASSETS AND LIABILITIES SUBSEQUENT TO GIVEN OR RECEIVED COMMITMENTS RELATED TO THE DIVESTITURE OR ACQUISITION OF SHARES

Ref.	Context	Characteristics (nature and amount)	Expiry
	Contingent liabilities		
	Sale of Ubisoft (October 2018)	Unlimited specific warranties.	
	Sale of GVT (May 2015)	Representations and warranties, notably limited to specifically identified tax matters, capped at BRL 180 million.	-
	Sale of Maroc Telecom group (May 2014)	Customary representations and warranties given to Etisalat (capped at 50% of the sale price and at 100% in respect of claims related to SPT) expired on December 31, 2020.	-
(a)	Sale of Activision Blizzard (October 2013)	– Unlimited general warranties;	-
		– Tax warranties capped at $200 million, under certain circumstances.	-
(b)	Acquisition of Bolloré Group’s channels (September 2012)	Commitments undertaken, in connection with the authorization of the acquisition, with:	2019
		– the French Competition Authority;	
		– the French Broadcasting Authority.	
	Divestiture of PTC shares (December 2010)	Commitments undertaken to end litigation over the share ownership of PTC:	
		– Guarantees given to the Law Debenture Trust Company (LDTC), for an amount up to 18.4% for the first €125 million, 46% between €125 million and €288 million, and 50% thereafter;	-
		– Guarantee given to Poltel Investment’s (Elektrim) judicial administrator.	-
(c)	Canal+ Group’s pay-TV activities in France (January 2007-July 2017)	Approval of the acquisition of TPS and CanalSatellite subject to compliance with injunctions ordered by the French Competition Authority.	2019
	NBC Universal transaction (May 2004) and subsequent amendments (2005-2010)	– Breaches of tax representations;	-
		– Obligation to cover the Most Favored Nation provisions.	-
	Other contingent liabilities	Cumulated amount of €30 million (compared to €33 million as of December 31, 2019).	-
	Contingent assets		
	Acquisition of the companies that own and manage all Paddington intellectual property rights, except for the publishing rights (June 2016)	General and specific warranties (including tax matters and guarantees related to the intellectual property).	2023
	Acquisition of EMI Recorded Music (September 2012)	– Commitments relating to full pension obligations in the United Kingdom assumed by Citi;	-
		– Warranties relating to losses stemming from taxes and litigation claims, in particular those related to pension obligations in the United Kingdom.	-
	Acquisition of Kinowelt (April 2008)	Specific warranties, notably on film rights granted by the sellers.	-
	Other contingent assets	Cumulated amount of €27 million (compared to €32 million as of December 31, 2019).	-

The accompanying notes are an integral part of the contingent assets and liabilities described above.

(a) In connection with the sale of 88% of Vivendi’s interest in Activision Blizzard, which was completed on October 11, 2013 (the “Closing Date”), Vivendi, ASAC II LP, and Activision Blizzard gave certain reciprocal commitments customary for this type of transaction (i.e., representations, warranties and covenants). Vivendi, ASAC II LP, and Activision Blizzard undertook to indemnify each other against any losses stemming from any breach of their respective commitments. Such indemnification is unlimited as to time and amount.

In addition, Vivendi has agreed to indemnify Activision Blizzard with respect to any tax or other liabilities of Amber Holding Subsidiary Co. (“Amber”), the Vivendi subsidiary acquired by Activision Blizzard, relating to periods preceding the Closing Date. Such indemnification is unlimited as to time and amount. Tax attributes (mainly net operating loss) held by Amber and assumed by Activision Blizzard were estimated at more than $700 million, which represent a potential future tax benefit of approximately $245 million. Vivendi agreed to indemnify Activision Blizzard, under certain circumstances, with respect to these tax attributes, subject to a cap of $200 million limited to fiscal years ending on or prior to December 31, 2016.

As a reminder, in connection with the creation of Activision Blizzard in July 2008, Activision and Vivendi entered into customary agreements for this type of transaction, including tax sharing and indemnity agreements.

(b) As part of the French Competition Authority’s approval of the acquisition of the Direct 8 and Direct Star channels (renamed C8 and CStar, respectively) granted on July 23, 2012 and renewed on April 2, 2014, Vivendi and Canal+ Group gave certain commitments for a five-year period, renewable once. These commitments were permanently lifted as of December 31, 2019.

(c) On August 30, 2006, the merger between Canal+ Group’s pay-TV operations in France and TPS was authorized, in accordance with the merger control regulations, pursuant to a decision of the French Minister of Economy, Finance and Industry, subject to Vivendi and Canal+ Group complying with certain undertakings for a maximum period of six years, with the exception of those commitments concerning the availability of channels and Video-on-demand (VOD), which could not exceed five years.

On October 28, 2009, the French Competition Authority opened an enquiry regarding compliance with certain undertakings given by Canal+ Group in connection with the merger of Canalsatellite and TPS.

On July 23, 2012, the merger was once again cleared by the French Competition Authority, subject to compliance with 33 injunctions. These injunctions were issued for a five-year period, renewable once.

On June 22, 2017, following the re-examination of such injunctions, the French Competition Authority decided to maintain, lift or revise some of these injunctions. These injunctions were permanently lifted as of December 31, 2019.

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Several guarantees given during prior years in connection with asset acquisitions or disposals have expired. However, the time periods or statute of limitation of certain guarantees relating, among other things, to employees, environment and tax liabilities, in consideration of share ownership, or given notably in connection with the winding-up of certain businesses or the dissolution of entities are still in effect. To the best of Vivendi's knowledge, no material claims for indemnification against such liabilities have been made to date.

In addition, when settling disputes and litigation, Vivendi regularly delivers commitments for damages to third parties that are customary for transactions of this type.

Earn-out commitments related to the divestiture or acquisition of shares

Vivendi and its subsidiaries entered into agreements with certain minority shareholders providing for earn-out payments. They notably included capped earn-outs payable in 2022 under the agreement entered into in June 2016 for the acquisition of 100% of the companies that own and manage all Paddington intellectual property rights, except for the publishing rights.

24.5. SHAREHOLDERS' AGREEMENTS

Under existing shareholders' agreements (in particular those relating to Canal+ Polska SA) (please see below) and as part of the opening of Universal Music Group's share capital (please refer to Note 2.1), Vivendi holds certain rights (e.g., pre-emptive rights and rights of first offer) that give it control over the capital structure of its consolidated companies having minority shareholders. Conversely, Vivendi has granted similar rights to these other shareholders in the event that it sells its interests to third parties.

Moreover, pursuant to other shareholders' agreements or the by-laws of other consolidated entities, equity affiliates or unconsolidated interests, Vivendi or its subsidiaries have given or received certain rights (pre-emptive and other rights) entitling them to maintain their rights as shareholder.

In addition, in accordance with Article L. 22-10-11 of the French Commercial Code, it is hereby stated that certain rights and obligations of Vivendi under existing shareholders' agreements may be amended or terminated in the event of a change of control of Vivendi or a tender offer for Vivendi's shares.

These shareholders' agreements are subject to confidentiality provisions.

Canal+ Polska SA

In 2020, Canal+ Polska SA (formerly ITI Neovision SA) announced that it was working collaboratively with its shareholders and their respective advisors to explore the conditions of exercise by the minority shareholders of their liquidity rights under the shareholders' agreement, including by means of a potential initial public offering (IPO) of the company. To this end, on October 26, 2020, the company received approval of a base prospectus by the Polish financial market authority (KNF), but then abandoned the project due to the negative impact of the increased volatility of financial markets on the execution of the offering. The minority shareholders retain the right to implement such a placement until the end of the liquidity period set out in the shareholders' agreement, notably in consideration of subsequent changes in market conditions until that date.

24.6. COLLATERALS AND PLEDGES

As of December 31, 2020 and 2019, no material asset in Vivendi's Statement of Financial Position was subject to a pledge or mortgage for the benefit of third parties.

NOTE 25. LITIGATION

In the normal course of its business, Vivendi is subject to various lawsuits, arbitrations and governmental, administrative or other proceedings (collectively referred to herein as "Legal Proceedings").

The costs which may result from these Legal Proceedings are only recognized as provisions when they are likely to be incurred and when the obligation can reasonably be quantified or estimated, in which case, the amount of the provision represents Vivendi's best estimate of the risk and is based on a case-by-case assessment of the risk level, provided that Vivendi may, at any time, reassess such risk if events occur during such proceedings. As of December 31, 2020, provisions recorded by Vivendi for all claims and litigation were €411 million, compared to €289 million as of December 31, 2019 (please refer to Note 18).

To the company's knowledge, there are no Legal Proceedings or any facts of an exceptional nature (including any pending or threatened proceedings in which it is a defendant), which may have or have had in the previous 12 months a material effect on the company and on its group's financial position, profit, business and property, other than those described herein.

The status of proceedings disclosed hereunder is described as of March 1, 2021 (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2020).

LBBW *et al.* against Vivendi

On March 4, 2011, 26 institutional investors from Germany, Canada, Luxembourg, Ireland, Italy, Sweden, Belgium and Austria filed a complaint against Vivendi with the Paris Commercial Court seeking to obtain damages for losses they allegedly incurred as a result of four financial communications issued by Vivendi in October and December 2000, September 2001 and April 2002. Subsequently, on April 5 and April 23, 2012, two similar complaints were filed against Vivendi: the first one by a US pension fund, the Public Employee Retirement System of Idaho, and the other by six German and British institutional investors. Lastly, on August 8, 2012, the British Columbia Investment Management Corporation also filed a complaint against Vivendi based on the same grounds. On January 7, 2015, the Paris Commercial Court appointed an independent court officer responsible for verifying the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of securities. The latter completed his work in the first half of 2018 and proceedings on the merits are currently underway. Oral arguments are expected to be heard in the first half of 2021.

California State Teachers Retirement System *et al.* against Vivendi

On April 27, 2012, 67 institutional foreign investors filed a complaint against Vivendi before the Paris Commercial Court seeking damages for losses they allegedly incurred as a result of the financial communications made by Vivendi between 2000 and 2002. On June 7 and September 5 and 6, 2012, 26 new plaintiffs joined these proceedings. In November 2012 and March 2014, 12 plaintiffs withdrew from these proceedings. On January 7, 2015, the Paris Commercial Court appointed an independent court officer responsible for verifying the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of securities. The latter completed his work in the first half of 2018 and proceedings on the merits are currently underway. Oral arguments are expected to be heard in the first half of 2021.

Mediaset against Vivendi

On April 8, 2016, Vivendi and Mediaset entered into a strategic partnership agreement pursuant to which the parties agreed to swap a 3.5% interest in Vivendi in exchange for a 3.5% interest in Mediaset and 100% of the share capital of the pay-TV company Mediaset Premium, a subsidiary of Mediaset.

Vivendi's purchase of Mediaset Premium was based on financial assumptions delivered by Mediaset to Vivendi in March 2016, which raised various questions within Vivendi that were addressed to Mediaset. As contractually agreed under the agreement dated April 8, 2016, a due diligence review was subsequently conducted (which was made on behalf of Vivendi by the advisory firm Deloitte). It became apparent from this audit and from Vivendi's analyses that the numbers provided by Mediaset prior to signing the agreement were not realistic and were founded on an artificially-inflated base.

Although Vivendi and Mediaset had been in discussions in an effort to find an alternative transaction structure to the April 8, 2016 agreement, on July 26, 2016, Mediaset terminated these discussions by publicly rejecting the proposal Vivendi had submitted to it. This proposal consisted of a swap of 3.5% of Vivendi's share capital in exchange for 20% of Mediaset Premium's share capital and 3.5% of Mediaset's share capital and, for the balance, the issuance by Mediaset to Vivendi of bonds convertible into Mediaset shares.

Subsequently, in August 2016, Mediaset together with its affiliate RTI, and Fininvest, Mediaset's majority shareholder, each filed a complaint against Vivendi before the Milan Civil Court seeking to obtain specific performance of the April 8, 2016 agreement and the related shareholders' agreement as well as compensation for alleged damages. In particular, the plaintiffs claim that Vivendi did not file its notification to the European Commission with respect to the transaction and thus prevented the last condition precedent to the completion of the transaction from being satisfied. Vivendi considers that despite its timely completion of the prenotification process with the Commission, the Commission would not have accepted a formal filing while the parties were discussing their differences.

At the first hearing held in the case, the judge enjoined the parties to come closer to try to reach an amicable resolution of their dispute. To this end, on May 3, 2017, the parties began mediation proceedings before the Chamber of National and International Arbitration of Milan.

Despite this mediation, on June 9, 2017, Mediaset, RTI and Fininvest filed a further complaint against Vivendi seeking damages totaling €2 billion for Mediaset and RTI, and €1 billion for Fininvest, in connection with Vivendi's acquisition of Mediaset shares at the end of 2016. According to the plaintiffs, who unsuccessfully requested that this action be consolidated with the first two, these acquisitions were made in breach of the April 8, 2016 agreement and of Italian media regulations and constitutive of unfair competition. In addition, the complaint included a demand that Vivendi be required to divest the Mediaset shares that were allegedly purchased in breach of applicable law and the April 8, 2016 agreement. Lastly, the plaintiffs requested that, pending such divestiture, Vivendi be enjoined from exercising its rights (including voting rights) on such Mediaset shares.

On February 27, 2018, the Court noted the termination of the mediation proceedings. During a hearing held on December 4, 2018, Fininvest, RTI and Mediaset dropped, in respect of their first complaint, their claim to specific performance of the April 8, 2016 agreement, while pursuing their claim for compensation for alleged damages, in the amount of up to (i) €720 million for Mediaset and RTI, for non-performance of the April 8, 2016 agreement, and (ii) € 1.3 billion for Fininvest, for non-performance of the above-mentioned shareholders' agreement, for the loss resulting from the change in the Mediaset share price between July 26 and August 2, 2016 and various damages relating to the alleged illegal acquisition of Mediaset shares by Vivendi at the end of 2016. Fininvest is also seeking damages for an amount to be determined by the Court for damages to its decision-making process and image.

At a hearing held on March 12, 2019, Vivendi requested that the Court suspend part of the proceedings pending the ruling of the Court of Justice of the European Union on the analysis of the compatibility of the Italian law on the protection of media pluralism (the "TUSMAR") with the Treaty on the Functioning of the European Union, which suspension was granted. The proceedings resumed following the decision of the Court of Justice of the European Union dated September 3, 2020 (see below), and a final discussion hearing was held before the Court of Milan on February 11, 2021, during which the parties presented their arguments. At the end of this hearing, the Court's decision was reserved. It is expected to be rendered in the first half of 2021.

Other proceedings related to Vivendi's entry into the share capital of Mediaset

Following Vivendi's entry into the share capital of Mediaset by means of open market purchases of shares during the months of November and December 2016, culminating in a 28.80% shareholding, Fininvest stated that it had filed a complaint for market manipulation with the Milan public prosecutor's office and the Consob, the Italian financial markets regulator. As a result of this complaint, on December 11, 2020, the former Chairman of Vivendi's Supervisory Board and the Chairman of Vivendi's Management Board were notified of the "end of a preliminary investigation".

In addition, on December 21, 2016, the AGCOM, the Italian communications authority, opened an investigation into the compatibility between the increase in Vivendi's holdings in Mediaset's share capital and its position as shareholder of Telecom Italia under Italian media regulations.

On April 18, 2017, the AGCOM issued a decision in which it determined that Vivendi was not compliant with the regulations. Vivendi, which had 12 months to become compliant, appealed against this decision to the Regional Administrative Court of Lazio. Pending the decision on this appeal, the AGCOM acknowledged Vivendi's proposed action plan setting out how it would comply with the decision. On April 9, 2018, in compliance with the undertakings given to the AGCOM, Vivendi transferred the portion of its shareholding in excess of 10% of Mediaset's voting rights to an independent trustee, Simon Fiduciaria SpA. On November 5, 2018, the Regional Administrative Court of Lazio decided to suspend its decision and referred to the European Court of Justice the analysis of the compatibility of the Italian rule under Article 43 of the TUSMAR, as applied by AGCOM, with the free movement principle enshrined in the Treaty on the Functioning of the European Union. On September 3, 2020, the Court of Justice of the European Union ruled that the Italian regulations on the protection of media pluralism were contrary to EU law. Following this decision, on December 23, 2020, the Regional Administrative Court of Lazio annulled the above-mentioned AGCOM decision of April 18, 2017. On January 22, 2021, Mediaset appealed against this decision.

Prior to these latest developments, on December 11, 2020, AGCOM announced the opening of a new investigation against Vivendi, based on a provision (the "Salva Mediaset" amendment) passed by the Italian Parliament as part of the approval, in early December 2020, of emergency measures related to the health crisis. On the same day, Vivendi filed a complaint with the European Commission against this provision. On February 2, 2021, Vivendi challenged the opening of this investigation before the Regional Administrative Court of Lazio.

Proceedings related to the change in Mediaset's corporate structure

On July 2, 2019, Vivendi filed a complaint against Mediaset and Fininvest before the Milan Civil Court requesting the Court to (i) annul the resolution of the Mediaset Board of Directors adopted on April 18, 2019, preventing Vivendi from exercising the voting rights associated with the shares not transferred to Simon Fiduciaria following the AGCOM's decision of April 18, 2017 (representing 9.61% of the share capital and 9.9% of the voting rights) at Mediaset's Extraordinary General Shareholders' Meeting held on April 18, 2019, and (ii) annul the resolution adopted by that meeting approving the implementation of a double voting rights system for shareholders who have held their shares for at least two years and who request such rights.

On June 7, 2019, Mediaset announced a plan to create MediaforEurope (MFE), a Netherlands-based holding company that would result from the merger of Mediaset SpA and Mediaset España. On September 4, 2019, the merger plan was approved by the Shareholders' Meetings of the Italian and Spanish companies, and then re-approved (due to the appeals filed by Vivendi) by the Shareholders' Meetings of Mediaset SpA and Mediaset España on January 10 and February 5, 2020, respectively. At both of the meetings held in Italy, Simon Fiduciaria was deprived of its voting rights by Mediaset's Board of Directors and Vivendi initiated legal proceedings in Spain, Italy and the Netherlands:

- On September 16, 2019, Vivendi brought summary proceedings before the Madrid Commercial Court requesting the suspension of the resolution authorizing the creation of MFE adopted by Mediaset España's General Shareholders' Meeting of September 4, 2019, and brought proceedings on the merits to annul the resolution. In a decision issued on October 10, 2019, the Madrid Commercial Court granted Vivendi's request for summary judgment, a decision which Mediaset appealed. On February 14, 2020, the Madrid Court of Appeal (Audiencia Provincial de Madrid) dismissed the appeal filed by Mediaset España against the October 10, 2019 decision.

  On March 5, 2020, Mediaset España requested the suspension of the effects of this decision after Mediaset España's General Shareholders' Meeting of February 5, 2020, which, like Mediaset SpA's General Shareholders' Meeting of January 10, 2020, approved Mediaset's proposed amendment to MFE's by-laws. In addition, on April 30, 2020, Vivendi brought new summary proceedings on the merits against the resolution adopted by Mediaset España's General Shareholders' Meeting of February 5, 2020. On June 12, 2020, the Madrid Commercial Court decided to join the two proceedings brought by Vivendi against Mediaset España on September 16, 2019 and April 30, 2020. On July 30, 2020, the Court issued a ruling in which it confirmed the suspension of the proposed merger.

- On October 1, 2019, Vivendi filed a motion on the merits with the Court of Milan seeking the annulment of the resolution authorizing the creation of MFE adopted by Mediaset SpA's Shareholders' Meeting of September 4, 2019, which resolution was suspended following an interlocutory action brought in parallel by Vivendi on October 15, 2019. Following the amendments made to MFE's by-laws proposed by Mediaset's Board of Directors and approved by the Shareholders' Meeting of January 10, 2020, Vivendi again filed a motion for summary judgment on the merits with the Court of Milan. In a decision issued on February 3, 2020, the Court of Milan denied Vivendi's request for suspension of the planned merger. On June 19, 2020, Vivendi's appeal was dismissed. The proceedings on the merits are continuing before the Court of Milan. The Court could render its decision in the first half of 2022.
- On October 29, 2019, Vivendi initiated proceedings on the merits before the District Court of Amsterdam seeking an injunction to prohibit Mediaset Investment NV (the future MFE) from amending its by-laws by including certain provisions which, according to Vivendi, infringe upon the rights of minority shareholders.

  On January 20, 2020, Vivendi also filed an interlocutory action before the Amsterdam Court to prohibit the proposed merger. On February 26, 2020, the Amsterdam Court dismissed Vivendi's request for summary judgment, a decision that Vivendi appealed on March 25, 2020. A hearing was held before the Amsterdam Court of Appeal on July 24, 2020. On September 1, 2020, the Amsterdam Court of Appeal ruled in favor of Vivendi, prohibiting the proposed merger of Mediaset. Following this ruling, Mediaset announced that it had abandoned its merger plans.

Telecom Italia

On August 5, 2017, the Italian Government informed Vivendi that it was opening a formal investigation into whether certain provisions of Law Decree no. 21 of March 15, 2012 on special powers of the Italian Government relative to the defense and national security sectors (Article 1) and to activities of strategic importance in the fields of energy, transport and communications (Article 2), had been respected by Telecom Italia and Vivendi. Vivendi considered the provisions of that decree inapplicable to Vivendi. In particular, (i) Article 1, concerning the defense and national security sectors had never been hitherto declared and communicated to the market given the nature of the activities carried out by Telecom Italia, and (ii) Article 2, which relates to the energy, transport and communications sectors, does not apply to Vivendi since it refers to purchases of significant shareholdings made by non-European entities.

Additionally, and in the same timeframe as the above-mentioned investigation, on September 13, 2017, the Consob declared that Vivendi exercises de facto control over Telecom Italia. Vivendi and Telecom Italia formally contest this position and appealed to the Lazio Regional Administrative Court. On April 17, 2019, the Lazio Regional Administrative Court dismissed the appeal brought by Telecom Italia and Vivendi, each of which filed an appeal with the Italian Council of State on July 16 and 17, 2019, respectively. On December 14, 2020, the Italian Council of State ruled in favor of Vivendi and Telecom Italia.

On September 28, 2017, the Presidency of the Council of Ministers declared that (i) the notification made by Vivendi under Article 1 of the aforementioned legislative decree as a precautionary measure was made late and (ii) Telecom Italia had not made a notification under Article 2 of the decree following a change of control over its assets that are of strategic importance in the fields of energy, transport and communications. Therefore, the Presidency of the Council of Ministers launched proceedings against Telecom Italia for failing to make the required notification under Article 2 of the same legislative decree. Vivendi and Telecom Italia have appealed this finding.

Furthermore, by a decree dated October 16, 2017, the Italian Government decided to exercise the special powers laid down in Article 1 of the 2012 legislative decree, relative to the defense and national security sectors. This decree imposes a number of organizational and governance measures on Vivendi and Telecom Italia and its two subsidiaries, Telecom Italia Sparkle SpA ("Sparkle") and Telsy Elettronica e Telecomunicazioni SpA ("Telsy"). In particular, Telecom Italia, Sparkle and Telsy must have a division in charge of supervising all activities related to defense and national security, which is fully autonomous and endowed with human and financial resources sufficient to guarantee its independence, and to appoint to their governing bodies a member who is an Italian citizen, who is approved by the Italian Government and who has security clearance. It also requires the establishment of a supervisory committee under the auspices of the Council of Ministers *(Comitato di monitoraggio)* to monitor compliance with these obligations. On February 13, 2018, Vivendi and Telecom Italia filed an appeal against this decree with the Italian Presidency of the Council of Ministers. This appeal was dismissed on November 13, 2019.

In addition, by a decree dated November 2, 2017, the Italian Government decided to implement the special powers conferred by Article 2 of the 2012 legislative decree, relative to the fields of energy, transport and communications. This decree imposes on Telecom Italia the obligation to implement development, investment and maintenance plans for its networks to guarantee their operation and security, to provide universal service, and, more generally, to satisfy public interest in the medium and long term, under the control of the *Comitato di monitoraggio,* who must be notified of any reorganization of the Telecom Italia group's holdings or any project having an impact on the security, availability and operation of the networks. On March 2, 2018, Vivendi and Telecom Italia filed an appeal against this decree with the Italian Presidency of the Council of Ministers.

Finally, by a decree dated May 8, 2018, the Italian Government imposed an administrative fine of €74 million on Telecom Italia for failure to comply with its information obligations (failure to notify under Article 2 of Law Decree No. 21 of March 15, 2012, see above). On July 5, 2018, the Regional Administrative Court of Lazio suspended the enforcement of such fine.

Vivendi and Amber Capital against Lagardère

On August 11, 2020, Vivendi and Amber Capital, respectively the largest and second-largest shareholders of Lagardère SCA with, at the time, 23.5% and 20% of Lagardère's share capital, entered into an agreement pursuant to which they sought minority representation on Lagardère's Supervisory Board with three members for Amber Capital and one member for Vivendi.

Following the refusal of the Supervisory Board and the Managing Partners of Lagardère to call an extraordinary general shareholders' meeting to propose the appointment of these new board members, on September 7, 2020, Vivendi and Amber Capital filed an application for injunctive relief with the Paris Commercial Court. On October 14, 2020, the Paris Commercial Court dismissed Vivendi and Amber Capital's request to convene an extraordinary general meeting of Lagardère's shareholders. On October 19, 2020, Vivendi appealed against this decision. On December 17, 2020, the Paris Court of Appeal upheld the lower court's decision.

Parabole Réunion

In July 2007, Parabole Réunion filed legal proceedings before the Paris Tribunal of First Instance following the termination of its rights to exclusively distribute the TPS channels in Reunion Island, Mayotte, Madagascar and Mauritius and the deterioration of the quality of channels made available to it. Pursuant to a decision dated September 18, 2007, Canal+ Group was prohibited, subject to being fined, from allowing third parties to broadcast these channels (or replacement channels substituted for these channels) and was ordered to replace the TPS Foot channel in the event it was dropped. Canal+ Group appealed this decision. In a ruling dated June 19, 2008, the Paris Court of Appeal partially overturned the decision and stated that these replacement channels were not to be granted exclusively if the channels had not been made available to third parties prior to the merger with TPS. Parabole Réunion was unsuccessful in its claims concerning the content of the channels in question. On November 10, 2009, the French Supreme Court dismissed the appeal brought by Parabole Réunion.

On September 24, 2012, Parabole Réunion filed a claim against Canal+ France, Canal+ Group and Canal+ Distribution before the enforcement magistrate of the Nanterre Court of First Instance seeking enforcement of the fine imposed by the Paris Tribunal of First Instance and confirmed by the Court of Appeal. On November 6, 2012, Parabole Réunion expanded its claim to cover the TPS Star, Cinecinema Classic, Cult and Star channels. On April 9, 2013, the enforcement magistrate partially dismissed Parabole Réunion's claim and declared the rest inadmissible. He noted that Canal+ Group had no legal obligation with respect to the content or the maintenance of programming on channels made available to Parabole Réunion and held, after noting that the TPS Foot channel was still being produced, that there was no need to replace this channel. On April 11, 2013, Parabole Réunion filed a first appeal against this decision. On May 22, 2014, the Versailles Court of Appeal declared this appeal inadmissible due to Parabole Réunion's lack of representative capacity. On February 14, 2014, Parabole Réunion filed an appeal on points of law and filed a second appeal against the April 9, 2013 decision. On April 9, 2015, the French Supreme Court overturned the May 22, 2014 decision of the Versailles Court of Appeal in which the appeal filed by Parabole Réunion on April 11, 2013 was declared inadmissible. The case was remanded to the Paris Court of Appeal which, on May 12, 2016, upheld the decision of the Court of First Instance and dismissed all of Parabole Réunion's claims. In a decision issued on September 28, 2017, the French Supreme Court dismissed Parabole Réunion's appeal against the decision of the Paris Court of Appeal.

Concomitantly, on August 11, 2009, Parabole Réunion filed a complaint against Canal+ Group before the Paris Tribunal of First Instance, requesting that the Tribunal order Canal+ Group to (i) make available a channel with a level of attractiveness similar to that of TPS Foot in 2006 and (ii) pay damages. On April 26, 2012, Parabole Réunion also filed a complaint against Canal+ France, Canal+ Group and Canal+ Distribution before the Paris Tribunal of First Instance requesting the Tribunal to acknowledge the failure of the companies of the group to fulfill their contractual obligations to Parabole Réunion and their commitments to the Ministry of Economy. These two legal proceedings were consolidated into a single proceeding. On April 29, 2014, the Paris Tribunal of First Instance partially recognized the admissibility of Parabole Réunion's claim with respect to the period following June 19, 2008 and recognized the contractual liability of Canal+ Group due to the deterioration of the quality of channels made available to Parabole Réunion. The Tribunal also ordered an expert report on the damages suffered by Parabole Réunion, rejecting the assessment provided by Parabole Réunion.

On June 3, 2016, the Paris Court of Appeal upheld the April 29, 2014 decision of the Paris Tribunal of First Instance. Canal+ Group filed an appeal against this decision with the French Supreme Court, which was dismissed on January 31, 2018.

In an order issued on October 25, 2016, the Pre-Trial Judge held that the April 29, 2014 decision, in which Canal+ Group was ordered to compensate Parabole Réunion, established in principle a debt of Canal+ Group, even if the assessment of its amount was still to be finalized. The Judge ordered Canal+ Group to make an advance payment of €4 million. On January 17, 2017, the Paris Tribunal of First Instance ordered Canal+ Group to pay the sum of €37,720,000, with provisional enforceability. On February 23, 2017, Parabole Réunion appealed against this decision to the Paris Court of Appeal. On July 20, 2017, Canal+ Group filed its response to the appeal and a cross-appeal. Due to the failure of Parabole Réunion group to file its response within the time period prescribed by law, on December 8, 2017, Canal+ Group filed a motion raising the failure to meet such deadline and, consequently, seeking to invalidate the expertise ordered on October 12, 2017 (see below). On June 7, 2018, the Pre-Trial Judge of the Paris Court of Appeal issued an order dismissing the request for invalidation of the expertise underway. Canal+ Group lodged a petition for review against this order, which it withdrew in October 2018, noting the progress of the expertise.

On May 29, 2017, Parabole Réunion raised an incidental question in order to have the court appoint an additional expert to assess the loss in value of its business. On October 12, 2017, the Pre-Trial Judge of the Paris Court of Appeal granted this request and a judicial expert was appointed. On December 17, 2018, Parabole Réunion raised a new incidental question before the Pre-Trial Judge of the Paris Court of Appeal in order to have the court clarify the mission of the judicial expert, who had halted his work. In an order issued on April 4, 2019, the Pre-Trial Magistrate of the Paris Court of Appeal decided that the judicial expert would formulate a hypothetical estimate of damages for the loss in value of the business based on the number of subscribers proposed by Parabole Réunion (i.e., 40,000), with the judicial expert specifying, if appropriate, whether the loss in value of the business resulted from the loss of 40,000 subscribers and/or potential new subscribers attributable to Canal+ Group. However, the Pre-Trial Magistrate (i) rejected Parabole Réunion's request to include in the judicial expert's additional work the assumption that the 40,000 subscribers referred to above had generated a certain EBIT margin and (ii) ordered Parabole Réunion to bear the costs of the incidental procedure. The judicial expert resumed his work in mid-April 2019. On May 19, 2020, Parabole Réunion filed a request with the Pre-Trial Judge of the Paris Court of Appeal to replace the judicial expert. In an order dated May 28, 2020, this request was rejected. On May 29, 2020, Parabole Réunion filed a new motion requesting that this order be set aside. This motion was rejected on November 26, 2020. On January 15, 2021, the judicial expert filed his final report.

Canal+ Group against TF1, M6 and France Télévisions

On December 9, 2013, Canal+ Group filed a complaint with the French Competition Authority against the practices of the TF1, M6 and France Télévisions groups in the French-language film market. Canal+ Group claims that the defendants added certain pre-emption rights to co-production contracts aimed at restricting competition. On February 23, 2018, the French Competition Authority served a notification of grievances on France Télévision, TF1 and M6. On February 13, 2019, the case was reviewed by the French Competition Authority, which, on May 25, 2019, rendered a decision dismissing the case. On July 2, 2019, Canal+ Group appealed against this decision and its appeal was rejected on October 8, 2020. On October 29, 2020, Canal+ Group filed an appeal before the French Supreme Court.

Touche Pas à Mon Poste

On June 7, 2017, the French Broadcasting Authority *(Conseil supérieur de l'audiovisuel)* (the "CSA") decided to sanction C8 for a sequence broadcast on the show TPMP on December 7, 2016. The CSA considered that this sequence, in which the presenter of the show, Cyril Hanouna, and one of its columnists, Capucine Anav, are seen engaging in a game on set during an "off" sequence, undermined the image of women. The sanction consisted of the suspension of advertising broadcasts during the show, *Touche Pas à Mon Poste* and its rebroadcasts, as well as during the fifteen minutes before and the fifteen minutes after its broadcast, for a period of two weeks.

On the same date, the CSA sanctioned C8 for another sequence broadcast on the show *TPMP! La grande Rassrah* on November 3, 2016. The CSA considered that this new sequence, the filming by hidden camera of Matthieu Delormeau, a columnist for the show, violated his dignity. This sanction consisted of the suspension of advertising broadcasts during the show, *Touche Pas à Mon Poste* and its rebroadcasts, as well as during the fifteen minutes before and the 15 minutes after its broadcast, for a period of one week.

On July 3, 2017, following the two decisions of the CSA, C8 filed two actions for annulment with the French Council of State *(Conseil d'État)*. On July 4, 2017, C8 filed two claims for compensation with the CSA, which were tacitly rejected. On November 2, 2017, C8 appealed against each of these to the Council of State. On June 18, 2018, the Council of State dismissed C8's action for annulment of the CSA's first decision, but granted the second action, overturning the CSA's second decision. The Council of State's decision to dismiss C8's action for annulment of the CSA's first decision is the subject of an appeal pending before the European Court of Human Rights, filed in December 2018. On November 13, 2019, the Council of State rejected the first claim for compensation but upheld the second, ordering the CSA to pay €1.1 million to C8 in compensation for the loss of a week's worth of advertising on its airwaves.

On July 26, 2017, the CSA decided to sanction C8 for a sequence broadcast on the show *TPMP Baba hot line* on May 18, 2017, considering that the channel violated the principle of respect for privacy and its obligation to combat discrimination, and imposed a monetary fine of €3 million. Following this decision, on September 22, 2017, C8 filed an action for annulment before the Council of State, which was dismissed on June 18, 2018. This decision is the subject of an appeal pending before the European Court of Human Rights, filed in December 2018. In addition, C8 filed a claim for compensation with the CSA, whose implicit rejection of it was challenged before the Council of State on January 25, 2018. On September 7, 2018, C8 withdrew its claim for compensation. In connection with the same case, on February 18, 2019, Canal+ Group sent a letter to the CSA requesting the cancellation of the aforementioned €3 million fine in light of the November 2018 statements made by a representative of the French association, Le Refuge, explaining that it had not received a complaint from an alleged victim of the hoax, contrary to its initial statements. On April 5, 2019, this request was rejected. An appeal against this decision was filed with the Council of State on June 5, 2019. The appeal was rejected on September 28, 2020.

Finally, on May 6, 2020, the Independent Rapporteur, upon referral by the Director General of the CSA, commenced sanction proceedings against C8 and served a notification of grievances against the channel. The facts that may lead to a sanction relate to sequences from the *La grande Darka* and *Touche pas à Mon Poste* shows broadcast in September 2019, which could be considered surreptitious advertising.

On October 19, 2020, the Independent Rapporteur submitted his report in which he recommended imposing a fine of €50,000. Following the channel's hearing held at the CSA on January 20, 2021, the CSA decided not to impose a sanction but to simply issue a formal notice to the channel requesting it to comply with the sponsorship rules.

Rovi Guides, Inc. against Canal+ Group

In December 2017, Rovi Guides filed a request for mediation before the International Chamber of Commerce for the breach by Canal+ Group of an electronic program guide license agreement entered into in 2008 and for the non-payment of royalties related thereto between January 1, 2016 and June 30, 2017.

The mediation terminated without an agreement and, on June 1, 2018, Rovi Guides filed a request for arbitration. On July 8, 2020, the International Court of Arbitration of the International Chamber of Commerce issued its decision in which it found, *inter alia*, that Canal+ Group had not breached its contractual obligations by failing to disclose and pay for the initial activation of TNTSat set-top boxes. However, Canal+ Group was ordered to pay certain unpaid royalties and ancillary amounts for an insignificant amount.

Harry Shearer and Century of Progress Productions against Studiocanal, Universal Music Group and Vivendi

A complaint was filed in California federal court against Studiocanal and Vivendi by Harry Shearer, through his company Century of Progress Productions, in his capacity as a creator, actor and composer of the film "This Is Spinal Tap", an American film produced and financed in 1984 by Embassy Pictures (Studiocanal is the successor to Embassy's rights). Mr. Shearer sought damages for breach of contractual obligations to provide operating accounts, fraud, and failure to use the film's trademark, and also sought attribution of the trademark. On February 8, 2017, four new plaintiffs, co-creators of the film, joined the proceedings. On February 28, 2017, in response to the complaint, the defendants filed a motion to dismiss, in which they asked the Court to declare the claims of the new plaintiffs to be inadmissible and to deny the claim for fraud. On September 28, 2017, the Court issued its decision. With respect to inadmissibility, it dismissed the claims of three of the four co-creators as well as the fraud claim but gave permission to the plaintiffs to file amended complaints in their individual capacities as well as to supplement their fraud claim. On October 19, 2017, a new complaint (the "Second Amended Complaint") was filed, which reintroduced the claims of three plaintiffs previously found to be inadmissible and added Universal Music Group (UMG) as a plaintiff. On December 21, 2017, UMG and Studiocanal each filed a motion to dismiss in response. By decision of August 28, 2018, the Court denied Studiocanal's motion to dismiss the plaintiffs' fraud claim. While the Court did not recognize the existence of fraud, it left open the possibility for the plaintiffs to prove it in the subsequent proceedings on the merits and granted some of UMG's motions but with leave for the plaintiffs to file an amended complaint with respect to these claims. The Court also denied UMG's motion to dismiss the plaintiffs' application for declaratory relief to terminate and recover from UMG the copyrights in the sound recordings from the motion picture in the United States. On September 18, 2018, the plaintiffs filed their new complaint (the "Third Amended Complaint"). In parallel, the parties decided to enter into a first round of mediation which did not result in a settlement in the case of Studiocanal and Vivendi. However, the plaintiffs and Studiocanal have agreed to begin an audit of the operating accounts sent to the plaintiffs to determine whether they contained any accounting irregularities.

On October 24, 2019, UMG and the plaintiffs entered into an agreement under which the film's soundtrack will continue to be distributed by UMG, and payment of all royalties will be made exclusively and directly to the plaintiffs by UMG. Following a hearing on January 24, 2020, the Court imposed mediation on the parties who remained in the proceedings. On December 15, 2020, the parties entered into a Memorandum of Understanding, putting a definitive end to the case.

Investigation by the Departmental Directorate for the Protection of Populations in the Hauts-de-Seine

On April 20, 2018, the Departmental Directorate for the Protection of the Populations of the Hauts-de-Seine (*Direction départementale de la protection des populations des Hauts-de-Seine* – DDPP92) ordered Canal+ Group to stop providing enhanced offers to its subscribers during the term of their contract, a practice which the Court described as selling without prior order. On June 19, 2018, Canal+ Group filed a notice of appeal with the French Minister of the Economy, which was rejected on August 9, 2018. On October 5, 2018, Canal+ Group filed an appeal with the Administrative Court of Cergy-Pontoise.

In parallel, the DDPP92 informed Canal+ Group that it had referred the case to the Public Prosecutor's Office of Nanterre and, in relation to this, sent it a note stating that it considered that Canal+ Group had committed the offense of the forced sale of services, punishable under the provisions of the French Consumer Code (*Code de la consommation*).

On July 8, 2020, a hearing before the Nanterre Judicial Court was held to approve a plea agreement between Canal+ Group and the Deputy Public Prosecutor of the Public Prosecutor's Office of Nanterre, pursuant to which Canal+ Group paid a fine, thereby bringing this case to an end.

Canal+ Group against Mediapro

On September 18, 2020, Canal+ Group filed a complaint against Mediapro before the Nanterre Commercial Court for unequal treatment and discriminatory practices in the context of discussions that had taken place between the two companies regarding the distribution of the Telefoot channel, which has been discontinued. On October 2, 2020, the Nanterre Commercial Court referred the case to the Paris Commercial Court. On November 20, 2020, Mediapro filed a complaint against Canal+ Group before the Paris Commercial Court, requesting the Court to rule that Canal+ Group (i) abused its dominant position in the channel distribution market by unfairly discriminating against Mediapro and (ii) made disparaging statements constituting unfair competition. The two cases were joined at a hearing on February 8, 2021.

Canal+ Group against the French Professional Football League

On July 4, 2019, following the cancellation between December 2018 and April 2019 of a number of Ligue 1 matches due to the "Yellow Vest" protests in France with their postponement having been decided by the French Professional Football League *(Ligue de football professionnel* – LFP) unilaterally, Canal+ Group filed a complaint against the LFP seeking damages for the loss suffered as a result of these postponements. Canal+ Group considers that, having acquired, at the time of the call for tenders for the periods 2016-2017 to 2019-2020, the broadcasting rights to matches and magazines for the identified time slots, the LFP infringed the rights acquired following the call for tenders. Canal+ Group is seeking €46 million in damages. During a hearing held on November 25, 2019, the LFP requested the dismissal of Canal+ Group's claims and raised a counterclaim requesting that the Canal+ Group be ordered to pay damages for the prejudice allegedly caused to it by the publicity surrounding these proceedings. Oral arguments are scheduled to be heard on March 29, 2021.

On January 22, 2021, Canal+ Group brought summary proceedings against the LFP before the Paris Commercial Court, following the call for tenders launched by the LFP on January 19, 2021 for the sale of the League 1 rights returned by Mediapro, seeking, among other things, the cancellation of the call for tenders and an order requiring the LFP to pay Canal+ Group the difference between the price of lot 3 acquired by it in connection with the 2018 call for tenders and not included in the challenged call for tenders and its actual economic value. On January 29, 2021, Canal+ Group also filed a complaint and a request for protective measures against the LFP before the French Competition Authority, in particular seeking to require the LFP to organize a new call for tenders for all League 1 broadcasting rights. These proceedings are currently underway.

Eurosport against Canal+ Group

On January 13, 2021, Eurosport filed a complaint against Canal+ Group before the Paris Commercial Court, alleging that Canal+ Group had failed to pay certain royalties due to the non-broadcasting of certain sporting events and competitions on Eurosport channels in 2020. Eurosport is seeking (i) the payment of unpaid royalties for the period from mid-March 2020 to mid-May 2020 and (ii) damages for acts of unfair competition.

Proceedings before the Bobigny Labor Court

Several employees of the Canal+ Group telephone call center located in Saint-Denis brought an action against Canal+ Group before the Bobigny Labor Court seeking the annulment of their dismissal on the grounds that the job protection plan implemented in the call center is discriminatory.

Maitena Biraben against Canal+

Maitena Biraben challenged her termination by Canal+ for gross misconduct before the French Labor Court *(Conseil de prud'hommes)*. On September 27, 2018, the French Labor Court rendered its decision, finding that Ms. Biraben's termination was without justified cause. The Court ordered Canal+ to pay total amount of €3,246,456, representing €38,456 in backpay and paid leave, €148,000 in severance pay, €510,000 in damages and €2,550,000 in termination compensation. Canal+ appealed against this judgment.

Thierry Ardisson, Ardis, Télé Paris against C8 and SECP

On September 24, 2019, following the non-renewal of the television programs *les Terriens du samedi* and *les Terriens du Dimanche*, Thierry Ardisson, Ardis and Télé Paris brought an action against C8 and SECP before the Paris Commercial Court for the termination of commercial relations without prior notice. The plaintiffs, alleging a situation of economic dependence, sought an award *in solidum* against C8 and SECP to pay damages to Ardis in the amount of €5,821,680, Télé Paris in the amount of €3,611,429, and Thierry Ardisson in the amount of €1 million. On January 21, 2020, the Court issued a judgment ordering C8 to pay €811,500 to Ardis and €269,333 to Télé Paris. Thierry Ardisson's claim was dismissed and SECP was acquitted. On March 16, 2020, Thierry Ardisson, Ardis and Télé Paris appealed this decision.

Canal+ Group against Technicolor

In December 2016, Canal+ Group and Technicolor entered into an agreement to manufacture and deliver G9 (for mainland France) and G9 Light (for Poland) set-top boxes. In 2017, Technicolor challenged the prices agreed with Canal+ Group and ultimately decided to terminate this agreement at the end of 2017. As a result, Canal+ Group brought summary proceedings against Technicolor before the Nanterre Commercial Court for breach of contract. On December 15, 2017, Canal+ Group's claim was dismissed. However, on December 6, 2018, the Versailles Court of Appeal ruled in its favor, recognizing the wrongful nature of the termination of contract by Technicolor. Technicolor filed an appeal before the French Supreme Court, which was dismissed on June 24, 2020.

In parallel, on September 2, 2019, Canal+ Group filed a complaint before the Paris Commercial Court against Technicolor for breach of its contractual commitments. In its complaint, Canal+ Group alleged that Technicolor failed to deliver the G9 and G9 Light set-top boxes in accordance with the manufacturing and delivery agreements entered into between the two companies. Canal+ Group is seeking reimbursement of additional costs incurred, alternative transportation costs, late payment penalties and the payment of damages. In turn, on October 9, 2019, Technicolor filed a claim for unpaid invoices against Canal+ Group, Canal+ Reunion, Canal+ Antilles and Canal+ Caledonia before the Nanterre Commercial Court. Mediation proceedings are underway.

On December 7, 2020, Technicolor Delivery Technologies filed a claim against Canal+ Polska before the Warsaw District Court seeking payment of invoices and late payment penalties related to G9 Light set-top boxes. The Court has not yet set the procedural timetable.

Canal+ Group against Pace

On November 14, 2019, Canal+ Group filed a complaint before the Paris Commercial Court against Pace, a supplier of G5 satellite and DTT set-top boxes, alleging that a number of malfunctions and defects in the G5 decoders prevent it from offering them to its customers. The total amount of these claims is more than €24 million. In parallel, Pace filed a complaint against Canal+ International, thereby extending the aforementioned proceedings to the latter. The two proceedings are in the progress of being joined.

Soundgarden, Hole, Steve Earle and the estates of Tom Petty and Tupac Shakur against UMG

On June 21, 2019, the groups Soundgarden and Hole, Steve Earle, Tom Petty's ex-wife and Tupac Shakur's estate filed a class action lawsuit against UMG in the Central District Court of California relating to a 2008 fire that allegedly destroyed thousands of archived recordings.

The plaintiffs allege that UMG breached the terms of the contracts with the artists by failing to adequately protect the recordings. It is also argued that the Group should have shared the settlement proceeds received as a result of its negotiations with the insurance companies and NBC Universal. On July 17, 2019, UMG filed a motion to dismiss the lawsuit. On August 16, 2019, the plaintiffs filed an amended complaint removing Hole as a plaintiff, and adding a number of claims. On September 6, 2019, UMG filed a new motion to dismiss. On March 13 and 23, 2020, most of the plaintiffs withdrew from the case, leaving Jane Petty (Tom Petty's ex-wife) as the only remaining plaintiff. On April 6, 2020, the Court granted UMG's motion to dismiss and dismissed Jane Petty's claims.

However, Jane Petty is seeking to pursue the case. On April 16, 2020, she filed an application for class certification and, on April 27, 2020, she filed a second amended complaint. On May 18, 2020, UMG filed a motion to dismiss. The Court has yet to rule on this motion.

John Waite, Syd Straw, The Dickies, Kasim Sulton and The Dream Syndicate against UMG Recordings, Inc.

On February 5, 2019, a class action lawsuit was filed against UMG Recordings, Inc. on behalf of a putative class of all recording artists who had requested the termination of their contracts with UMG pursuant to Section 203 of the Copyright Act which allows, under certain conditions, a creator who has contractually transferred the rights to his or her work to a third party to terminate such contract after 35 years. The complaint seeks to have the Court recognize the termination of the contracts of the artists involved in the litigation and also alleges copyright infringement, as UMG continued to use the recordings after the purported end date of the contract. On May 3, 2019, UMG Recordings filed a motion to dismiss. On June 15, 2019, the plaintiffs filed a First Amended Complaint adding artists Syd Straw, Kasim Sulton and The Dickies as additional plaintiffs. On August 31, 2020, a second Amended Complaint was filed, adding the Dream Syndicate as an additional plaintiff. On September 30, 2020, UMG and Capitol filed a response in which they made a counterclaim against plaintiffs Joe Ely and Syd Straw, alleging that they had exploited certain recordings without authorization. On November 18, 2020, following a settlement reached between UMG and Joe Ely, the Court acknowledged Joe Ely's withdrawal from the proceedings.

UMG Recordings, Inc. and Universal Music Publishing Group (along with the other major labels and publishers) against Cox Communications, Inc. and CoxCom LLC

On July 31, 2018, a complaint for copyright infringement was filed by UMG Recordings, Inc. and Universal Music Publishing Group (along with the other major labels and publishers including Sony and Warner) against Cox Communications, an Internet access and service provider, and its parent company CoxCom, for knowingly inducing and supporting copyright infringement by its customers, contrary to the provisions of the Digital Millennium Copyright Act (DMCA), which requires an Internet service provider to implement a termination policy against its repeat infringing customers. At the end of the trial, which took place in December 2019, the jury awarded the plaintiffs $1 billion in damages. Cox filed a motion seeking to reduce the amount of damages awarded to the plaintiffs. On January 21, 2021, the motion was dismissed, and the judge upheld the jury's verdict in the amount of $1 billion. Cox has indicated that it will appeal against this decision and has posted security to stay the execution of the judgment pending the appeal.

Investigation by US federal prosecutors into business practices in the advertising industry

On June 11, 2018, Havas received a subpoena for documents relating to one of its Spanish subsidiaries, Havas Media Alliance WWSL. These documents have been provided to the relevant US authorities. This request by the federal prosecutors appears to relate to business practices involving discounts and rebates. At this stage, Havas is not a party to any proceedings and is not being interviewed.

Investigation into the services provided by Havas Paris to Business France

On February 7, 2019, Havas Paris, a subsidiary of Havas SA, was indicted for having benefited from favoritism in an amount of €379,319. This indictment was brought in the context of a judicial investigation opened by the Paris Public Prosecutor's Office for the offence of favoritism allegedly committed by Business France when it organized a communication event which it entrusted to Havas Paris. Havas Paris denies the claims against it and has appealed against this decision.

Glass Egg against Gameloft Inc., Gameloft SE, Gameloft Iberica and Vivendi

On August 23, 2017, Glass Egg, a company specializing in the design of 3D cars for use in video games, sued Gameloft Inc., Gameloft SE, Gameloft Iberica and Vivendi in the US District Court for the Northern District of California. It is seeking damages for copyright infringement, unfair competition and misappropriation of trade secrets. The Court allowed the plaintiff to amend its initial complaint three times. On September 17, 2018, Gameloft Inc. responded to Glass Egg's fourth amended complaint, denying all its claims. Discovery is ongoing. In addition, in an order dated February 12, 2018, the Court determined that it had no jurisdiction over Gameloft Iberica and Vivendi SA. The admissibility of the complaint against Gameloft SE remains challenged and the Court has ordered limited discovery to determine whether it has jurisdiction.

Swiss Competition Commission against Interforum Suisse

On March 13, 2008, following a complaint lodged by local booksellers, the Secretariat of the Swiss Competition Commission (COMCO) opened an investigation into distributors of French-language books operating in Switzerland, including Interforum Suisse.

On May 27, 2013, COMCO imposed a fine of CHF 3,792,720 on Interforum Suisse, considering that Interforum Suisse was a party to unlawful market-partitioning agreements. On July 12, 2013, Interforum Suisse filed an appeal with the Swiss Federal Administrative Court (TAF) challenging this decision.

On October 30, 2019, the appeal was dismissed and the amount of the fine imposed by the COMCO was confirmed. On January 13, 2020, Interforum Suisse filed an appeal before the Swiss Federal Supreme Court and requested a suspension of the provisional enforcement of the TAF's decision, which it was granted on January 31, 2020.

Hachette Livre and Biblio Participations against Editis, BSA and Beccaria consorts

On May 13, 2020, Editis Holding acquired a 49% minority interest in Groupe Margot, composed of the L'Iconoclaste and Les Arènes publishing houses and the distribution subsidiary Rue Jacob Diffusion. Prior to the acquisition of this interest, the group had been reorganized to simplify its organizational structure, including the creation of a holding company. Since 2014, Hachette has been responsible for the diffusion and distribution activities of Groupe Margot, and Hachette was granted pre-emptive rights on certain transfers of control of Groupe Margot companies. Following Editis's acquisition of an interest in the group, Groupe Margot terminated its broadcasting and distribution contract with Hachette to entrust distribution to Interforum as of January 1, 2021. In September 2020, Hachette brought a joint and several action against the sellers and Editis before the Paris Commercial Court seeking (i) the annulment of the reorganization transactions that made it possible for Editis to acquire an interest in Groupe Margot, and (ii) an order to pay €4.4 million in damages for the unlawful termination of the diffusion and distribution contract as well as damage to its image caused by the way in which the group communicated on the termination.

Reti Televisive Italiane (RTI) against Dailymotion

Since 2012, several legal actions have been filed by RTI, a subsidiary of Mediaset, against Dailymotion before the Civil Court of Rome. Similar to claims it has made against other major online video platforms, RTI is seeking damages for infringement of its neighboring rights (audiovisual production and broadcasting rights) and unfair competition as well as the removal of the contested content from the Dailymotion platform.

In one of these cases, on July 15, 2019, following a complaint filed on April 12, 2012, the Civil Court of Rome ordered Dailymotion to pay €5.5 million in damages to RTI and to remove the videos in question under penalty of fine. On September 11, 2019, Dailymotion appealed the decision to the Rome Court of Appeal and filed an application for a suspension of the provisional execution of the decision, which was granted on October 31, 2019.

In another proceeding, following a claim dated September 28, 2015, the Civil Court of Rome, on January 10, 2021, ordered Dailymotion to pay €22 million in damages to RTI and to withdraw the videos in question or be subject to a fine. Dailymotion intends to appeal against the decision before the Court of Appeal of Rome and file a request for the suspension of the provisional execution of the decision.

NOTE 26. MAJOR CONSOLIDATED ENTITIES OR ENTITIES ACCOUNTED FOR UNDER THE EQUITY METHOD

As of December 31, 2020, approximately 1,200 entities were consolidated or accounted for under the equity method (compared to approximately 1,185 entities as of December 31, 2019).

		12/31/2020			12/31/2019		
	Country	**Accounting Method**	**Voting Interest**	***Ownership Interest***	**Accounting Method**	**Voting Interest**	***Ownership Interest***
Vivendi SE	**France**	**Parent company**			**Parent company**		
Universal Music Group, Inc.	**United States**	**C**	**(a) 90%**	***90%***	**C**	**100%**	***100%***
Universal Music Group Holdings, Inc.	United States	C	100%	*90%*	C	100%	*100%*
UMG Recordings, Inc.	United States	C	100%	*90%*	C	100%	*100%*
Vevo	United States	E	49.4%	*44.5%*	E	49.4%	*49.4%*
Universal International Music BV (b)	**Netherlands**	**C**	**(a) 90%**	***90%***	**C**	**100%**	***100%***
Universal Music Entertainment GmbH	Germany	C	100%	*90%*	C	100%	*100%*
Universal Music LLC	Japan	C	100%	*90%*	C	100%	*100%*
Universal Music France SAS	France	C	100%	*90%*	C	100%	*100%*
Universal Music Holdings Ltd	United Kingdom	C	100%	*90%*	C	100%	*100%*
EMI Group Worldwide Holding Ltd	United Kingdom	C	100%	*90%*	C	100%	*100%*
Universal Music Group Treasury SAS	France	C	100%	*90%*	C	100%	*100%*
Groupe Canal+ SA	**France**	**C**	**100%**	***100%***	**C**	**100%**	***100%***
Société d'Édition de Canal Plus	France	C	100%	*100%*	C	100%	*100%*
Canal+ Thématiques SAS **(c)**	France	C	100%	*100%*	C	100%	*100%*
Canal+ International SAS	France	C	100%	*100%*	C	100%	*100%*
C8	France	C	100%	*100%*	C	100%	*100%*
Studiocanal SA	France	C	100%	*100%*	C	100%	*100%*
M7 **(d)**	Luxembourg	C	100%	*100%*	C	100%	*100%*
Canal+ Polska SA **(e)**	Poland	C	51%	*51%*	C	51%	*51%*
VSTV **(f)**	Vietnam	C	49%	*49%*	C	49%	*49%*
Havas SA	**France**	**C**	**100%**	***100%***	**C**	**100%**	***100%***
Havas Health, Inc.	United States	C	100%	*100%*	C	100%	*100%*
Havas Media Group USA, LLC	United States	C	100%	*100%*	C	100%	*100%*
Havas Worldwide New York, Inc.	United States	C	100%	*100%*	C	100%	*100%*
BETC	France	C	100%	*100%*	C	100%	*100%*
Havas Edge, LLC	United States	C	100%	*100%*	C	100%	*100%*
Havas Paris	France	C	99%	*99%*	C	99%	*99%*
Arnold Worldwide, LLC	United States	C	100%	*100%*	C	100%	*100%*
Havas Media France	France	C	100%	*100%*	C	100%	*100%*
Creative Lynx Ltd	United Kingdom	C	100%	*100%*	C	100%	*78%*
BETC Digital	France	C	100%	*100%*	C	100%	*100%*
Editis Holding SA (g)	**France**	**C**	**100%**	***100%***	**C**	**100%**	***100%***
Editis SAS	France	C	100%	*100%*	C	100%	*100%*
SEJER	France	C	100%	*100%*	C	100%	*100%*
Interforum	France	C	100%	*100%*	C	100%	*100%*
Edi 8	France	C	100%	*100%*	C	100%	*100%*
Univers Poche	France	C	100%	*100%*	C	100%	*100%*

		12/31/2020			12/31/2019		
	Country	**Accounting Method**	**Voting Interest**	***Ownership Interest***	**Accounting Method**	**Voting Interest**	***Ownership Interest***
Gameloft SE	**France**	**C**	**100%**	***100%***	**C**	**100%**	***100%***
Gameloft Inc.	United States	C	100%	*100%*	C	100%	*100%*
Gameloft Inc. Divertissement	Canada	C	100%	*100%*	C	100%	*100%*
Gameloft Iberica SA	Spain	C	100%	*100%*	C	100%	*100%*
Gameloft Company Limited	Vietnam	C	100%	*100%*	C	100%	*100%*
Gameloft S. de RL de CV	Mexico	C	100%	*100%*	C	100%	*100%*
Vivendi Village SAS	**France**	**C**	**100%**	***100%***	**C**	**100%**	***100%***
See Tickets SAS	France	C	100%	*100%*	C	100%	*100%*
See Tickets UK	United Kingdom	C	100%	*100%*	C	100%	*100%*
See Tickets US	United States	C	100%	*100%*	C	100%	*100%*
See Tickets BV	Netherlands	C	100%	*100%*	C	100%	*100%*
Startickets AG (former Starttickets)	Switzerland	C	100%	*100%*	C	100%	*100%*
L'Olympia	France	C	100%	*100%*	C	100%	*100%*
CanalOlympia	France	C	100%	*100%*	C	100%	*100%*
Olympia Production	France	C	100%	*100%*	C	100%	*100%*
Festival Production	France	C	70%	*70%*	C	70%	*70%*
Paddington and Company Ltd	United Kingdom	C	100%	*100%*	C	100%	*100%*
New Initiatives							
Dailymotion	France	C	100%	*100%*	C	100%	*100%*
Group Vivendi Africa	France	C	100%	*100%*	C	100%	*100%*
Vivendi Content	France	C	100%	*100%*	C	100%	*100%*
Banijay Group Holding	France	E	32.9%	*32.9%*	E	31.4%	*31.4%*
Corporate							
Telecom Italia	Italia	E	23.75%	*17.04%*	E	23.94%	*17.15%*
Boulogne Studios	France	C	100%	*100%*	C	100%	*100%*
Poltel Investment	Poland	C	100%	*100%*	C	100%	*100%*

C: consolidated; E: equity affiliates.

(a) On March 31, 2020, Vivendi completed the sale of 10% of UMG's share capital to the Tencent-led consortium (please refer to Note 2.1).

(b) On March 19, 2020, Universal Music Group SAS was dissolved, with universal transmission of its property to Vivendi SE.

(c) Multithématiques SAS was merged into Planète Câble SAS. As of December 31, 2020, the entity resulting from this merger is named Canal+ Thématiques SAS.

(d) Canal+ Group has fully consolidated M7 since September 12, 2019 (please refer to Note 2.3).

(e) ITI Neovision changed its name and is now named Canal+ Polska SA.

(f) VSTV (Vietnam Satellite Digital Television Company Limited) is held at 49% by Canal+ Group and 51% by VTV (the Vietnamese public television company). This company has been consolidated by Vivendi because Canal+ Group has both operational and financial control over it pursuant to an overall delegation of power that was granted by the majority shareholder and under the company's by-laws.

(g) Vivendi has fully consolidated Editis since February 1, 2019 (please refer to Note 2.2). On October 20, 2020, Antinéa 6 SA was dissolved, with universal transmission of its property to Vivendi SE.

NOTE 27. STATUTORY AUDITORS FEES

Fees paid by Vivendi SE in 2020 and 2019 to its statutory auditors and members of the statutory auditor firms were as follows:

	Deloitte et Associés				Ernst & Young et Autres				Total	
	Amount		%		Amount		%			
(in millions of euros)	2020	2019	*2020*	*2019*	2020	2019	*2020*	*2019*	2020	2019
Statutory audit, certification, consolidated and individual financial statements audit										
Issuer	0.6	0.6	*6%*	*6%*	0.7	0.7	*10%*	*13%*	1.3	1.3
Fully consolidated subsidiaries	8.6	8.8	*81%*	*87%*	4.4	4.2	*67%*	*76%*	13.0	13.0
Subtotal	**9.2**	**9.4**	***87%***	***93%***	**5.1**	**4.9**	***77%***	***89%***	**14.3**	**14.3**
Services other than certification of financial statements as required by laws and regulations ***(a)***										
Issuer	-	-	-	-	0.2	0.1	*3%*	*2%*	0.2	0.1
Fully consolidated subsidiaries	-	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**0.2**	**0.1**	***3%***	***2%***	**0.2**	**0.1**
Services other than certification of financial statements provided upon the entity's request ***(a)***										
Issuer	0.9	-	*8%*	-	1.1	0.3	*16%*	*5%*	2.0	0.3
Fully consolidated subsidiaries	0.5	0.7	*5%*	*7%*	0.3	0.2	*4%*	*4%*	0.8	0.9
Subtotal	**1.4**	**0.7**	***13%***	***7%***	**1.4**	**0.5**	***20%***	***9%***	**2.8**	**1.2**
Total	**10.6**	**10.1**	***100%***	***100%***	**6.7**	**5.5**	***100%***	***100%***	**17.3**	**15.6**

(a) Includes services required by law and regulation (e.g., reports on capital transactions, comfort letters, validation of the consolidated statement of non-financial performance) as well as services provided upon the request of Vivendi or its subsidiaries (due diligence, legal and tax assistance, various reports).

NOTE 28. AUDIT EXEMPTIONS

Vivendi SE has provided guarantees to the following subsidiaries, incorporated in England and Wales, under the registered number indicated, in order for them to claim audit exemptions, with respect to fiscal year 2020, under section 479A of the UK Companies Act 2006.

Name	Company Number
EMI Overseas Holdings Ltd	00403200
EMI (IP) Ltd	03984464
EMI Group (Newco) Ltd	07800879
EMI Group Electronics Ltd	00461611
EMI Group International Holdings Ltd	01407770
EMI Group Worldwide	03158106
EMI Group Worldwide Holdings Ltd	06226803
EMI Ltd	00053317
Estupendo Records Ltd	03278620
Mawlaw 388 Ltd	03590255
One Mode Productions Ltd	08217709
Relentless 2006 Ltd	03967906
Trinifold Music Ltd	01781138
Universal/Anxious Music Ltd	01862328
Universal Music (UK) Holdings Ltd	03383881
Universal Music Holdings (UK) Ltd	00337803
Universal Music Leisure Ltd	03384487
Universal Music Publishing MGB Holding UK Ltd	05092413
Universal SRG Group Ltd	00284340

Name	Company Number
V2 Music Group Ltd	03205625
Virgin Music Group	02259349
Virgin Records Overseas Ltd	00335444
AMAAD Holdings Ltd	12003313
Universal Music Neighbouring Rights Ltd	03174756
Dailymotion Ltd	06677140

In addition, Vivendi SE has provided guarantees to the following Universal Music Group subsidiaries, incorporated in the Netherlands, under the registered number indicated, under section 403 of Book 2 of the Dutch Civil Code. As the companies' financial data is consolidated within these financial statements, the Dutch entities are allowed to prepare abridged financial statements which are exempt from publication and audit.

Name	Company Number
Universal International Music BV	31018439
Universal Music Publishing International BV	31037866
Universal Music Publishing BV	32101966
CMHL BV	32140273

NOTE 29. SUBSEQUENT EVENTS

The significant events that occurred between the closing date as of December 31, 2020 and March 1, 2021 (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2020) were as follows:

- on January 25, 2021, Vivendi announced the acquisition of 9.9% of PRISA's share capital. PRISA is the Spanish-speaking leader in media and education and owns El Pais, Santillana, Cadena SER, Radio Caracol, AS and Los 40 Principales;
- on January 29, 2021, Vivendi completed the sale of an additional 10% of Universal Music Group (UMG)'s share capital to a Tencent-led consortium, based on an enterprise value of €30 billion for 100% of UMG's share capital. This transaction resulted in a cash inflow to Vivendi of €2,847 million. As a result of this transaction, the Tencent-led consortium owns 20% of UMG (please refer to Note 2.1);
- on February 13, 2021, Vivendi announced that it will study the planned distribution of 60% of UMG's share capital and its listing by the end of 2021 (please refer to Note 2.1).

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1.1. Statutory Auditors' Report on the Financial Statements

Year ended December 31, 2020

To the Annual General Meeting of Vivendi SE,

OPINION

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying financial statements of Vivendi SE for the year ended December 31, 2020.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at December 31, 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditor's responsibilities for the audit of the financial statements section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of ethics for statutory auditors *(Code de déontologie de la profession de commissaire aux comptes)* for the period from January 1, 2020 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) no. 537/2014.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

Due to the global crisis related to the COVID-19 pandemic, the financial statements for this period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. These measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on how audits are performed.

It is in this complex, evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of equity investments and equity portfolio securities (notes 1.3 and 7 of the notes to the financial statements)

Key audit matter	Our response
Equity investments and equity portfolio securities amount to a net value of €18,399 million as at 31 December 2020, for a total balance sheet of €27,544 million. The realizable value of equity investments and equity portfolio securities is determined in relation to their value in use, generally calculated based on discounted future cash flows, but other methods can be used such as those based on comparable stock market values, values resulting from recent transactions or stock market prices. These methods may involve a significant judgements and assumptions, notably concerning, as the case may be: ▸ future cash flow forecasts; ▸ perpetual growth rates used for projected flows; ▸ discount rates applied to estimated cash flows; ▸ the selection of sample companies included among transaction or stock market comparables; ▸ the assessment of the impact of the crisis related to the Covid-19 pandemic on the long-term prospects. Consequently, any variation in these assumptions may have a significant impact on the value in use of these equity investments and equity portfolio securities necessitate the recognition of an impairment loss, where applicable. We consider the valuation of the equity investments and equity portfolio securities to be a key audit matter due to (i) their materiality in your company's accounts, (ii) the judgements and assumptions required to determine their value in use.	We analyzed the compliance of the methods adopted by your company with the accounting standards in force, concerning the method of estimating the value in use of equity investments and equity portfolio securities. We obtained the valuation reports for each of the equity investments concerned or the analysis carried out by your company where applicable and paid particular attention to those where the carrying amount is close to the estimated value in use, those where the historical performance showed differences in relation to the forecasts and those operating in volatile economic environments. We assessed the competence of the independent evaluator appointed by your company. In particular, for the equity investments valued according to the discounted future cash flows method, we took note of the key assumptions used and, as the case may be: ▸ compared the business forecasts underpinning the determination of cash flows with the information available, including the market prospects and past achievements, and in relation to management's latest estimates (assumptions, budgets and strategic plans where applicable); ▸ compared the perpetual growth rates used for the projected flows with market analyses and the consensus of the main professionals concerned; ▸ compared the discount rates used with our internal databases, assisted by financial valuation specialists included in our teams. For evaluations based on a market based approach, we examined the selection of companies included among the transaction or stock market comparables in order to compare it with the samples that seem relevant to us according our knowledge of the operating sectors, and compared the market data used with the available public and non-public information. We obtained and reviewed the sensitivity analyses performed by management, which we compared with our own calculations to assess what level of variation in the assumptions would require the recognition of an impairment loss on the equity investments concerned. Lastly, we reviewed the information relating to these risks presented in the notes to the financial statements.

Analysis of disputes with the Mediaset group and with the foreign institutional investors (notes 1.7 and 24 of the notes to the financial statements)

Key audit matter	Our response
Your company's activities are conducted in a constantly evolving environment and within a complex international regulatory framework. Your company is not only subject to significant changes in the legislative environment and in the application and interpretation of regulations, but it also has to contend with litigation arising in the normal course of its business. Your company exercises its judgement in assessing the risks run relative to the disputes with the Mediaset group and with certain foreign institutional investors, and recognizes a provision when the expense liable to result from these disputes is probable and the amount can either be quantified or estimated within a reasonable range. We consider these disputes to be a key audit matter given the amounts at stake and the level of judgement required for the determination of any provisions.	We analyzed all the information made available to us, relating to (i) the disputes between your company and the Mediaset group and its shareholders and its shareholders, and (ii) the disputes between your company and certain foreign institutional investors concerning alleged harm resulting from financial communications of your company and its former CEO between 2000 and 2002. We examined the estimates of the risk performed by the management and notably compared them with the information disclosed in the answers received from the lawyers and legal advisers in response to our requests for confirmation concerning these disputes. Finally, we assessed the appropriateness of the information disclosed in the notes to the financial statements.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Management Board's management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code *(Code de commerce)*.

Report on Corporate Governance

We attest that the Supervisory Board's Report on Corporate Governance sets out the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code *(Code de commerce)*.

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code *(Code de commerce)* relating to remunerations and benefits received by, or allocated to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlled thereby, included in the consolidation scope. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code *(Code de commerce)*, we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

OTHER LEGAL AND REGULATORY VERIFICATION INFORMATION

Format of presentation of the financial statements intended to be included in the annual Financial Report

In accordance with Article 222-3, III of the AMF General Regulation, the company's management informed us of its decision to postpone the presentation of the financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation No. 2019/815 of December 17, 2018 to years beginning on or after January 1, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the financial statements intended to be included in the annual Financial Report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code *(Code monétaire et financier)*.

Appointment of the Statutory Auditor

We were appointed as Statutory Auditors of Vivendi SE by the Annual General Meetings held on 25 April 2017 for Deloitte & Associes and on 15 June 2000 for Ernst & Young et Autres.

As at December 31, 2020, Deloitte & Associes was in its fourth year and Ernst & Young et Autres in its twenty-first year of total uninterrupted engagement.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by your Management Board.

STATUTORY AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code *(Code de commerce),* our statutory audit does not include assurance on the viability of the company or the quality of management of the affairs of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements.
- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore, the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) no. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of ethics for statutory auditors *(Code de déontologie de la profession de commissaire aux comptes).* Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-la Défense, March 3, 2021

The Statutory Auditors

French original signed by:

Deloitte & Associés		Ernst & Young et Autres	
Thierry Quéron	Géraldine Segond	Jacques Pierres	Claire Pajona

1.2. 2020 Statutory Financial Statements

1.2.1. STATEMENT OF EARNINGS

(in millions of euros)	Note	2020	2019
Operating income:			
Total revenues		91.4	73.5
Reversal of provisions and expense reclassifications		18.9	25.5
Other income			0.1
Total I		**110.3**	**99.0**
Operating expenses:			
Other purchases and external charges		114.3	108.7
Duties and taxes other than income tax		12.7	12.3
Wages and salaries and social security contributions		62.2	72.4
Depreciation, amortization and charges to provisions		52.4	30.4
Other expenses		1.2	1.2
Total II		**242.9**	**225.0**
Loss from operations (I-II)	2	**(132.6)**	**(126.0)**
Financial income:			
From equity affiliates and other long-term securities (dividends)		311.2	1,078.5
From long-term receivables		80.4	62.1
Other interest and similar income		882.4	116.7
Reversal of provisions and expense reclassifications		9.0	55.7
Foreign exchange gains		635.1	407.0
Net proceeds from the sale of marketable securities		0.1	0.1
Total III		**1,918.2**	**1,720.2**
Financial expenses:			
Amortization and charges to financial provisions		566.2	154.8
Interest and similar charges		95.0	133.4
Foreign exchange losses		634.2	406.6
Net expenses on marketable securities sales		0.2	1.6
Total IV		**1,295.6**	**696.5**
Net financial income/(loss) (III-IV)	3	**622.6**	**1,023.7**
Earnings/(losses) from ordinary operations before tax (I-II + III-IV)		**490.0**	**897.6**
Exceptional income:			
From non-capital transactions		1.7	11.9
From capital transactions		2,898.0	219.9
Reversals of provisions and expense reclassifications		66.3	504.4
Total V		**2,966.0**	**736.2**
Exceptional expenses:			
Related to non-capital transactions		20.3	15.9
Related to capital transactions		503.3	3.2
Exceptional depreciation, amortization and charges to provisions		30.3	45.3
Total VI		**554.0**	**64.4**
Net exceptional items (V-VI)	4	**2,412.0**	**671.8**
Income tax (charge)/credit (VII)	5	**107.4**	**160.4**
Total income (I + III + V + VII)		**5,101.9**	**2,715.7**
Total expenses (II + IV + VI)		**2,092.5**	**986.0**
EARNINGS FOR THE YEAR		**3,009.4**	**1,729.8**

1.2.2. STATEMENT OF FINANCIAL POSITION

ASSETS

(in millions of euros)	Note	Gross	Depreciation, amortization and provisions	Net 12/31/2020	12/31/2019
Non-current assets					
Intangible assets	6	**3.6**	**2.7**	**0.9**	**0.9**
Property, plant and equipment	6	**58.0**	**56.1**	**1.9**	**1.9**
Long-term investments (a)	7	**27,591.6**	**4,861.3**	**22,730.3**	**20,081.9**
Investments in affiliates and Long-term portfolio securities		21,533.7	3,135.2	18,398.5	19,635.0
Loans to subsidiaries and affiliates		4,097.6	1,726.1	2,371.4	1.9
Other long-term investment securities		1,906.0		1,906.0	281.5
Loans					
Other		54.3		54.3	163.4
Total I		**27,653.2**	**4,920.1**	**22,733.1**	**20,084.7**
Current assets	8				
Receivables (b)		**4,627.4**	**370.4**	**4,257.0**	**4,492.7**
Trade accounts receivable and related accounts		17.6	3.6	14.0	11.4
Other receivables		4,609.8	366.7	4,243.0	4,481.3
Marketable securities		**470.5**		**470.5**	**1,270.4**
Treasury shares	9	340.2		340.2	47.8
Other securities	10	130.3		130.3	1,222.7
Cash at bank and in hand	10	**58.8**		**58.8**	**169.5**
Prepayments (b)		**15.5**		**15.5**	**22.0**
Total II		**5,172.2**	**370.4**	**4,801.8**	**5,954.6**
Deferred charges (III)	12	**9.3**		**9.3**	**12.4**
Unrealized foreign exchange losses (IV)	13				
Total assets (I + II + III + IV)		**32,834.8**	**5,290.5**	**27,544.3**	**26,051.8**
***(a)** Portion due in less than one year*				*64.0*	*170.4*
***(b)** Portion due in more than one year*				*13.1*	*12.8*

EQUITY AND LIABILITIES

(in millions of euros)	Note	12/31/2020	12/31/2019
Equity	14		
Share capital		6,523.0	6,515.2
Additional paid-in capital		7,181.8	7,167.0
Reserves			
Legal reserve		752.7	752.7
Other reserves			
Retained earnings		2,955.6	1,923.1
Earnings for the year		3,009.4	1,729.8
Interim dividends			
Total I		**20,422.5**	**18,087.8**
Provisions	16	137.7	136.7
Total II		**137.7**	**136.7**
Liabilities (a)			
Convertible and other bond issues	17	5,065.9	5,065.9
Bank borrowings **(b)**	17	363.2	939.1
Other borrowings	17	1,378.4	1,726.8
Trade accounts payable and related accounts		40.2	21.3
Tax and employee-related liabilities		24.2	33.2
Amounts payable in respect of PP&E and related accounts			
Other liabilities		111.9	38.0
Deferred income		0.4	0.1
Total III		**6,984.1**	**7,824.3**
Unrealized foreign exchange gains (IV)	13		**3.0**
Total equity and liabilities (I + II + III + IV)		**27,544.3**	**26,051.8**
(a) *Portion due in more than one year*		*4,059.9*	*5,059.9*
Portion due in less than one year		*2,924.2*	*2,764.4*
(b) *Includes current bank facilities and overdrafts*		*52.1*	*69.2*

1.2.3. STATEMENT OF CASH FLOWS

(in millions of euros)	2020	2019
Earnings for the year	3,009.4	1,729.8
Elimination of non-cash income and expenses		
Charges to amortization	3.9	4.6
Charges to depreciation and provisions net of reversals		
Operating	29.9	11.1
Financial	557.2	100.0
Exceptional	(35.9)	(459.2)
Capital gains	(3,174.1)	(194.1)
Dividends received in kind		
Other income and charges without cash impact	(1.3)	(10.7)
Operating cash flows before changes in working capital	**389.1**	**1,181.6**
Changes in working capital	267.5	10.8
Net cash provided by/(used in) operating activities	**656.6**	**1,192.3**
Capital expenditure	(0.8)	(0.6)
Purchases of investments in affiliates and securities	(975.9)	(421.7)
Increase in loans to subsidiaries and affiliates	(2,431.8)	(62.1)
Receivables related to the sale of non-current assets and other financial receivables	132.3	422.1
Proceeds from sales of intangible assets and PP&E		
Proceeds from sales of investments in affiliates and securities	2,882.8	429.0
Decrease in loans to subsidiaries and affiliates		
Increase in deferred charges relating to financial instruments		(10.8)
Net cash provided by/(used in) investing activities	**(393.5)**	**355.9**
Net proceeds from issuance of shares	22.6	174.9
Dividends paid	(690.0)	(635.6)
New long-term borrowings secured		2,089.5
Principal payments on long-term borrowings		(700.0)
Increase (decrease) in short-term borrowings	(576.0)	854.8
Net Change in current accounts	1,796.8	(2,215.0)
Treasury shares	(2,019.6)	(2,664.2)
Net cash provided by/(used in) financing activities	**(1,466.2)**	**(3,095.7)**
Change in cash	(1,203.0)	(1,547.3)
Opening net cash **(a)**	1,392.1	2,939.4
Closing net cash (a)	**189.1**	**1,392.1**

(a) cash and marketable securities net of impairment (excluding treasury shares).

1.2.4. NOTES TO THE 2020 STATUTORY FINANCIAL STATEMENTS

Preliminary note: all references to dollars are in US dollars.

SIGNIFICANT EVENTS IN 2020

Sale of 20% and planned distribution of 60% of Universal Music Group's share capital

On December 31, 2019, Vivendi and a Tencent-led consortium, which includes Tencent Music Entertainment and other financial co-investors, entered into an agreement for a planned equity investment in Universal Music Group (UMG). This agreement provided for:

- the purchase by this consortium of 10% of UMG's share capital (i.e., 10% of UIM BV's share capital and 10% of UMG Inc.'s share capital), based on an enterprise value of €30 billion for 100% of UMG's share capital;
- an option for this consortium to acquire, on the same valuation basis, an additional interest of up to 10% of UMG's share capital until January 15, 2021.

Sale of a first tranche of 10% of Universal Music Group's share capital

On March 31, 2020, Vivendi completed the sale of 10% of UMG's share capital to a Tencent-led consortium. This transaction resulted in a capital gain of €2,428.2 million for Vivendi SE, corresponding to a sale price of €2,842.4 million.

Prior to this sale, Vivendi had absorbed its subsidiary UMG SAS by way of a universal transfer of assets and liabilities ("transmission universelle de patrimoine") which completed in March 2020. As a result, Vivendi concomitantly recorded in its books the carrying value of the shares of UIM BV, a wholly-owned subsidiary of UMG SAS, of €1,063.6 million.

In addition, a separate agreement was entered into on March 31, 2020, enabling Tencent Music Entertainment to acquire a minority interest in the share capital of the UMG subsidiary that owns its Greater China operations.

Sale of a second tranche of 10% of Universal Music Group's share capital

On December 17, 2020, the consortium decided to exercise the option to acquire an additional 10% of UMG.

On January 29, 2021, Vivendi completed the sale of the additional 10% of UMG's share capital to a Tencent-led consortium, based on an enterprise value of €30 billion for 100% of UMG's share capital. This transaction resulted in a cash inflow of €2,846.6 million for Vivendi.

As from this date, the Tencent-led consortium owns 20% of UMG.

The cash generated by these transactions may be used by Vivendi to reduce its financial debt and to finance acquisitions.

Planned distribution of 60% of Universal Music Group's share capital and listing

On February 13, 2021, Vivendi announced that it will examine the distribution of 60% of UMG's share capital and its listing by year-end 2021. This distribution, exclusively in kind, would take the form of an exceptional distribution ("special dividend"). The listing of UMG's shares, issued by its holding company incorporated in the Netherlands, would be applied for on the regulated market of Euronext NV in Amsterdam, in a country that has been one of UMG's historical homes.

A Vivendi Extraordinary Shareholders' Meeting will be called for March 29, 2021, to modify the company's by-laws and make the principle of this distribution in kind possible and pursue this project. Subject to a favorable shareholder vote, a Shareholders' Meeting could be called before the end of 2021 to vote on this distribution of UMG shares.

Acquisition of Editis

On January 31, 2019, Vivendi completed the acquisition of 100% of Antinea 6's share capital, the holding company of Editis, the second-largest French-language publishing group. The purchase price was €829 million, including the repayment of Editis Group's debt on the acquisition date. On January 2, 2019, the French Competition Authority had authorized the transaction unconditionally.

In October 2020, as a result of the universal transfer of assets and liabilities ("transmission universelle de patrimoine") of Antinea 6 to Vivendi, Vivendi recorded in its books the value of the shares of Editis Holding, a wholly-owned subsidiary of Antinea 6 (see Note 7. Long-term investments).

Vivendi's investment in Lagardère SCA

In 2020, Vivendi acquired 38,297 thousand shares of Lagardère SCA. On December 31, 2020, Vivendi owned 29.2% of the share capital and 22.4% in the voting rights of Lagardère SCA.

Following the announcement of very poor half-year results by Lagardère, on August 10, 2020, Vivendi and Amber Capital, in spite of their differences, entered into a pact. Within this context, Vivendi and Amber Capital took steps with Lagardère to obtain minority representation on Lagardère's Supervisory Board, including three seats for Amber Capital and one seat for Vivendi. The two companies, wishing to stabilize Lagardère's shareholder base, also entered into a five-year reciprocal right of first offer and pre-emption right with respect to their respective Lagardère shares.

After the Supervisory Board and Managing Partners of Lagardère rejected the proposals of Vivendi and Amber Capital (Lagardère's first and second-largest shareholders, respectively), in early September 2020, Vivendi and Amber filed a motion with the Paris Commercial court seeking to convene a General Meeting of Lagardère's shareholders.

On October 14, 2020, the Paris Commercial court dismissed Vivendi and Amber Capital's request to convene a General Meeting of Lagardère's shareholders. On October 19, 2020, Vivendi appealed against this decision. On December 17, 2020, the Paris court of Appeal upheld the lower court's decision.

Contemplated acquisition of Prisma Media

On December 14, 2020, Vivendi announced that it had entered into exclusive negotiations to acquire 100% of Prisma Media. On December 23, 2020, Vivendi announced that it had entered into a put option agreement for 100% of Prisma Media, following exclusive negotiations with Gruner+Jahr/Bertelsmann and the favorable opinion of Vivendi's employee representative bodies.

In accordance with applicable regulations, the contemplated acquisition remains subject to the information and consultation process with Prisma Media's employee representative bodies as well as finalization of the legal documentation.

Banijay Group Holding

On July 3, 2020, Banijay Group Holding completed the acquisition of 100% of Endemol Shine Group's share capital. This transaction was notably financed by a capital increase in which Vivendi SE subscribed for €100 million through its subsidiary Vivendi Content which has held 32.9% of the capital of Banijay Group Holding since that date.

Share capital

During fiscal year 2020, under the share buyback program authorized by the General Shareholders' Meeting of April 15, 2019, implemented pursuant to the decision of the Management Board Meeting of May 24, 2019, and in accordance with Articles 241-1 and 241-2 of the General Regulations of the French *Autorité des marchés financiers* (AMF), Vivendi acquired:

- 8,250,000 shares in order to sell them to employees and/or officers of Vivendi group entities who are members of the Vivendi Group Employee Stock Purchase Plan *(plan d'épargne groupe,* or PEG) or the International Group Employee Stock Purchase Plan;
- 6,797, 768 shares allocated to covering performance share plans; and
- 7,973,201 shares allocated for cancellation.

On April 29, 2020, following the decision of the Management Board at its meeting on April 27, 2020, and pursuant to the authorization granted in the sixth resolution of the Combined General Shareholders' Meeting of April 20, 2020, Vivendi launched a share repurchase program. The maximum per-share purchase price under this program was set at €26, in accordance with the €26 cap set at the Shareholders' Meeting.

The maximum amount of these repurchases was originally set at 0.7% of the company's share capital. However, this maximum amount was raised to 7.87% of the company's share capital pursuant to the Management Board's decisions dated June 15, June 25, and October 19, 2020. The objective of the current program is for the company to repurchase 93,250,000 shares.

During fiscal year 2020, Vivendi acquired under this current program:

- 8,250,000 shares in order to sell them to employees and/or officers of Vivendi group entities who are members of the Vivendi Group Employee Stock Purchase Plan *(plan d'épargne groupe,* or PEG) or the International Group Employee Stock Purchase Plan;
- 57,968,897 shares for cancellation.

The total number of shares repurchased in 2020 was 89,239,866 for an aggregate amount of €2,149.8 million (see Note 9. Treasury Shares).

Covid-19 pandemic impacts

Although the Covid-19 pandemic is having a more significant impact on certain countries or businesses than others, in 2020, the Vivendi group demonstrated resilience in adapting its activities to continue to best serve and entertain its customers, while reducing costs to preserve its margins.

Vivendi continually monitors the current and potential consequences of the crisis. It is difficult at this time to determine how it will impact Vivendi's results in 2021. Businesses related to advertising and live performance have a risk of being impacted more than others. Nevertheless, the group remains confident in the resilience of its main businesses. It continues to make every effort to ensure the continuity of its activities, as well as to best serve and entertain its customers and audiences while complying with the guidelines of authorities in each country where it operates.

NOTE 1. ACCOUNTING RULES AND METHODS

1.1. GENERAL PRINCIPLES AND CHANGE IN ACCOUNTING METHODS

The statutory financial statements for the fiscal year ended December 31, 2020 have been prepared and presented in accordance with applicable French laws and regulations, and in particular ANC Regulation no. 2014-03 of the ANC *(Autorité des normes comptables),* France's national accounting standards authority, relating to the general accounting plan (*Plan comptable général* or "PCG").

The accounting principles and methods are identical to those applied for the preparation of the 2019 statutory financial statements.

The company makes certain estimates and assumptions that it considers reasonable and reliable. Despite regular review, in particular based on past or anticipated events, facts and circumstances may lead to changes in such estimates and assumptions, which may have an impact on the amount of assets, liabilities, equity or earnings recognized by the company. These estimates and assumptions relate in particular to the measuring of asset impairment (see Note 7. Long-term Investments) and provisions (see Note 16. Provisions) as well as to employee benefits (see Note 1.9. Employee benefit plans).

The annual Statutory Financial Statements are available online at vivendi.com.

Consolidating companies

The Vivendi group is fully consolidated by Bolloré Group, whose parent companies are Bolloré SE (Siren: 055 804 124) and Financière de l'Odet SE (Siren: 056 801 046).

Vivendi SE is the parent company of the Vivendi group.

1.2. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Intangible assets and property, plant and equipment are valued at acquisition cost.

Depreciation and amortization are calculated using the straight-line method and, where appropriate, the declining balance method over the useful lives of the relevant assets.

1.3. LONG-TERM INVESTMENTS

Investments in affiliates and long-term portfolio securities and other investment securities

Shares of companies, the long-term ownership of which is deemed to be beneficial to Vivendi's business, are classified as investments in affiliates.

Long-term portfolio securities include securities of companies for which Vivendi expects to realize satisfactory returns over the medium to long term without interfering with the management of such companies.

Investments in affiliates, long-term portfolio securities and other investment securities are recorded at acquisition cost. If their value exceeds their value-in-use, an impairment loss is recorded for the difference between the two.

Investments in affiliates are valued based on their value-in-use (PCG, Article 221-3). Value-in-use is generally determined based on the discounted value of future cash flows. However, a more suitable method may be used where appropriate, such as comparative stock market values, values resulting from recent transactions, stock market prices in the case of listed entities, or the share held in net equity.

Long-term portfolio securities are valued based on their market value taking into consideration the general prospects of the companies concerned (PCG, Article 221-5).

The value-in-use of securities in foreign currencies is calculated using the exchange rate applicable on the closing date for both listed securities (PCG, Article 420-3) and unlisted securities.

Vivendi expenses investment and security acquisition costs in the fiscal year during which they are incurred.

Loans to subsidiaries and affiliates

Loans to subsidiaries and affiliates consist of medium and long-term loans to group companies. They do not include current account agreements with group subsidiaries that are used for day-to-day management of cash surpluses and shortfalls. Impairment losses are recorded based on the risk of non-recovery.

Treasury shares

All treasury shares held by Vivendi that are: (i) in the process of cancellation, (ii) allocated to covering share exchange and external growth transactions, or (iii) acquired pursuant to a liquidity contract, are recorded as Long-term Investments. Impairment losses are recorded on shares held for the purpose of a share exchange or external growth transactions and on shares acquired under a liquidity contract if their value-in-use, which corresponds to the average share price during the closing month, is lower than their book value (PCG, Article 221-6).

All remaining treasury shares held by Vivendi are recorded as marketable securities (see Note 1.5. Marketable securities).

1.4. OPERATING RECEIVABLES

Operating receivables are recorded at nominal value. A provision is therefore made, as appropriate, based on the risk of non-recovery.

1.5. MARKETABLE SECURITIES

Treasury shares

Treasury shares purchased for delivery to employees and corporate officers pursuant to performance share plans, or for sale in connection with employee shareholding plans, are recorded as marketable securities.

At year-end, the shares allocated to specific plans are not depreciated but the probable outflow of resources corresponding to the expected loss in value when the shares are delivered to the beneficiaries is subject to a provision (see Note 1.8. Stock option plans and performance share plans). For those shares not allocated to specific plans, an impairment loss is recognized, as appropriate, to reduce their net value down to their stock market value based on the average share price during the month of closing.

Other marketable securities

All other marketable securities are recorded at acquisition cost. An impairment loss is recorded for the difference between the two if the estimated value-in-use at the end of the period is lower than the acquisition cost. The value-in-use of securities in foreign currencies is calculated using the exchange rates applicable on the closing date.

1.6. DEFERRED CHARGES RELATING TO FINANCIAL INSTRUMENTS

Issue costs in relation to bonds and lines of credit are amortized equally over the term of such instruments.

1.7. PROVISIONS

A provision is recorded if Vivendi has an obligation to a third party and it is probable or certain that an outflow of resources will be necessary to settle this obligation, without receipt of equivalent consideration from the third party.

The provision is equal to the best estimate, taken at period-end, of the outflow of resources necessary to settle the obligation, where the risk exists at the end of the period.

The assumptions underlying the provisions are regularly reviewed and any necessary adjustments are recorded.

Where it is not possible to provide a reliable estimate for the amount of the obligation, a provision is not recorded and a disclosure is made in the notes to the financial statements (see Note 24. Litigation).

1.8. STOCK OPTION PLANS AND PERFORMANCE SHARE PLANS

A provision is recognized when the company implements a performance share plan or a stock option plan that is settled by the delivery of treasury shares. This provision is calculated based on the market price of Vivendi shares as at the grant date or the estimated share purchase price at year-end. In the case of stock option plans, the probable outflow of resources making up the provision is equal to the cost of the shares repurchased less the exercise price paid by the employees (PCG, Article 624-8).

Pursuant to the PCG, Article 624-14, expenses, charges and reversals in relation to the grant of stock options and free shares to company employees are recorded as personnel costs.

1.9. EMPLOYEE BENEFIT PLANS

Vivendi applies the reference method defined by ANC Regulation no. 2018-01 (PCG, Article 324-1) and uses method 1 of ANC Recommendation no. 2013-02 regarding the valuation of, and accounting methods for, pension commitments and similar benefits.

The provision recorded for obligations in relation to employee benefit plans includes all Vivendi employee benefit plans, i.e., retirement/termination payments, pensions and supplemental pensions. It is calculated as the difference between the value of the actuarial obligations and plan assets, net of actuarial gains and losses and unrecognized past service costs.

The actuarial obligation is calculated using the projected unit credit method (each period of activity generates additional entitlement). Actuarial gains and losses are recognized using the "corridor method". This consists of recording, in the profit and loss account for the relevant period, the amortization calculated by dividing the portion of actuarial gains and losses that exceeds the greater of 10% of: (i) the obligation and (ii) the fair value of the plans' assets as of the beginning of the fiscal year, by the average remaining working life expectancy of the beneficiaries.

1.10. FOREIGN CURRENCY-DENOMINATED TRANSACTIONS

Foreign currency-denominated income and expense items are translated using average monthly rates or, as applicable, using the exchange rate negotiated during specific transactions.

Foreign currency-denominated receivables, payables, loans, marketable securities and cash balances are translated at the exchange rates applicable on the accounting closing date (PCG, Article 420-5).

Unrealized gains and losses recognized on translation of foreign currency borrowings, loans, receivables and payables, using exchange rates prevailing on the accounting closing date, are recorded in the Statement of Financial Position as unrealized foreign exchange gains and losses. A provision for foreign exchange losses is recorded in respect of unhedged and unrealized exchange losses (PCG, Article 420-5).

Cash and foreign currency current accounts existing at the end of the fiscal year are converted into local currency at the exchange rate on the last business day of the period. Translation differences recognized on these assets and liabilities are recorded in the profit and loss account for the year, except when the provisions relating to hedging transactions are applicable (PCG, Article 420-7).

Vivendi seeks to secure the exchange rate of assets and liabilities denominated in foreign currencies, particularly through the implementation of derivative financial instruments. Foreign exchange gains and losses realized on the hedging instruments are classified in the Statement of Financial Position as deferred revenue or expenses until the gain or loss on the hedged item is recognized (see Note 1.11. Derivative financial instruments and hedging operations).

1.11. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING OPERATIONS

Vivendi uses derivative financial instruments to: (i) reduce its exposure to market risks associated with interest and foreign exchange rate fluctuations and (ii) secure the value of certain financial assets. These instruments are traded over-the-counter with highly-rated counterparties.

Pursuant to Article 628-11 of the PCG, unrealized or realized income and expenses generated by interest rate and currency hedging instruments are recorded with the income and expenses of the hedged items.

Unrealized gains on derivative instruments not eligible for hedge accounting (isolated open positions) are not included in the calculation of income. Conversely, unrealized losses on these instruments are recorded as net financial charges.

As a result, changes in the value of hedging instruments are not recognized in the Statement of Financial Position, unless the full or partial recognition of these variations ensures a symmetrical treatment with the hedged item.

Premiums and discounts associated with foreign currency forward sales and purchases are spread over the duration of the hedge and recognized as financial income or expense.

NOTE 2. OPERATING LOSSES

2.1. REVENUES

Revenues consisting of charges for services provided by Vivendi and rebilling of costs to its subsidiaries amounted to €91.4 million in 2020, compared to €73.5 million in 2019.

2.2. OPERATING EXPENSES AND EXPENSE RECLASSIFICATIONS

Operating expenses amounted to €242.9 million in 2020, compared to €225.0 million in 2019.

Within this total, "other purchases and external charges" represented €114.3 million in 2020, compared to €108.7 million in 2019. Other purchases and external charges, including amounts rebilled to subsidiaries (recorded in revenues) and expense reclassifications (recorded in the Statement of Earnings as reversal of provisions and expense reclassifications), are broken down as follows:

(in millions of euros)	2020	2019
Non-stored purchases	1.2	0.7
Rent	8.2	9.1
Insurance	23.3	19.5
Service providers, temporary staff and sub-contracting	7.7	7.6
Commissions and professional fees	56.3	47.9
Bank services	3.5	8.5
Other external services	14.1	15.4
Sub-total other purchases and external charges	**114.3**	**108.7**
Amounts rebilled to subsidiaries (revenues)	(16.8)	(15.8)
Expense reclassifications	(0.3)	(10.7)
Total net of rebilled expenses and expense reclassifications	**97.2**	**82.2**

NOTE 3. NET FINANCIAL INCOME

Net financial income is broken down as follows:

(in millions of euros)	2020	2019
Income from long-term receivables	80.4	62.1
Interest and similar income and charges – External	(37.6)	(48.1)
Interest income & charges – Group Current Accounts	38.4	32.4
Dividends received	311.2	1,078.5
Foreign exchange gains & losses	0.9	0.4
Net proceeds and expenses on the sales of marketable securities	(0.1)	(1.5)
Movements in financial provisions and impairment	(557.2)	(99.1)
Other financial income and expenses	786.6	(1.0)
Total	**622.6**	**1,023.7**

3.1. INTEREST AND SIMILAR INCOME AND EXPENSES – EXTERNAL

The net external cost of interest and similar income and expenses was -€37.6 million in 2020, compared to -€48.1 million in 2019, which, among other items, included:

- expenses resulting from bond issuances of -€47.3 million in 2020, compared to -€72.8 million in 2019 (see Note 17. Borrowings);
- investment income of €5.2 million in 2020, compared to €12.8 million in 2019;
- premiums and discounts associated with forward currency transactions used for hedging, resulting in a positive net amount of €6.5 million in 2020, compared to €14.9 million in 2019.

3.2. DIVIDENDS RECEIVED

In 2020, Income from affiliates was €311.2 million, which primarily comprised dividends from UIM BV, the company holding UMG's entities other than in the United States, of €255.2 million and from Telecom Italia of €36.4 million.

In 2019, Income from affiliates amounted to €1,078.5 million, which primarily comprised dividends from Universal Music Group, Inc. (UMG Inc.) of €758.1 million ($850 million), from UMG SAS of €244.0 million and from Havas of €76.3 million.

3.3. FINANCIAL PROVISIONS AND IMPAIRMENTS

Impairment tests are undertaken by Vivendi on the basis of recoverable amounts determined through internal valuations or with the assistance of third-party appraisers.

- Based on multiple valuations observed in recent acquisitions, Vivendi considers that Canal+ Group's recoverable amount is at least equal to its carrying value.
- On December 31, 2019, Vivendi and a consortium of investors led by Tencent entered into an agreement providing for:
  - the purchase by this consortium of 10% of UMG's share capital (i.e., 10% of UIM BV's share capital and 10% of UMG Inc.'s share capital), based on an enterprise value of €30 billion for 100% of UMG's share capital;
  - an option for this consortium to acquire, on the same valuation basis, an additional interest of up to 10% of UMG's share capital until January 15, 2021.

  On March 31, 2020, Vivendi sold 10% of UMG's share capital to the Tencent-led consortium, and on December 17, 2020, the consortium decided to exercise its option to acquire an additional 10% of UMG. On January 29, 2021, Vivendi sold an additional 10% of UMG's share capital to the Tencent-led consortium. On this basis, Vivendi considers that UMG's recoverable amount exceeds its carrying value.
- Vivendi Management considers that the recoverable amounts of Havas, Editis, and Gameloft as of December 31, 2020 and as of December 31, 2019, which were determined using standard valuation methods (value in use determined by discounting future cash flows, or fair value, determined on the basis of market data: stock market prices, comparable listed companies, comparison with the value attributed to similar assets or companies in recent acquisition transactions) are at least equal to their value at the acquisition date.

  In addition, in 2020, Vivendi SE recognized an impairment loss of €47 million on the current account advanced to Dailymotion.
- Concerning Telecom Italia, the average stock market price of its ordinary shares in December 2020 (€0.3845 per share) decreased compared to the average purchase price paid by Vivendi (€1.08 per share). As a reminder, as of December 31, 2018, Vivendi wrote-down the value of its interest in Telecom Italia by €801 million, resulting in a net book value of Telecom Italia shares of €3,130.5 million (€0.86 per share). As of December 31, 2020, as it did as of December 31, 2019, Vivendi assessed whether there was any indication that its interest in Telecom Italia may have become impaired in 2019. As every year, the test was implemented with the assistance of a third-party appraiser and the value determined using standard valuation methods (the value in use, determined as the discounted value of future cash flows, and the fair value, determined on the basis of market data: stock market prices, comparable listed companies, comparison with the value attributed to similar assets or companies in recent acquisition transactions). Vivendi Management concluded that there were no triggering events that would indicate any reduction in the value of its interest compared to December 31, 2019. In Vivendi SE's Financial Statements for the year ended December 31, 2020, the net book value of the Telecom Italia shares was €3,130.5 million.
- Concerning Mediaset, the additional impairment losses recorded in 2020 were (i) the impairment charge of €130.1 million on the rights over the shares transferred to an independent Italian trustee in April 2018, calculated based on the annual closing price of Mediaset shares, and (ii) the impairment loss of €65.5 million on the Mediaset shares held by Vivendi on December 31, 2020, calculated based on the average price of Mediaset shares during December 2020 (PCG, article 833-7).
- Concerning Compagnie du Dôme, Vivendi Village's parent company, Vivendi Village's business plans are based on the assumption of a return to a normal level of activity in the fourth quarter of 2021. Following the sensitivity analyses performed, the possible one-year delay in the return to a normal level of activity is unlikely to have a material impact on the long-term valuation outlook. However, in 2020, the business increased its debt, leading to a write-down of €82.2 million on the Compagnie du Dôme shares.

3.4. OTHER FINANCIAL INCOME AND CHARGES

In March 2020, Vivendi SE recorded a gain on the universal transfer of assets and liabilities from UMG SAS in the amount of €787.5 million (please refer to Note 7, Financial assets).

NOTE 4. NET EXCEPTIONAL ITEMS

In March 2020, Vivendi SE recorded a net exceptional gain of €2,412 million (compared to a net exceptional income of €671.8 million in 2019), which primarily included a net capital gain of €2,428.2 million related to the sale of 10% of each of the two parent holding companies of the UMG Group (see Significant Events in 2020).

NOTE 5. INCOME TAXES

Vivendi SE benefits from the French Tax Group System and considers that, until December 31, 2011 inclusive, it benefited from the Consolidated Global Profit Tax System pursuant to Article 209 quinquies of the French Tax Code. As from January 1, 2012, Vivendi SE only benefits from the French Tax Group System.

- Under the French Tax Group System, Vivendi is entitled to consolidate its own tax profits and losses with the tax profits and losses of French subsidiaries that are at least 95% owned, directly or indirectly, by it. As of December 31, 2020, this mainly applies to Canal+ Group, Havas, Editis and Gameloft entities in France, as well as the companies involved in the group's development projects in France (e.g., Vivendi Village, Dailymotion). At year-end 2020, Vivendi recorded an income tax credit of €84 million under the French Tax Group System.
- Up until December 31, 2011, the Consolidated Global Profit Tax System which had been applied pursuant to a tax authorization granted upon request, allowed Vivendi to consolidate its own tax profits and losses with the tax profits and losses of subsidiaries that were at least 50% owned, directly or indirectly, by it and that were also located in France or abroad. This authorization was granted for an initial five-year period (from January 1, 2004 to December 31, 2008) and was then renewed, on May 19, 2008, for a three-year period (from January 1, 2009 to December 31, 2011). As a reminder, on July 6, 2011, Vivendi filed a request with the French Ministry of Finance to renew its authorization to use the Consolidated Global Profit Tax System for a three-year period (from January 1, 2012 to December 31, 2014).
- In 2011, pursuant to changes in French Tax Law, the Consolidated Global Profit Tax System was terminated as of September 6, 2011, and the deduction for tax losses carried forward was capped at 60% of taxable income. Since 2012, the deduction for tax losses carried forward has been capped at 50% of taxable income.

The French Tax Group and Consolidated Global Profit Tax Systems have the following impact on the valuation of Vivendi's tax attributes (tax losses, foreign tax receivables and tax credits carried forward):

- In 2012, Vivendi, considering that it was entitled to use the Consolidated Global Profit Tax System up until the end of the authorization period granted by the French Ministry of Finance (i.e., until December 31, 2011), filed a contentious claim for a €366 million refund in respect of fiscal year 2011. In a decision dated October 25, 2017, marking the end of legal proceedings brought before administrative courts, the French Council of State *(Conseil d'État)* recognized that Vivendi had a legitimate expectation that it would be afforded the Consolidated Global Profit Tax System for the entire period covered by the authorization, including for the fiscal year ending December 31, 2011. Given that the power of final adjudication is vested in the French Council of State *(Conseil d'État)*, the amount of €366 million paid to Vivendi, coupled with moratorium interest of €43 million, was definitively acquired by Vivendi. As a result, Vivendi recorded a reversal of tax provision of €409 million for the fiscal year ended December 31, 2017.
- Vivendi, considering that its foreign tax receivables available upon the exit from the Consolidated Global Profit Tax System could be carried forward after the end of the authorization period, requested a refund of the tax paid in respect of the fiscal year ended December 31, 2012. At the end of the legal proceedings initiated by Vivendi before the Administrative court of Montreuil followed by the Versailles Administrative court of Appeal, on December 19, 2019, Vivendi received a favorable decision from the French Council of State *(Conseil d'État)* regarding the use of foreign tax receivables upon exit from the Consolidated Global Profit Tax System. In addition, in light of the decision of the Court of First Instance in its litigation relating to the year 2012, Vivendi requested a refund of tax due for the year ended December 31, 2015. The decision of the French Council of State *(Conseil d'État)* on December 19, 2019, led the tax authorities to issue a refund of the tax paid by Vivendi for 2012 and to reduce the tax paid by Vivendi for 2015 automatically.
- The decision of the French Council of State *(Conseil d'État)* on December 19, 2019 resulted in the following measures:
  - in its Financial Statements for the year ended December 31, 2019, Vivendi recorded (i) a reversal of provision for €442 million, including €239 million with respect to fiscal year 2012 (€218 million principal and €21 million in moratorium interest) and €203 million with respect to fiscal year 2015 and (ii) a current tax income of €31 million relating to additional moratorium interest, i.e., €5 million with respect to fiscal year 2012 and €26 million with respect to fiscal year 2015; and
  - on December 27, 2019, the tax authorities repaid €223 million to Vivendi (€218 million principal and €5 million in moratorium interest). In addition, in January 2020, the tax authorities repaid €250 million to Vivendi, i.e., a balance of €21 million with respect to moratorium interest for fiscal year 2012 and €229 million with respect to fiscal year 2015 (€203 million principal and €26 million in moratorium interest).
- This decision allowed Vivendi to seek a refund of any additional corporate tax payment already made for the 2012-2016 period, notably following audit of its integrated subsidiaries, and will finally allow Vivendi to pay any future tax amount that will be claimed as a result of its own situation, or of its integrated subsidiaries, for the same 2012-2016 period.
- Moreover and finally, in light of the principle of the right to deferral of foreign tax receivables upon exit from the Global Profit Tax System recognized by the French Council of State *(Conseil d'État)* in its decision on December 19, 2019, Vivendi considered that its foreign tax receivables were usable without limitation of duration, therefore beyond the 5-year period provided by decree. Vivendi therefore requested from the tax authorities, by means of a contentious claim filed on November 25, 2020, the refund of the tax paid for the fiscal year ended December 31, 2017, for €7 million.

- In the Financial Statements for the year ended December 31, 2020, the tax results of the subsidiaries comprised within the scope of Vivendi SE's French Tax Group System are calculated based on estimates. As a result, the amount of tax attributes as of December 31, 2020 could not be reliably determined. As of December 31, 2020, taking into account the impact of the estimated 2020 tax results and before the effects of the ongoing tax audits on the amount of tax attributes (see Tax litigation below), it is anticipated that Vivendi SE will likely be able to achieve €711 million in tax savings from tax attributes (based on the income tax rate applicable as of January 1, 2021, i.e., 28.41%). At a rate of 25.83% applicable in 2022, it is anticipated that Vivendi would achieve €647 million in tax savings from tax attributes.

TAX LITIGATION

In the normal course of its business, Vivendi SE is subject to tax audits by the relevant tax authorities. In litigation situations, Vivendi's policy is to pay the taxes it intends to contest, and to seek a refund through appropriate legal proceedings. Regarding ongoing tax audits, no provision is recorded where the impact that could result from an unfavorable outcome cannot be reliably assessed. To date, Vivendi Management believes that these tax audits are unlikely to have a material impact on the company's financial position or liquidity.

Regarding the tax audit for fiscal years 2008 to 2012, Vivendi SE is subject to a rectification procedure for which the tax authorities challenge the accounting and tax treatment of NBC Universal shares received in consideration of the sale of Vivendi Universal Entertainment shares in 2004. Additionally, the tax authorities challenge the deduction of the €2.4 billion loss recorded as part of the sale of these shares in 2010 and 2011. Proceedings were brought before the National Direct Tax System *(Commission nationale des impôts directs)*, which rendered its opinion on December 9, 2016 (which was notified to Vivendi SE on January 13, 2017), in which it declared the discontinuation of the adjustments suggested by the tax authorities. Moreover, given that the disagreement was based on administrative doctrine, Vivendi asked for its cancellation on the ground that it was tantamount to adding to the law. On May 29, 2017, the French Council of State (Conseil d'État) favorably received Vivendi's appeal for misuse of authority. By letter dated April 1, 2019 and following various appeals, the tax authorities confirmed the continuation of the rectification procedure. On June 18, 2019, Vivendi therefore initiated legal proceedings before the Tax Department that issued the taxation in question. As no reply was received from the tax authorities, on December 30, 2019, Vivendi filed a complaint before the Administrative court of Montreuil. On December 14, 2020, after almost one year had passed since the complaint was filed, the tax authorities filed a statement of defense, to which Vivendi replied on January 21, 2021. On February 3, 2021, the court registry issued a statement closing the investigation as of March 1, 2021.

In addition, the tax audit for fiscal years 2013 to 2016 continues in respect of the group's consolidated earnings. With regard to Vivendi's individual earnings, on June 4, 2020, the tax authorities proposed a set of adjustments for €33 million (base) for these four financial years. This proposal will lead to a correction of Vivendi's tax losses carried forward and will not result in any current tax liabilities as any tax claimed will be paid by way of foreign tax receivables. Following Vivendi's reply to this proposal on July 21, 2020, the administration confirmed its position on September 14, 2020. Vivendi does not fully agree with the positions taken by the tax authorities but does not intend, given the stakes, to challenge them.

At the time of the sale of GVT to Telefônica Brasil in May 2015, Vivendi realized a capital gain that was subject to withholding tax in Brazil. On March 2, 2020, the Brazilian tax authorities challenged the methods for calculating this capital gain and requested Vivendi to pay an amount of BRL1 billion (i.e., approximately €160 million) in duties, late interest and penalties. This additional tax assessment and the refusal to take into account the reduction of the capital gain resulting from price adjustments were unsuccessfully challenged before the administrative authorities. Vivendi will take legal action to assert its rights and believes that it has a strong chance of succeeding. Accordingly, no provision has been recorded in the financial statements for the year ended December 31, 2020 in respect of this assessment.

NOTE 6. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

6.1. GROSS VALUES

(in millions of euros)	Opening gross value	Additions	Disposals	Closing gross value
Intangible assets	3.2	0.4		3.6
Property, plant and equipment	57.5	0.5		58.0
Total	**60.7**	**0.9**	**0.0**	**61.6**

6.2. DEPRECIATION AND AMORTIZATION

(in millions of euros)	Opening accumulated depreciation/ amortization	Charge	Reversal	Closing accumulated depreciation/ amortization
Intangible assets	2.3	0.4		2.7
Property, plant and equipment	55.6	0.4		56.0
Total	**57.9**	**0.8**	**0.0**	**58.7**

NOTE 7. LONG-TERM INVESTMENTS

7.1. CHANGE IN LONG-TERM INVESTMENTS

(in millions of euros)	Opening gross value	Additions	Disposals	Universal al transfer of assets and liabilities	Foreign currency translation adjustments	Closing gross value
Investments in affiliates and long-term portfolio securities	22,319.5	975.9	(379.9)	(1,381.8)		21,533.7
Loans to subsidiaries and affiliates	1,664.7	2,432.8				4,097.6
Other long-term investment securities	281.5	1,630.3	(5.8)			1,906.0
Loans and other long-term investments	163.4	200.2	(306.3)		(3.0)	54.3
Total	**24,429.2**	**5,239.2**	**(692.0)**	**(1,381.8)**	**(3.0)**	**27,591.6**

7.2. INVESTMENTS IN AFFILIATES AND LONG-TERM PORTFOLIO SECURITIES

The main changes in investments in affiliates and long-term portfolio securities are as follows:

- various transactions involving the UMG Group (see Significant Events in 2020), including:
  - the cancellation of UMG SAS shares, the book value of which was €2,704.3 million at the time of the universal transfer of the company's assets and liabilities in March 2020,
  - the concomitant recording of the shares of UIM BV, a wholly-owned subsidiary of UMG SAS, with a book value of €1,063.6 million,
  - the sale of 10% of the shares of each of UMG Inc. and UIM BV on March 31, 2020; the book values of these shares were €273.5 million and €106.4 million, respectively,
- the simplification of the Editis group's structure in October 2020, including:
  - the cancellation of Antinea 6 shares, with a book value of €332.7 million, at the time of the universal transfer of Antinea 6's assets and liabilities in October 2020,
  - the concomitant recording of the shares of Editis Holding, a wholly-owned subsidiary of Antinea 6 with a book value of €560.1 million. Following the universal transfer of the company's assets and liabilities, Vivendi SE harmonized its accounting methods relating to the recognition of acquisition costs of investments in affiliates as expenses (see Note 1.3. Investments in affiliates and long-term portfolio securities and other investment securities) – In accordance with Article 744-3 of the PCG, this harmonization was treated as a change in accounting method, at the date of the transaction, in accordance with Article 122-3 of the PCG, it was recorded as a deduction from retained earnings in the amount of €7.3 million and the value of the shares was reduced to €552.8 million.
  - the recognition, at the time of the transfer of assets and liabilities, of a technical loss of €38.8 million allocated to the Editis Holding shares;
- the acquisition of shares of Lagardère SCA, representing 29.2% of the share capital and 22.4% in the voting rights, for €592.8 million. As of December 31, 2020, the market value of the Lagardère shares held by Vivendi was €784.3 million.

7.3. LOANS TO SUBSIDIARIES AND AFFILIATES

As of December 31, 2020, loans to subsidiaries and affiliates, including accrued interest and net of depreciation, amounted to €2,371.4 million. They included credit lines of €2,365.1 million granted in February 2020 to UIM BV, the parent company holding the UMG entities outside of the United States, as part of the refinancing of this entity made prior to the sale of 10% of its share capital (see Significant Events in 2020).

7.4. OTHER LONG-TERM INVESTMENTS

Treasury shares held for cancellation

See Significant Events in 2020 and Note 9. Treasury Shares.

7.5. LOANS AND OTHER LONG-TERM INVESTMENTS

Other cash assets

In 2020, Vivendi invested €200.0 million and sold cash assets with a book value of €300.9 million. As of December 31, 2020, these investments amounted to €50.1 million compared to €153.9 million as of December 31, 2019 (€100.0 million and $60.0 million).

7.6. IMPAIRMENT

(in millions of euros)	Opening accumulated depreciation/ amortization	Charge	Reversal recorded in financial income	Reversal recorded in exceptional income	Closing accumulated depreciation/ amortization
Investments in affiliates and Long-term portfolio securities	2,684.5	453.0	(2.3)		3,135.2
Loans to subsidiaries and affiliates	1,662.8	63.3			1,726.1
Other long-term investment securities					
Loans and other long-term investments					
Total	**4,347.3**	**516.3**	**(2.3)**	**0.0**	**4,861.3**

NOTE 8. CURRENT ASSETS

8.1. RECEIVABLES

As of December 31, 2020, receivables, net of impairment, amounted to €4,257.0 million, compared to €4,492.7 million as of December 31, 2019. They included:

- current account advances by Vivendi to its subsidiaries for a net amount of €4,111.9 million compared to €4,155.0 million as of December 31, 2019; and
- tax receivables of €63.3 million, including advance tax payments made by Vivendi SE as the head of the French Tax Group System.

8.2. PREPAID EXPENSES

(in millions of euros)	2020	2019
Expenses relating to the following periods	2.9	5.5
Discount paid to subscribers of bonds	12.6	16.5
Total	**15.5**	**22.0**

NOTE 9. TREASURY SHARES

9.1. CHANGE IN TREASURY SHARES

	Long-term investment securities		Marketable securities			
	Shares held for cancellation		Shares backing performance share plans		Shares covering employee shareholding plans	
	No. Shares	Gross value	No. Shares	Gross value	No. Shares	Gross value
		(in millions of euros)		(in millions of euros)		(in millions of euros)
As of 12/31/2019	11,130,285	275.3	2,869,833	47.8		
Purchases	65,942,098	1,630.3	6,797,768	160.9	16,500,000	358.6
Cancellations						
Reallocations						
Deliveries or sales			(2,208,480)	(36.8)	(7,865,910)	(190.2)
As of 12/31/2020	**77,072,383**	**1,905.6**	**7,459,121**	**171.9**	**8,634,090**	**168.4**

The 93,165,594 treasury shares represent 7.86% of the share capital and have a book value of €2,245.9 million. Their market value of €2,457.7 million as of December 31, 2020, was calculated based on the closing price for Vivendi shares on that date.

NOTE 10. OTHER MARKETABLE SECURITIES AND CASH

(in millions of euros)	2020	2019
Monetary and Bonds funds		187.7
Medium-term negotiable notes		
Other similar accounts	130.3	1,035.0
Depreciation		
Sub-total marketable securities equivalent receivables	**130.3**	**1,222.7**
Cash	58.8	169.5
Total	**189.1**	**1,392.2**

NOTE 11. RECEIVABLES MATURITY SCHEDULE

(in millions of euros)	Gross value	Maturing in less than one year	Maturing in more than one year
Non-current assets			
Loans to subsidiaries and affiliates	4,097.6	13.9	4,083.6
Other long-term investments	54.3	50.1	4.2
Current assets			
Trade accounts receivable and related accounts	17.6	17.6	
Other receivables	4,609.8	4,596.6	13.1
Prepaid expenses	15.5	15.5	
Total	**8,794.7**	**4,693.7**	**4,101.0**

NOTE 12. DEFERRED CHARGES

12.1. DEFERRED CHARGES RELATING TO FINANCIAL INSTRUMENTS

(in millions of euros)	Opening balance	Increase	Amortization	Closing balance
Deferred charges relating to credit lines	3.5		(0.7)	2.7
Issue costs of bonds	8.9		(2.3)	6.6
Total	**12.4**	**0.0**	**(3.1)**	**9.3**

NOTE 13. UNREALIZED FOREIGN EXCHANGE GAINS AND LOSSES

As of December 31, 2020, there were no unrealized foreign exchange gains and losses.

NOTE 14. EQUITY

14.1. CHANGES IN EQUITY

Transactions (in millions of euros)	**Number of shares (a)**	**Share capital**	**Additional paid-in capital**	**Legal Reserve**	**Retained earnings**	**Earnings**	**Total**
As of 12/31/2019	1,184,576,204	6,515.2	7,167.0	752.7	1,923.1	1,729.8	18,087.8
Allocation of earnings and dividends					1,039.8	(1,729.8)	(690.0)
Stock options	1,419,417	7.8	14.8				22.6
Earnings for the year						3,009.4	3,009.4
Other changes **(b)**					(7.3)		(7.3)
As of 12/31/ 2020	**1,185,995,621**	**6,523.0**	**7,181.8**	**752.7**	**2,955.6**	**3,009.4**	**20,422.5**

(a) Par value of €5.50 per share

(b) Harmonization of accounting method following the universal transfer of all assets and liabilities of Antinea 6 (see Note 7. Long-term Investments).

14.2. ALLOCATION OF EARNINGS AND DISTRIBUTION OF DIVIDENDS TO SHAREHOLDERS

On March 1, 2021 (the date of Vivendi's Management Board Meeting that approved the Financial Statements for the year ended December 31, 2020, and the allocation of earnings for the fiscal year then ended), the Management Board decided to propose to shareholders the payment of an ordinary dividend of €0.60 per share representing a total distribution of approximately €651.3 million, based on the number of issued shares outstanding as of February 28, 2021, excluding treasury shares. This proposed distribution was presented to and approved by Vivendi's Supervisory Board at its meeting held on March 3, 2021 and will be submitted to the approval of the Annual General Shareholders' Meeting to be held on June 22, 2021.

The allocation of distributable earnings to be proposed to the Annual General Shareholders' Meeting to be held on June 22, 2021, is as follows:

Distributable earnings (in euros)	
Retained Earnings	2,955,604,551.07
2020 Earnings	3,009,370,168.18
Total	**5,964,974,719.25**
Allocation (in euros)	
Allocation to the legal reserve	
Allocation to other reserves	
Total dividend to shareholders **(a)**	651,333,876.60
Allocation to Retained Earnings	5,313,640,842.65
Total	**5,964,974,719.25**

(a) This amount is based on the number of treasury shares held on February 28, 2021 and will be adjusted to reflect the actual number of shares entitled to the dividend on the ex-dividend date.

Dividends paid in respect of the past three fiscal years were as follows:

Year	**2019**	**2018**	**2017**
Number of shares (in millions) **(a)**	1,150.0	1,271.1	1,261.2
Dividend per share (in euros)	**(b)** 0.60	0.50	0.45
Total distribution (in millions of euros)	**690.0**	**635.5**	**567.5**

(a) Number of shares entitled to the dividend as of January 1 of the relevant year, after elimination of treasury shares held at the dividend payment dates.

(b) On April 20, 2020, with respect to fiscal year 2019, Vivendi's General Shareholders' Meeting approved the payment of an ordinary dividend of €0.60 per share, representing a total distribution of €690 million.

NOTE 15. STOCK OPTION PLANS AND PERFORMANCE SHARE PLANS

15.1. STOCK SUBSCRIPTION OPTION PLANS

No stock option plans were granted in 2019 or 2020.

As of December 31, 2020, the number of shares that may be issued upon the exercise of stock subscription options granted prior to 2013 is 1,309,839.

15.2. PERFORMANCE SHARE PLANS

As of December 31, 2020, the total number of outstanding rights to performance shares (2016 to 2020 plans) amounted to 5,344,261.

The main features of the plans granted during the current and prior fiscal years are as follows (please refer to the PCG, Article 833-20/2):

	Number of performance share rights granted						Number of performance share rights		
	Total number of		of which granted to members of governing bodies						
Grant date	**beneficiaries**	**performance share rights**	**Number of beneficiaries**	**Number of performance share rights**	**Vesting date (*)**	**Availability date**	**Number of performance share rights cancelled in 2020**	**Number of shares created at the end of the vesting period in 2020**	**Number of performance share rights outstanding as of December 31, 2020**
02/14/2019	5	165,000	5	165,000	02/15/2022	02/16/2024			165,000
02/14/2019	381	923,160	8	161,280	02/15/2022	02/16/2024	10,823		906,577
02/14/2019	185	512,670	2	58,000	02/15/2022	02/16/2024	24,200		**(a)** 469,470
10/07/2019	4	18,250	0	0	10/10/2022	10/11/2024			18,250
11/12/2019	7	28,000	1	10,000	11/14/2022	11/15/2024			28,000
02/13/2020	6	185,000	6	185,000	02/14/2023	02/17/2025			185,000
02/13/2020	405	946,950	8	158,000	02/14/2023	02/17/2025	2,100		944,850
02/13/2020	185	463,100	1	20,000	02/14/2023	02/17/2025	2,000		**(b)** 461,100
11/16/2020	16	63,000	1	10,000	11/17/2023	11/18/2025			63,000
11/16/2020	1	1,900	0	0	11/17/2023	11/18/2025			**(b)** 1,900
						Total	**39,123**	**0**	**3,243,147**

(*) First day following the end of the three-year vesting period.

(a) Granted to international beneficiaries to be registered in an account in their respective names in 2024.

(b) Granted to international beneficiaries to be registered in an account in their respective names in 2025.

All performance shares granted in 2019 are subject to the satisfaction of the following performance criteria:

- the internal indicator (70%): the group's adjusted net income per share (50%) and the group's cash flow from operations after interest and taxes (CFAIT) (20%), between January 1, 2019 and December 31, 2021;
- the external indicator (30%): Vivendi share performance between January 1, 2019 and December 31, 2021, compared to two indices: the STOXX® Europe Media index (20%) and the CAC 40 (10%).

The satisfaction of such performance criteria is assessed over a three-year period.

The definitive grant of performance shares will be effective upon satisfaction of the above performance criteria, subject to the presence of the beneficiaries in the group at the end of a three-year period (vesting period) and provided that: (i) 100% of the performance shares granted will vest if each internal and external indicator reaches or exceeds 100% and (ii) no shares will vest if the performance for each indicator (internal or external) is below 50%. An arithmetic calculation is made for interim results.

All performance shares granted in 2020 are subject to the satisfaction of performance criteria. These criteria are based on (i) two internal indicators (70%): the group's adjusted net income per share (50%) and the group's cash flow from operations after interest and taxes (CFAIT) (20%), between January 1, 2020 and December 31, 2022, and (ii) an external indicator (30%): Vivendi share performance between January 1, 2020 and December 31, 2022, compared to two indices: the STOXX® Europe Media index (20%) and the CAC 40 (10%).

The satisfaction of such performance criteria is assessed over a three-year period.

The definitive grant of performance shares will be effective upon satisfaction of the above performance criteria, subject to the presence of the beneficiaries in the group at the end of a three-year period (vesting period) and provided that: (i) 100% of the performance shares granted will vest if each internal and external indicator reaches or exceeds 100% and (ii) no shares will vest if the performance for each indicator (internal or external) is below 50%. An arithmetic calculation is made for interim results.

NOTE 16. PROVISIONS

16.1. SUMMARY TABLE OF PROVISIONS

Nature of provisions (in millions of euros)	**Opening balance**	**Charge**	**Reversal**	**Utilization**	**Closing balance**
Employee benefits	62.2	47.0		(15.0)	94.1
Other provisions	74.5	27.2	(26.6)	(31.5)	43.6
Total – Provisions	**136.7**	**74.2**	**(26.6)**	**(46.6)**	**137.7**
Charges and reversals:					
– operating		*43.8*	*(1.1)*	*(17.4)*	
– financial					
– exceptional		*30.3*	*(25.5)*	*(29.1)*	

The provision for employee benefits increased by €31.9 million from €62.2 million at year-end 2019 to €94.1 million at year-end 2020 (see Note 1.9. Employee benefit plans).

Related obligations are valued using the following assumptions: (i) 3.5% to 4.0% wage increase rates, (ii) a 0.75% discount rate for the general statutory scheme (retirement termination payments) and supplementary schemes (compared to 0.50% for 2019) and (iii) a retirement age of between 62 (retirement termination payments) to 65. As of December 31, 2020, pension commitments amounted to €234.8 million, compared to €208.1 million as of December 31, 2019.

Supplemental pension obligations, other than retirement termination payments, are partially funded by external insurance policies, the present value of which is deducted from the actuarial obligation. The expected rate of return on plan assets is 2.5%.

As of December 31, 2020, plan assets (consisting of 78% bonds and 14% equities) and unrecognized actuarial losses were €43.4 million and €112.1 million, respectively, compared to €32.3 million and €134.3 million, respectively, as of December 31, 2019.

As of December 31, 2020, "other provisions" totaled €43.6 million, mainly including a provision of €36.2 million to cover up for the performance share plans granted to employees of Vivendi and its subsidiaries in 2016 and 2017 (residual plans), and in 2018.

NOTE 17. BORROWINGS

As of December 31, 2020, the aggregate amount of borrowings totaled €6,807.5 million, compared to €7,731.8 million as of December 31, 2019.

17.1. BOND ISSUES

As of December 31, 2020, bond issues totaled €5,050.0 million, unchanged compared to December 31, 2019.

Accrued interest on bonds was €15.9 million as of December 31, 2020, identical to the amount as of December 31, 2019.

Amounts in millions of euros	**Issue date**	**Maturity date**	**Nominal rate**
1,000.0	2016/05	2021/05	0.75%
500.0	2016/05	2026/05	1.88%
600.0	2016/11	2023/11	1.13%
850.0	2017/09	2024/09	0.88%
700.0	2019/06	2022/06	0.00%
700.0	2019/06	2025/06	0,625%
700.0	2019/06	2028/12	1,125%
5,050.0			

On April 3, 2020, Vivendi renewed its Euro Medium-Term Note (EMTN) program, increasing it to €8 billion, giving Vivendi full flexibility to issue bonds. This program was filed with the AMF *(Autorité des marchés financiers)* under visa no. 20-117 for a twelve-month period.

Bonds issued by Vivendi SE contain customary provisions related to events of default, negative pledge and rights of payment (pari-passu ranking). They also contain an early redemption clause in the event of a change of control (for the bonds issued in May 2016 and November 2016, Bolloré Group was carved out of the change-of-control provision) if, as a result of any such event, the long-term rating of Vivendi SE is downgraded below investment grade status (Baa3/BBB-).

17.2. BANK BORROWINGS

As of December 31, 2020, the aggregate amount of loans and borrowings from credit institutions was €363.2 million, compared to €939.1 million as of December 31, 2019. The majority of loans and borrowings comprised:

- accounting overdrafts for €52.1 million, compared to €68.2 million as of December 31, 2019; and
- drawdowns on credit lines for an amount of €310 million as of December 31, 2020.

On December 10, 2020, Vivendi SE's syndicated bank credit facility of €2.2 billion was extended by one-year until January 16, 2026. As a reminder, in January 2019, Vivendi signed committed bilateral credit facilities granted by leading banks, for an aggregate available amount of €1.2 billion maturing in January 2024. Universal Music Group Inc. (UMG Inc.) is now an additional borrower under five of Vivendi SE's eight bilateral credit facilities up to the aggregate limit of €750 million.

These credit facilities are no longer required to comply with financial covenants but they contain customary provisions relating to events of default and covenants applicable to Vivendi in terms of negative pledge and merger transactions.

As of December 31, 2020, €2,667.6 million of Vivendi SE's facilities were available, taking into account the short-term marketable securities issued and backed by the credit facilities for €310 million and drawings by UMG Inc. on bilateral credit facilities for €422.4 million (see above).

17.3. OTHER BORROWINGS

As of December 31, 2020, other borrowings amounted to €1,378.4 million, compared to €1,726.8 million as of December 31, 2019. They primarily comprised current account deposits made by subsidiaries.

NOTE 18. DEBT MATURITY SCHEDULE

Liabilities (including accrued interest) (in millions of euros)	**Gross value**	**Due in less than one year**	**Due in one to five years**	**Due within more than five years**
Bond issues	5,065.9	1,015.9	2,850.0	1,200.0
Bank borrowings	363.2	363.2		
Other borrowings	1,378.4	1,378.4		
Trade accounts payable and related accounts	40.2	40.2		
Tax and employee-related liabilities	24.2	24.2		
Amounts payable in respect of PP&E and related accounts				
Other liabilities	111.9	102.0	9.9	
Deferred income	0.4	0.4		
Total	**6,984.1**	**2,924.2**	**2,859.9**	**1,200.0**

NOTE 19. ITEMS IMPACTING SEVERAL ITEMS OF THE STATEMENT OF FINANCIAL POSITION

The assets in the table below are shown at gross value.

ASSETS

(in millions of euros)	Accrued income
Investments in affiliates	
Loans to subsidiaries and affiliates	13.9
Other long-term investment securities	
Loans	
Other long-term investments	
Trade accounts receivable and related accounts	1.0
Other receivables	4.2
Deferred charges	
Prepaid expenses	
Unrealized foreign exchange losses	
Total	**19.1**

LIABILITIES

(in millions of euros)	Accrued expenses
Other bond issues	15.9
Bank borrowings	1.0
Other borrowings	
Trade accounts payable and related accounts	37.6
Tax and employee-related liabilities	19.5
Amounts payable in respect of PP&E and related accounts	
Other liabilities	
Deferred income	
Unrealized foreign exchange gains	
Total	**74.1**

NOTE 20. COMPENSATION OF CORPORATE OFFICERS

Total gross compensation (including benefits in kind) for members of the Management Board paid by Vivendi in 2020 was €11.3 million, compared to €9.9 million in 2019.

Members of the Management Board who received compensation from Vivendi SE also benefited from a supplemental pension plan, the cost of which was €5.2 million in 2020. The cost was €9.3 million in 2019, taking into account the new requirements of French Executive Order no. 2019-697 of July 3, 2019 relating to supplemental occupational pension plans. The Supervisory Board decided, at its meeting held on November 14, 2019, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, to set the rights of the group supplemental defined-benefit pension plan according to the seniority acquired as of December 31, 2019.

With respect to fiscal year 2020, the aggregate gross amount of compensation paid to the members of the Supervisory Board was €1.2 million, and the gross compensation paid to the Chairman of the Supervisory Board was €400,000, including the amount paid pursuant to Article L. 225-83 of the French Commercial Code *(Code de commerce)* of €60,000.

NOTE 21. MANAGEMENT SHARE OWNERSHIP

As of December 31, 2020, members of the Management Board, the Supervisory Board and General Management directly held an aggregate of 0.108% of the share capital of the company.

NOTE 22. NUMBER OF EMPLOYEES

In 2020, the annual average number of employees, as defined in Article D 123-200 of the French Commercial Code (PCG, Article 833-19), was 197 (including 8 employees whose wages were recharged to subsidiaries) compared to 233 in 2019 (including 35 employees whose wages were recharged to subsidiaries).

The breakdown of employees by category is as follows:

	2020	2019
Engineers and executives	172	188
Supervisors	21	22
Other employees	4	23
Total	**197**	**233**

NOTE 23. FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

Vivendi SE has entered into various commitments on its own account or on behalf of its subsidiaries, the main terms and conditions of which are detailed below.

23.1. SHARE PURCHASE AND SALE COMMITMENTS AND OTHER CONTRACTUAL OBLIGATIONS

In connection with the purchase or sale of operations and financial assets, Vivendi has granted or received commitments to purchase or sell securities:

- Following completion of a share buyback program launched pursuant to the sixth resolution of the General Shareholders' Meeting of April 20, 2020, as set out in the program's description published on April 28, 2020 and its supplement published on October 21, 2020, Vivendi is committed to an independent banking institution in connection with an irrevocable mandate to purchase treasury shares, the purpose of which is the cancellation and, if applicable, the sale of shares to employees or corporate officers of group companies participating in the group savings plan or the international group savings plan. Between January 1, 2021 and March 3, 2021, the termination date of the mandate, the total number of shares that may be repurchased under this mandate was 20,188,734 shares, with a maximum price per share of €26 (as of February 28, 2021, 7,276,816 shares had been acquired for a total amount of €188.5 million);
- Sale of 10% of UMG's share capital (see Significant Events in 2020 and Note 28, Subsequent Events);
- On August 10, 2020, Vivendi and Amber Capital entered into a pact and a five-year reciprocal first offer and pre-emption rights agreement relating to Lagardère SCA shares (see Significant Events in 2020);
- On December 23, 2020, Vivendi announced that it had entered into a put option agreement for 100% of Prisma Media. Pursuant to applicable regulation, the contemplated acquisition remains subject to the information and consultation process with Prisma Media's representative bodies and finalization of the legal documentation (see Significant Events in 2020); and
- Vivendi made the commitment to refrain from purchasing Ubisoft shares for a period of five years starting in October 2018 (see below).

23.2. CONTINGENT LIABILITIES SUBSEQUENT TO GIVEN OR RECEIVED COMMITMENTS RELATED TO THE DIVESTITURE OR ACQUISITION OF SHARES

The main contingent liabilities include:

- Sale of the remaining interest in Ubisoft (March 2019): Vivendi is no longer a Ubisoft shareholder and maintains its commitment to refrain from purchasing Ubisoft shares for a period of five years starting in October 2018. The specific uncapped guarantees granted at the time of the October 2018 sale remain in place;
- Sale of GVT (May 2015): representations and warranties limited to specifically-identified tax matters, capped at BRL180 million;
- Sale of Activision Blizzard (October 2013):
  - unlimited general warranties and tax warranties capped at $200 million, subject to certain conditions;
- Divestiture of Polska Telefonia Cyfrowa (PTC) shares (December 2010), with commitments to end litigation over the share ownership of PTC:
  - guarantees given to the Law Debenture Trust Company (LDTC), for an amount of up to 18.4% of the first €125 million, 46% between €125 million and €288 million, and 50% thereafter; and
  - guarantees given to Poltel Investment's (Elektrim) judicial administrator;
- Merger between NBC and VUE (May 2004) and subsequent amendments (2005-2010): breaches of tax representations and an obligation to apply the Most Favored Nation provisions;
- Vivendi and its subsidiaries have entered into agreements with certain minority shareholders providing for purchase price supplements. They include, in particular, the cap applicable on earn-outs payable in 2022 under the contract signed in June 2016 for the acquisition of 100% of the companies that own and manage all *Paddington* intellectual property rights (except for the publishing rights). These purchase price supplements are part of an overall guarantee capped at £80 million expiring on December 31, 2024;
- Several warranties given in connection with asset acquisitions or disposals during previous years have expired. However, the time periods or statutes of limitations of certain warranties relating, among other things, to employee, environment and tax liabilities, in consideration for share ownership or given in connection with the dissolution or winding-up of certain businesses, are still in effect. To the best of Vivendi's knowledge, no material claims for indemnification against such liabilities have been made to date;

- in addition, Vivendi regularly delivers commitments for damages to third parties at the settlement of disputes and litigation. These commitments are typical in such transactions.

23.3. OTHER GUARANTEES

- On behalf of Canal+, Vivendi has granted guarantees related to sports broadcasting rights to beIN Sports, UEFA and the satellite operator SES, the latter also benefiting from a bank guarantee in the amount of €5 million.
- On behalf of UMG Inc., Vivendi has granted guarantees to several banks: some of these guarantees relate to bilateral credit lines (€750 million, see Note 17. Borrowings), and others relate to UMG Inc's own credit facilities (€410 million maturing on September 28, 2021, and €170 million maturing on October 28, 2021).
- Havas benefits from a €500 million guarantee granted by Vivendi and valid until July 31, 2022 for the benefit of the holders of its Negotiable European Commercial Paper (NEU CP).
- As of December 31, 2020, in addition to standard comfort letters, Vivendi gave guarantees to several banks that had granted credit facilities to certain subsidiaries to cover working capital requirements, including in an amount of approximately €5 million and $62 million for Canal+;
- Vivendi granted a guarantee to PRI pensions on behalf of UMG Sweden in the amount of SEK60 million. This guarantee expires on March 31, 2022.
- Vivendi gave guarantees to certain of its subsidiaries (including UMG, Canal+ Group and Ticketing) to cover their third-party commitments.
- Vivendi gave counter-guarantees to US financial institutions that issued a certain number of letters of credit in favor of certain US operating subsidiaries for an aggregate amount of $7 million.
- as of December 31, 2020, Vivendi had given a certain number of real estate lease commitments for a total net amount of €121 million, including €51 million on its own behalf, €60 million on behalf of Canal+, $7 million on behalf of Dailymotion and €2.7 million on behalf of Editis.
- Vivendi issued a counter-guarantee of €19 million in favor of a bank in Spain in connection with the Mediaset litigation.
- as part of the cash management of UMG and Canal+ Group, Vivendi provided comfort letters to a number of banks for an approximate amount of €900 million at year-end 2020.
- in connection with the reorganization of the USH English pension plan for certain current and former employees based in the United Kingdom, and the transfer of pension commitments under this plan to Metlife, Vivendi SE, on behalf of Centenary Holdings Limited, its subsidiary, guaranteed the liabilities under the plan for an estimated amount of £7 million as of December 31, 2020, which does not represent an additional financial commitment for the group.

23.4. COLLATERALS AND PLEDGES

As of December 31, 2020 and December 31, 2019, no material asset in Vivendi's Statement of Financial Position was subject to a pledge or mortgage for the benefit of third parties.

23.5. FINANCIAL COVENANTS

On January 16, 2019, Vivendi SE's syndicated bank credit facility was amended for an amount of €2.2 billion and its maturity was extended by one year on December 10, 2020 until January 16, 2026. In addition, in January 2019, Vivendi signed committed bilateral credit facilities granted by leading banks, for an aggregate available amount maturing in January 2024 (see Note 17. Bank borrowings).

All these credit facilities are no longer required to comply with financial covenants but they contain customary provisions relating to events of default and covenants applicable to Vivendi in terms of negative pledge and merger transactions.

NOTE 24. LITIGATION

In the normal course of its business, Vivendi is subject to various lawsuits, arbitrations and governmental, administrative or other proceedings (collectively referred to herein as "Legal Proceedings").

The costs which may result from these Legal Proceedings are only recognized as provisions when they are likely to be incurred and when the obligation can reasonably be quantified or estimated, in which case, the amount of the provision represents Vivendi's best estimate of the risk and is based on a case-by-case assessment of the risk level, provided that Vivendi may, at any time, reassess such risk if events occur during such proceedings.

To the company's knowledge, there are no Legal Proceedings or any facts of an exceptional nature (including any pending or threatened proceedings in which it is a defendant), which may have or have had in the previous twelve months a material effect on the company's financial position, profit, business and property, other than those described herein.

The status of proceedings disclosed hereunder is described as of March 1, 2021 (the date of Vivendi's Management Board Meeting that approved the Financial Statements for the year ended December 31, 2020).

24.1. LBBW *ET AL.* AGAINST VIVENDI

On March 4, 2011, 26 institutional investors from Germany, Canada, Luxembourg, Ireland, Italy, Sweden, Belgium and Austria filed a complaint against Vivendi with the Paris Commercial court seeking to obtain damages for losses they allegedly incurred as a result of four financial communications issued by Vivendi in October and December 2000, September 2001 and April 2002. Subsequently, on April 5 and April 23, 2012, two similar complaints were filed against Vivendi: the first one by a US pension fund, the Public Employee Retirement System of Idaho, and the other by six German and British institutional investors. Lastly, on August 8, 2012, the British Columbia Investment Management Corporation also filed a complaint against Vivendi based on the same grounds. On January 7, 2015, the Paris Commercial court appointed an independent court officer responsible for verifying the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of securities. The latter completed his work in the first half of 2018 and proceedings on the merits are currently underway. Oral arguments are expected to be heard in the first half of 2021.

24.2. CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM *ET AL*. AGAINST VIVENDI

On April 27, 2012, 67 institutional foreign investors filed a complaint against Vivendi before the Paris Commercial court seeking damages for losses they allegedly incurred as a result of the financial communications made by Vivendi between 2000 and 2002. On June 7 and September 5 and 6, 2012, 26 new plaintiffs joined these proceedings. In November 2012 and March 2014, 12 plaintiffs withdrew from these proceedings. On January 7, 2015, the Paris Commercial court appointed an independent court officer responsible for verifying the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of securities. The latter completed his work in the first half of 2018 and proceedings on the merits are currently underway. Oral arguments are expected to be heard in the first half of 2021.

24.3. MEDIASET AGAINST VIVENDI

On April 8, 2016, Vivendi and Mediaset entered into a strategic partnership agreement pursuant to which the parties agreed to swap a 3.5% interest in Vivendi in exchange for a 3.5% interest in Mediaset and 100% of the share capital of the pay-TV company Mediaset Premium, a subsidiary of Mediaset.

Vivendi's purchase of Mediaset Premium was based on financial assumptions delivered by Mediaset to Vivendi in March 2016, which raised various questions within Vivendi that were addressed to Mediaset. As contractually agreed under the agreement dated April 8, 2016, a due diligence review was subsequently conducted (which was made on behalf of Vivendi by the advisory firm Deloitte). It became apparent from this audit and from Vivendi's analyses that the numbers provided by Mediaset prior to signing the agreement were not realistic and were founded on an artificially-inflated base.

Although Vivendi and Mediaset had been in discussions in an effort to find an alternative transaction structure to the April 8, 2016 agreement, on July 26, 2016, Mediaset terminated these discussions by publicly rejecting the proposal Vivendi had submitted to it. This proposal consisted of a swap of 3.5% of Vivendi's share capital in exchange for 20% of Mediaset Premium's share capital and 3.5% of Mediaset's share capital and, for the balance, the issuance by Mediaset to Vivendi of bonds convertible into Mediaset shares.

Subsequently, in August 2016, Mediaset together with its affiliate RTI, and Fininvest, Mediaset's majority shareholder, each filed a complaint against Vivendi before the Milan Civil court seeking to obtain specific performance of the April 8, 2016 agreement and the related shareholders' agreement as well as compensation for alleged damages. In particular, the plaintiffs claim that Vivendi did not file its notification to the European Commission with respect to the transaction and thus prevented the last condition precedent to the completion of the transaction from being satisfied. Vivendi considers that despite its timely completion of the pre-notification process with the Commission, the Commission would not have accepted a formal filing while the parties were discussing their differences.

At the first hearing held in the case, the judge enjoined the parties to come closer to try to reach an amicable resolution of their dispute. To this end, on May 3, 2017, the parties began mediation proceedings before the Chamber of National and International Arbitration of Milan.

Despite this mediation, on June 9, 2017, Mediaset, RTI and Fininvest filed a further complaint against Vivendi seeking damages totaling €2 billion for Mediaset and RTI, and €1 billion for Fininvest, in connection with Vivendi's acquisition of Mediaset shares at the end of 2016. According to the plaintiffs, who unsuccessfully requested that this action be consolidated with the first two, these acquisitions were made in breach of the April 8, 2016 agreement and of Italian media regulations and constitutive of unfair competition. In addition, the complaint included a demand that Vivendi be required to divest the Mediaset shares that were allegedly purchased in breach of applicable law and the April 8, 2016 agreement. Lastly, the plaintiffs requested that, pending such divestiture, Vivendi be enjoined from exercising its rights (including voting rights) on such Mediaset shares.

On February 27, 2018, the court noted the termination of the mediation proceedings. During a hearing held on December 4, 2018, Fininvest, RTI and Mediaset dropped, in respect of their first complaint, their claim to specific performance of the April 8, 2016 agreement, while pursuing their claim for compensation for alleged damages, in the amount of up to (i) €720 million for Mediaset and RTI, for non-performance of the April 8, 2016 agreement, and (ii) €1.3 billion for Fininvest, for non-performance of the above-mentioned shareholders' agreement, for the loss resulting from the change in the Mediaset share price between July 26 and August 2, 2016 and various damages relating to the alleged illegal acquisition of Mediaset shares by Vivendi at the end of 2016. Fininvest is also seeking damages for an amount to be determined by the court for damages to its decision-making process and image.

At a hearing held on March 12, 2019, Vivendi requested that the court suspend part of the proceedings pending the ruling of the Court of Justice of the European Union on the analysis of the compatibility of the Italian law on the protection of media pluralism (the "TUSMAR") with the Treaty on the Functioning of the European Union, which suspension was granted. The proceedings resumed following the decision of the Court of Justice of the European Union dated September 3, 2020 (see below), and a final discussion hearing was held before the Court of Milan on February 11, 2021, during which the parties presented their arguments. At the end of this hearing, the court's decision was reserved. It is expected to be rendered in the first half of 2021.

24.4. OTHER PROCEEDINGS RELATED TO VIVENDI'S ENTRY INTO THE SHARE CAPITAL OF MEDIASET

Following Vivendi's entry into the share capital of Mediaset by means of open market purchases of shares during the months of November and December 2016, culminating in a 28.80% shareholding, Fininvest stated that it had filed a complaint for market manipulation with the Milan public prosecutor's office and the Consob, the Italian financial markets regulator.

As a result of this complaint, on December 11, 2020, the former Chairman of Vivendi's Supervisory Board and the Chairman of Vivendi's Management Board were notified of the "end of a preliminary investigation".

In addition, on December 21, 2016, the AGCOM, the Italian communications authority, opened an investigation into the compatibility between the increase in Vivendi's holdings in Mediaset's share capital and its position as shareholder of Telecom Italia under Italian media regulations.

On April 18, 2017, the AGCOM issued a decision in which it determined that Vivendi was not compliant with the regulations. Vivendi, which had twelve months to become compliant, appealed against this decision to the Regional Administrative Court of Lazio. Pending the decision on this appeal, the AGCOM acknowledged Vivendi's proposed action plan setting out how it would comply with the decision. On April 9, 2018, in compliance with the undertakings given to the AGCOM, Vivendi transferred the portion of its shareholding in excess of 10% of Mediaset's voting rights to an independent trustee, Simon Fiduciaria SpA. On November 5, 2018, the Regional Administrative Court of Lazio decided to suspend its decision and referred to the European Court of Justice the analysis of the compatibility of the Italian rule under Article 43 of the TUSMAR, as applied by AGCOM, with the free movement principle enshrined in the Treaty on the Functioning of the European Union. On September 3, 2020, the Court of Justice of the European Union ruled that the Italian regulations on the protection of media pluralism were contrary to EU law. Following this decision, on December 23, 2020, the Regional Administrative Court of Lazio annulled the above-mentioned AGCOM decision of April 18, 2017. On January 22, 2021, Mediaset appealed against this decision.

Prior to these latest developments, on December 11, 2020, AGCOM announced the opening of a new investigation against Vivendi, based on a provision (the "Salva Mediaset" amendment) passed by the Italian Parliament as part of the approval, in early December 2020, of emergency measures related to the health crisis. On the same day, Vivendi filed a complaint with the European Commission against this provision. On February 2, 2021, Vivendi challenged the opening of this investigation before the Regional Administrative Court of Lazio.

24.5. PROCEEDINGS RELATED TO THE CHANGE IN MEDIASET'S CORPORATE STRUCTURE

On July 2, 2019, Vivendi filed a complaint against Mediaset and Fininvest before the Milan Civil Court requesting the Court to (i) annul the resolution of the Mediaset Board of Directors adopted on April 18, 2019, preventing Vivendi from exercising the voting rights associated with the shares not transferred to Simon Fiduciaria following the AGCOM's decision of April 18, 2017 (representing 9.61% of the share capital and 9.9% of the voting rights) at Mediaset's Extraordinary General Shareholders' Meeting held on April 18, 2019, and (ii) annul the resolution adopted by that meeting approving the implementation of a double voting rights system for shareholders who have held their shares for at least two years and who request such rights.

On June 7, 2019, Mediaset announced a plan to create MediaforEurope (MFE), a Netherlands-based holding company that would result from the merger of Mediaset SpA and Mediaset España. On September 4, 2019, the merger plan was approved by the Shareholders' Meetings of the Italian and Spanish companies, and then re-approved (due to the appeals filed by Vivendi) by the Shareholders' Meetings of Mediaset SpA and Mediaset España on January 10 and February 5, 2020, respectively. At both of the meetings held in Italy, Simon Fiduciaria was deprived of its voting rights by Mediaset's Board of Directors and Vivendi initiated legal proceedings in Spain, Italy and the Netherlands:

- On September 16, 2019, Vivendi brought summary proceedings before the Madrid Commercial Court requesting the suspension of the resolution authorizing the creation of MFE adopted by Mediaset España's General Shareholders' Meeting of September 4, 2019, and brought proceedings on the merits to annul the resolution. In a decision issued on October 10, 2019, the Madrid Commercial Court granted Vivendi's request for summary judgment, a decision which Mediaset appealed. On February 14, 2020, the Madrid Court of Appeal *(Audiencia Provincial de Madrid)* dismissed the appeal filed by Mediaset España against the October 10, 2019 decision.

  On March 5, 2020, Mediaset España requested the suspension of the effects of this decision after Mediaset España's General Shareholders' Meeting of February 5, 2020, which, like Mediaset SpA's General Shareholders' Meeting of January 10, 2020, approved Mediaset's proposed amendment to MFE's by-laws. In addition, on April 30, 2020, Vivendi brought new summary proceedings on the merits against the resolution adopted by Mediaset España's General Shareholders' Meeting of February 5, 2020. On June 12, 2020, the Madrid Commercial Court decided to join the two proceedings brought by Vivendi against Mediaset España on September 16, 2019 and April 30, 2020. On July 30, 2020, the court issued a ruling in which it confirmed the suspension of the proposed merger.
- On October 1, 2019, Vivendi filed a motion on the merits with the Court of Milan seeking the annulment of the resolution authorizing the creation of MFE adopted by Mediaset SpA's Shareholders' Meeting of September 4, 2019, which resolution was suspended following an interlocutory action brought in parallel by Vivendi on October 15, 2019. Following the amendments made to MFE's by-laws proposed by Mediaset's Board of Directors and approved by the Shareholders' Meeting of January 10, 2020, Vivendi again filed a motion for summary judgment on the merits with the Court of Milan. In a decision issued on February 3, 2020, the Court of Milan denied Vivendi's request for suspension of the planned merger. On June 19, 2020, Vivendi's appeal was dismissed. The proceedings on the merits are continuing before the Court of Milan. The court could render its decision in the first half of 2022.
- On October 29, 2019, Vivendi initiated proceedings on the merits before the District Court of Amsterdam seeking an injunction to prohibit Mediaset Investment NV (the future MFE) from amending its by-laws by including certain provisions which, according to Vivendi, infringe upon the rights of minority shareholders.

  On January 20, 2020, Vivendi also filed an interlocutory action before the Amsterdam Court to prohibit the proposed merger. On February 26, 2020, the Amsterdam Court dismissed Vivendi's request for summary judgment, a decision that Vivendi appealed on March 25, 2020. A hearing was held before the Amsterdam Court of Appeal on July 24, 2020. On September 1, 2020, the Amsterdam Court of Appeal ruled in favor of Vivendi, prohibiting the proposed merger of Mediaset. Following this ruling, Mediaset announced that it had abandoned its merger plans.

24.6. TELECOM ITALIA

On August 5, 2017, the Italian Government informed Vivendi that it was opening a formal investigation into whether certain provisions of Law Decree no. 21 of March 15, 2012 on special powers of the Italian Government relative to the defense and national security sectors (Article 1) and to activities of strategic importance in the fields of energy, transport and communications (Article 2), had been respected by Telecom Italia and Vivendi. Vivendi considered the provisions of that decree inapplicable to Vivendi. In particular, (i) Article 1, concerning the defense and national security sectors had never been hitherto declared and communicated to the market given the nature of the activities carried out by Telecom Italia, and (ii) Article 2, which relates to the energy, transport and communications sectors, does not apply to Vivendi since it refers to purchases of significant shareholdings made by non-European entities.

Additionally, and in the same timeframe as the above-mentioned investigation, on September 13, 2017, the Consob declared that Vivendi exercises de facto control over Telecom Italia. Vivendi and Telecom Italia formally contest this position and appealed to the Lazio Regional Administrative Court. On April 17, 2019, the Lazio Regional Administrative Court dismissed the appeal brought by Telecom Italia and Vivendi, each of which filed an appeal with the Italian Council of State on July 16 and 17, 2019, respectively. On December 14, 2020, the Italian Council of State ruled in favor of Vivendi and Telecom Italia.

On September 28, 2017, the Presidency of the Council of Ministers declared that (i) the notification made by Vivendi under Article 1 of the aforementioned legislative decree as a precautionary measure was made late and (ii) Telecom Italia had not made a notification under Article 2 of the decree following a change of control over its assets that are of strategic importance in the fields of energy, transport and communications. Therefore, the Presidency of the Council of Ministers launched proceedings against Telecom Italia for failing to make the required notification under Article 2 of the same legislative decree. Vivendi and Telecom Italia have appealed this finding.

Furthermore, by a decree dated October 16, 2017, the Italian Government decided to exercise the special powers laid down in Article 1 of the 2012 legislative decree, relative to the defense and national security sectors. This decree imposes a number of organizational and governance measures on Vivendi and Telecom Italia and its two subsidiaries, Telecom Italia Sparkle SpA ("Sparkle") and Telsy Elettronica e Telecomunicazioni SpA ("Telsy"). In particular, Telecom Italia, Sparkle and Telsy must have a division in charge of supervising all activities related to defense and national security, which is fully autonomous and endowed with human and financial resources sufficient to guarantee its independence, and to appoint to their governing bodies a member who is an Italian citizen, who is approved by the Italian Government and who has security clearance. It also requires the establishment of a Supervisory Committee under the auspices of the Council of Ministers (Comitato di monitoraggio) to monitor compliance with these obligations. On February 13, 2018, Vivendi and Telecom Italia filed an appeal against this decree with the Italian Presidency of the Council of Ministers. This appeal was dismissed on November 13, 2019.

In addition, by a decree dated November 2, 2017, the Italian Government decided to implement the special powers conferred by Article 2 of the 2012 legislative decree, relative to the fields of energy, transport and communications. This decree imposes on Telecom Italia the obligation to implement development, investment and maintenance plans for its networks to guarantee their operation and security, to provide universal service, and, more generally, to satisfy public interest in the medium and long term, under the control of the Comitato di monitoraggio, who must be notified of any reorganization of the Telecom Italia group's holdings or any project having an impact on the security, availability and operation of the networks. On March 2, 2018, Vivendi and Telecom Italia filed an appeal against this decree with the Italian Presidency of the Council of Ministers.

Finally, by a decree dated May 8, 2018, the Italian Government imposed an administrative fine of €74 million on Telecom Italia for failure to comply with its information obligations (failure to notify under Article 2 of Law Decree No. 21 of March 15, 2012, see above). On July 5, 2018, the Regional Administrative Court of Lazio suspended the enforcement of such fine.

24.7. VIVENDI AND AMBER CAPITAL AGAINST LAGARDÈRE

On August 11, 2020, Vivendi and Amber Capital, respectively the largest and second-largest shareholders of Lagardère SCA with, at the time, 23.5% and 20% of Lagardère's share capital, entered into an agreement pursuant to which they sought minority representation on Lagardère's Supervisory Board with three members for Amber Capital and one member for Vivendi.

Following the refusal of the Supervisory Board and the Managing Partners of Lagardère to call a General Shareholders' Meeting to propose the appointment of these new board members, on September 7, 2020, Vivendi and Amber Capital filed an application for injunctive relief with the Paris Commercial Court. On October 14, 2020, the Paris Commercial court dismissed Vivendi and Amber Capital's request to convene a general Meeting of Lagardère's shareholders. On October 19, 2020, Vivendi appealed against this decision. On December 17, 2020, the Paris court of Appeal upheld the lower court's decision.

24.8. HARRY SHEARER AND CENTURY OF PROGRESS PRODUCTIONS AGAINST STUDIOCANAL, UNIVERSAL MUSIC GROUP AND VIVENDI

A complaint was filed in California federal court against Studiocanal and Vivendi by Harry Shearer, through his company Century of Progress Productions, in his capacity as a creator, actor and composer of the film "This Is Spinal Tap", an American film produced and financed in 1984 by Embassy Pictures (Studiocanal is the successor to Embassy's rights). Mr. Shearer sought damages for breach of contractual obligations to provide operating accounts, fraud, and failure to use the film's trademark, and also sought attribution of the trademark. On February 8, 2017, four new plaintiffs, co-creators of the film, joined the proceedings. On February 28, 2017, in response to the complaint, the defendants filed a motion to dismiss, in which they asked the court to declare the claims of the new plaintiffs to be inadmissible and to deny the claim for fraud. On September 28, 2017, the court issued its decision. With respect to inadmissibility, it dismissed the claims of three of the four co-creators as well as the fraud claim but gave permission to the plaintiffs to file amended complaints in their individual capacities as well as to supplement their fraud claim. On October 19, 2017, a new complaint (the "Second Amended Complaint") was filed, which reintroduced the claims of three plaintiffs previously found to be inadmissible and added Universal Music Group (UMG) as a defendant. On December 21, 2017, UMG and Studiocanal each filed a motion to dismiss in response. By decision of August 28, 2018, the court denied Studiocanal's motion to dismiss the plaintiffs' fraud claim. While the court did not recognize the existence of fraud, it left open the possibility for the plaintiffs to prove it in the subsequent proceedings on the merits and granted some of UMG's motions but with leave for the plaintiffs to file an amended complaint with respect to these claims. The court also denied UMG's motion to dismiss the plaintiffs' application for declaratory relief to terminate and recover from UMG the copyrights in the sound recordings from the motion picture in the United States. On September 18, 2018, the plaintiffs filed their new complaint (the "Third Amended Complaint").

In parallel, the parties decided to enter into a first round of mediation which did not result in a settlement in the case of Studiocanal and Vivendi. However, the plaintiffs and Studiocanal have agreed to begin an audit of the operating accounts sent to the plaintiffs to determine whether they contained any accounting irregularities. On October 24, 2019, UMG and the plaintiffs entered into an agreement under which the film's soundtrack will continue to be distributed by UMG, and payment of all royalties will be made exclusively and directly to the plaintiffs by UMG. Following a hearing on January 24, 2020, the court imposed mediation on the parties who remained in the proceedings. On December 15, 2020, the parties entered into a Memorandum of Understanding, putting a definitive end to the case.

24.9. GLASS EGG AGAINST GAMELOFT INC., GAMELOFT SE, GAMELOFT IBERICA AND VIVENDI

On August 23, 2017, Glass Egg, a company specializing in the design of 3D cars for use in video games, sued Gameloft Inc., Gameloft SE, Gameloft Iberica and Vivendi in the US District Court for the Northern District of California. It is seeking damages for copyright infringement, unfair competition and misappropriation of trade secrets. The court allowed the plaintiff to amend its initial complaint three times. On September 17, 2018, Gameloft Inc. responded to Glass Egg's fourth amended complaint, denying all its claims. Discovery is ongoing. In addition, in an order dated February 12, 2018, the court determined that it had no jurisdiction over Gameloft Iberica and Vivendi. The admissibility of the complaint against Gameloft SE remains challenged and the court has ordered limited discovery to determine whether it has jurisdiction.

NOTE 25. INSTRUMENTS USED TO MANAGE BORROWINGS

Vivendi's interest rate risk management seeks to reduce its net exposure to interest rate increases. Therefore, Vivendi uses, if needed, interest rate swaps. These instruments enable the group to manage and reduce the volatility of future cash flows related to interest payments on borrowings.

As of December 31, 2020 and December 31, 2019, Vivendi had not entered into any interest rate swaps.

As of December 31, 2020, there were no internal interest rate hedging arrangements between Vivendi SE and its subsidiaries.

NOTE 26. FOREIGN CURRENCY RISK MANAGEMENT

The group's foreign currency risk management is centralized at Vivendi's Financing and Treasury Department for all controlled subsidiaries, except in some instances where, during a transition period, an acquired subsidiary is permitted to continue spot foreign exchange transactions or standard forward foreign exchange hedging transactions at its level.

Vivendi's foreign currency risk management seeks to hedge highly probable budget exposures, resulting primarily from monetary flows generated by transactions performed in currencies other than the euro and from firm commitment contracts in relation to the acquisition by subsidiaries of editorial content including sports, audiovisual and film rights and certain capital expenditures, realized in foreign currencies. Most of the hedging instruments are foreign currency swaps or forward contracts. All instruments are traded over-the-counter with highly-rated counterparties.

The table below shows the notional amount of currency to be delivered or received under currency instruments (currency swaps and forward contracts). Positive amounts indicate currencies receivable and negative amounts represent currencies to be delivered.

	12/31/2020				
(in millions of euros)	USD	PLN	GBP	Other currencies	Total
Sales against the euro	(167.7)	(70.7)	(29.5)	(93.9)	(361.8)
Purchases against the euro	502.6	106.4	100.6	373.1	1,082.7
Other	168.9	(111.7)	0.9	(58.2)	(0.1)
	503.8	**(76.0)**	**72.0**	**221.0**	**720.8**

In the context of the United Kingdom's withdrawal from the European Union, effective as from January 1, 2021, no significant impact on Vivendi's financial position has been identified as of the date of this report.

NOTE 27. FAIR VALUE OF DERIVATIVE INSTRUMENTS

As of December 31, 2020, the market values of derivative instrument portfolios classified as interest rate and currency hedges were €0 million and €-16.5 million, respectively (theoretical cost of unwinding). As of December 31, 2019, the fair values of these hedging portfolios were €0 million and €16.1 million, respectively.

NOTE 28. SUBSEQUENT EVENTS

The significant events that occurred between the closing date as of December 31, 2020 and March 1, 2020 (the date of Vivendi's Management Board Meeting that approved the Financial Statements for the year ended December 31, 2020) were as follows:

- on January 25, 2021, Vivendi announced the acquisition of 9.9% of PRISA's share capital. PRISA is the Spanish-speaking leader in media and education and owns *El Pais,* Santillana, Cadena SER, Radio Caracol, AS and Los 40 Principales;
- on January 29, 2021, Vivendi completed the sale of an additional 10% of Universal Music Group (UMG)'s share capital to a Tencent-led consortium, based on an enterprise value of €30 billion for 100% of UMG's share capital (see Significant Events in 2020). As a result of this transaction, the Tencent-led consortium owns 20% of UMG;
- on February 13, 2021, Vivendi announced that it will study the planned distribution of 60% of UMG's share capital and its listing by year-end 2021 (see Significant Events in 2020).

SUBSIDIARIES AND AFFILIATES

(in millions of euros, unless otherwise stated)	Share capital	Equity excl. share capital (a)	% share capital held	Book value of investments Gross	Book value of investments Net	Outstanding loans and advances granted by Vivendi (b)	Guarantees and endorsements granted by Vivendi (c)	2019 Revenues	2020 Revenues	2019 Earnings	2020 Earnings	Dividends received by Vivendi during 2020	Comments - (impairment of advances - allocations for the year)
Subsidiaries and affiliates													
Universal Music Group Inc. **(d)** 2220 Colorado Avenue Santa Monica California 90404 (USA)	$0.0 million	$1,677.5 million	90.00	2,461.6	2,461.6	-	-	-	-	$(67.8) million	$(126.5) million		
UIM BV **(e)** Gravelandseweg 80 1217 EW Hilversum Netherlands	0.0	7.2	90.00	957.3	957.3	2,365.1	-	1.4	1.7	0.1	0.8	255.2	
Groupe Canal+ SA **(f)** 1, place du Spectacle 92130 Issy-les-Moulineaux	100.0	2,027.7	100.00	5,198.1	4,158.1	2,454.5	-	1,517.7	1,665.3	(13.3)	53.5		
SECP 1, place du Spectacle 92130 Issy-les-Moulineaux	95.0	194,8	51.53	522.2	522.2	-	-	1,516.4	1,542.3	(9.4)	(0.8)		
Havas SA 29/30, quai de Dion-Bouton 92800 Puteaux	170.4	1,804.0	100.00	3,944.5	3,944.5	114.9	-	96.2	84.9	20.3	(90.0)		
Editis holding SA 92, avenue de France 75013 Paris	64.2	201.2	100.00	591.6	591.6	226.1	-	0.0	0.5	(6.8)	(14.0)		
Gameloft 14, rue Auber 75009 Paris	4.4	(42.5)	100.00	627.5	627.5	50.6	-	204.8	230.4	(46.1)	(32.3)		
Compagnie du Dôme 59 bis, avenue Hoche 75008 Paris	331.8	(226.1)	100.00	443.6	105.8	34.2	-	-	-	32.5	(81.7)		
Poltel Investment (ex-Electrim Telekomcajka) ul. Złota 59 00-120 Warszawa (Poland)	PLN 10,008.1 million	PLN (17,174.6) million **(g)**	100.00	207.0	0.0	1,726.1	-	-	n/d	PLN 203.9 million	n/d		63.6
Telecom Italia SpA Via Gaetano Negri 1 20123 Milan (Italy)	11,656.3	6,518.0 **(g)**	23.75 **(h)**	3,931.2	3,130.5	-	-	13,136.9	n/d	382.1	n/d	36.4	
Mediaset **(i)** Viale Europa 46 Clogno Monzese (MI) (Italy)	614.2	1,394.8 **(g)**	9.61	493.2	239.9	-	-	5.2	n/d	126.0	n/d		
Lagardere SCA 4, rue de Presbourg 75016 Paris	799.9	2,087.1 **(g)**	29.20	592.8	592.8	-	-	71.0	n/d	78.0	n/d		
Other subsidiaries and Affiliates **(j)** (Global Information)		-	-	1,563.1	1,066.8	1,434,8	-	-	-	-	-	19.6	363.5
TOTAL	**-**	**-**	**-**	**21,533.7**	**18,398.6**	**8,406.3**	**-**	**-**	**-**	**-**	**-**	**311.2**	

(a) Includes earnings (losses) of the year.

(b) Includes current accounts advances, excluding accrued interest.

(c) Vivendi grants guarantees in various forms to financial institutions or third parties on behalf of its subsidiaries in the course of their operations.

(d) UMG Inc. holding UMG's entities in the United States.

(e) Company holding UMG's entities other than United States.

(f) The entity holding of the Canal+ Group.

(g) For information as of December 31, 2019.

(h) As of December 31, 2020, Vivendi holds 23.75% of the voting rights representing 17.04% of the share capital, taking into account priority dividend shares without voting rights.

(i) Shares held, excluding the shares transferred to an independent Italian trustee on April 9, 2018.

(j) Including net asset rights (Mediaset) transferred to an independent Italian trustee: gross value €757.2 million and net value €472.9 million.

1.3. Maturity of Trade Payables and Trade Receivables

Pursuant to Article L. 441-6-1 of the French Commercial Code *(Code de commerce)*, unpaid invoices received from suppliers that were past due as of December 31, 2020 amounted to €1.3 million. This amount is broken down as follows:

	As of December 31, 2020				
(in millions of euros)	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days or more**	**Total**
I. Past due					
Invoices from suppliers **(a)**	**(b)** 0.7	0.5		0.2	1.3
	0.7	**0.5**	**0.0**	**0.2**	**1.3**
II. Payable excluded from (I), related to payables in litigation					
Invoices from suppliers					
	0.0	**0.0**	**0.0**	**0.0**	**0.0**
	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total
(a) as a percentage of total purchases for the year (excl. VAT):	0.9%	0.6%	0.0%	0.2%	1.7%

(b) Invoices paid in full during the first week of January 2021

Pursuant to Article D. 441-4 of the French Commercial Code *(Code de commerce)*, unpaid invoices issued to customers that were past due as of December 31, 2020 amounted to €4.1 million. This amount is broken down as follows:

	As of 12/31/2020				
(in millions of euros)	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days or more**	**Total**
I. Past due					
Accounts receivable **(a)**:	**(b)** 0.1	0.0	0.1	**(b)** 0.3	0.5
	0.1	**0.0**	**0.1**	**0.3**	**0.5**
II. Receivables excluded from (I), related to receivables in litigation					
Accounts receivable:					3.6
	0.0	**0.0**	**0.0**	**0.0**	**3.6**
	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total
(a) as a percentage of total revenue of the year (excl. VAT):	0.1%	0.0%	0.1%	0.4%	0.6%

(b) Invoices from group entities.

1.4. Financial Results of the last five years

(in millions of euros)	2020	2019	2018	2017	2016
Share capital at the end of the year					
Share capital	6,523.0	6,515.2	7,184.3	7,128.3	7,079.0
Number of shares outstanding	1,185,995,621	1,184,576,204	1,306,234,196	1,296,058,883	1,287,087,844
Potential number of shares to be issued upon:					
Exercise of stock subscription options	1,309,839	3,077,770	7,244,977	13,201,910	24,620,359
Grant of bonus shares or performance shares **(a)**	0	3,455,322	0	0	2,873,214
Results of operations:					
Revenues	91.4	73.5	68.3	66.5	46.0
Earnings/(loss) before tax, depreciation, amortization and provisions	3,457.0	1,225.1	1,789.2	153.6	883.4
Income tax – income/(charge)	107.4	160.4	130.3	518.3	55.7
Earnings/(loss) after tax, depreciation, amortization and provisions	3,009.4	1,729.8	951.3	703.1	1,609.5
Earnings distributed	**(b)** 651.3	690.0	**(c)** 635.5	**(c)** 567.5	**(c)** 499.2
Per share data (in euros):					
Earnings/(loss) after tax but before depreciation, amortization and provisions **(d)**	3.01	1.17	1.47	0.52	0.73
Earnings/(loss) after tax, depreciation, amortization and provisions **(d)**	2.54	1.46	0.73	0.54	1.25
Dividend per share	**(b)** 0.6	0.60	0.50	0.45	0.40
Employees					
Number of employees (annual average)	197	233	247	237	207
Payroll **(e)**	38.6	45.8	43.8	40.3	38.5
Employee benefits (social security contributions, social works, etc.)	18.2	20.0	20.1	20.4	18.0

(a) Amount net of treasury shares held to cover performance share plans (see Note 9. Treasury shares).

(b) The distribution of a dividend of €0.60 per share in relation to 2020 will be proposed for approval at the Annual General Shareholders' Meeting to be held on June 22, 2021. This represents a total distribution of €651.3 million, calculated based on the number of treasury shares held on February 28, 2021; this amount will be adjusted to reflect the actual number of shares entitled to the dividend on the ex-dividend date.

(c) Based on the number of shares entitled to a dividend as of January 1, after deduction of treasury shares at the dividend payment date.

(d) Based on the number of shares outstanding at year-end.

(e) Excludes performance shares.

1.5. Statutory Auditors' Report on related party agreements

Shareholders' Meeting held to approve the Financial Statements for the year ended December 31, 2020

This is a free translation into English of the Statutory Auditors' report on related party agreements issued in French and is provided solely for the convenience of English-speaking readers. This report on regulated agreements should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided for by the French Commercial Code (Code de commerce) and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Shareholders,

In our capacity as Statutory Auditors of your company, we hereby report to you on related party agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the company's interest, without expressing an opinion on their usefulness and appropriateness, or ascertaining the existence of other agreements. It is your responsibility, pursuant to Article R. 225-58 of the French Commercial Code *(Code de commerce),* to assess the relevance of these agreements prior to approving them.

We are also required, where applicable, to inform you in accordance with Article R. 225-58 of the French Commercial Code of the implementation, during the year ended December 31, 2020 of agreements previously approved by the Shareholders' Meeting.

We performed the procedures that we considered necessary in compliance with the professional guidelines of the French National Institute of statutory auditors *(Compagnie nationale des commissaires aux comptes)* applicable to this engagement.

AGREEMENTS SUBMITTED FOR APPROVAL TO THE SHAREHOLDERS' MEETING

In accordance with Article L. 225-38 of the French Commercial Code, we inform you that we have not been advised of any agreements authorized during the year ended December 31, 2020 to be submitted for the approval of the Shareholders' Meeting.

AGREEMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

We inform you that we have not been notified of any agreement already approved by the Shareholders' Meeting whose implementation continued during the year ended December 31, 2020.

Paris-la Défense, March 3, 2021

The Statutory Auditors

French original signed by:

Deloitte & Associés		Ernst & Young et Autres	
Thierry Quéron	Géraldine Segond	Jacques Pierres	Claire Pajona

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6 RECENT EVENTS, OUTLOOK

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Chapter 6

SECTION 1. RECENT EVENTS

The significant events that occurred between December 31, 2020 and the date of filing of the *Rapport annuel – Document d'enregistrement universel* (the French version of this Annual Report) with the *Autorité des marchés financiers* (the French securities regulator) are described in the following chapters of this report:

- Chapter 1: "Group Profile, Strategy and Global Performance, Businesses, Financial Communication"; and
- Chapter 5: "Audited Consolidated Financial Statements for the year ended December 31, 2020", as approved by Vivendi's Management Board on March 1, 2021.

Since March 1, 2021, the following significant events have occurred:

- On March 2, 2021, Canal+ Group, which has been a partner of the Top 14 for more than thirty-five years, won the latest call for tenders launched by the National Rugby League for broadcasting rights in France until the end of the 2026-2027 season. These exclusive broadcasting rights cover all Top 14 matches, live as well as near-live clips, and all programs devoted to them, in all media formats.
- Between March 4 and April 1, 2021, Bolloré Group acquired 2.7 million Vivendi shares on the market.
- On March 26, 2021, Universal Music Group BV (UMG BV) reached an agreement regarding a five-year, €3 billion financing line with four leading banks. The syndication of this financing among a pool of banks is expected to be completed by the end of April 2021. UMG BV, which is based in the Netherlands, regroups the subsidiaries of UMG located in the different countries where UMG operates.

  In addition, Vivendi, which has significant deposits with banks at negative interest rates, has decided to early redeem in full its outstanding €1 billion bonds issued in May 2016, bearing an annual coupon of 0.75% and maturing on May 26, 2021. This early redemption will occur on April 26, 2021. On March 29, 2021, the holders of the bonds received a formal notice of early redemption in accordance with the terms and conditions of the bonds.
- On March 29, 2021, Vivendi's Extraordinary General Shareholders' Meeting held in Paris under the chairmanship of Yannick Bolloré, with a quorum of 73.33% of shareholders, approved by more than 99.98% the two resolutions submitted for vote. The amendment to the by-laws adopted now allows Vivendi to distribute dividends, interim dividends, reserves, or premiums by way of the delivery of assets in kind, including financial securities.
- With this favorable vote, the Management Board can continue to study the planned distribution of 60% of Universal Music Group (UMG)'s shares to Vivendi's shareholders.
- On March 29, 2021, EPAC Technologies Ltd ("EPAC") informed Interforum and Editis that it was terminating the agreement entered into in 2015, effective as of March 31, 2021 **(1)**, and filed a complaint against them before the Supreme Court of the State of New York. EPAC claims that the defendants have failed to pay invoices and failed to comply with several contractual obligations and is seeking damages from the defendants. Interforum and Editis deny these allegations.

(1) In 2015, Interforum and EPAC entered into an agreement for on-demand printing of books. In 2020, a disagreement arose regarding the performance of such agreement.

SECTION 2. OUTLOOK

Please refer to Section 3 of the 2020 Financial Report presented in Chapter 5 of this Annual Report – Universal Registration Document.


10 JOURS SANS MAMAN
UN FILM DE LUDOVIC BERNARD
VA ÊTRE LONG...TRÈS LONG
ALEXIS
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7 RESPONSIBILITY FOR AUDITING THE FINANCIAL STATEMENTS

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Chapter 7

SECTION 1. RESPONSIBILITY FOR AUDITING THE FINANCIAL STATEMENTS

1.1. Statutory Auditors

Deloitte & Associés

6, place de la Pyramide

92908 Paris-la Défense Cedex

Appointed at the General Shareholders' Meeting of April 25, 2017.

Represented by Mr. Thierry Quéron and Ms. Géraldine Segond.

Initial appointment: General Shareholders' Meeting of April 25, 2017, for a term of six fiscal years to expire at the close of the General Shareholders' Meeting to be held to approve the financial statements for fiscal year 2022.

Ernst & Young et Autres

1/2, place des Saisons

92400 Courbevoie – Paris-la Défense 1

Appointed at the General Shareholders' Meeting of June 15, 2000.

Represented by Mr. Jacques Pierres and Ms. Claire Pajona.

Most recent reappointment: General Shareholders' Meeting of April 19, 2018, for a term of six fiscal years to expire at the close of the General Shareholders' Meeting to be held to approve the financial statements for fiscal year 2023.

1.2. Alternate Statutory Auditors

None

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Editorial

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Editis

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Gameloft

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Vivendi Village

CanalOlympia Abu Namu-Mararaba ©CanalOlympia — Poster New Live Experience, live streaming concert ©DR Olympia Production — Spectacle Paul Mirabel©Laura Gilli

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The Annual Report – Universal Registration Document is available on the Company's website **www.vivendi.com**

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