

University of  
Sussex

**Sustainable  
Development**  
Report 2006-2007

*Vivendi is a world leader in the entertainment industry with companies all in first-rank positions in their respective markets.*

**Universal Music Group** > The world's No.1 recorded music company, selling more than one out of every four albums worldwide, also holds a leading position in the digital music market.

**Canal+ Group** > France's No.1 for premium and thematic channels and distribution of Pay TV; a major player in the financing, acquisition, and distribution of feature films in France and in Europe.

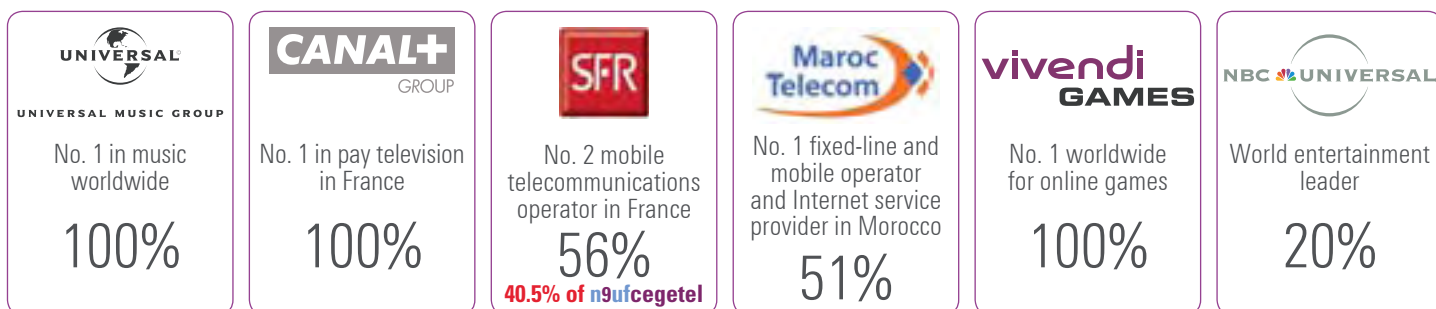
**SFR** > France's No.2 mobile telecommunications operator. SFR owns 40.5% of Neuf Cegetel, France's second-ranking fixed-line telecommunications operator.

**Maroc Telecom** > No.1 fixed-line and mobile telecommunications operator and Internet service provider in Morocco.

**Vivendi Games** > Global developer, publisher, and distributor of multiplatform interactive entertainment. No.1 worldwide for subscription massively multi-player online role-playing games.

Vivendi owns 20% of NBC Universal, a world leader in media with activities in film and television production, television channel distribution and theme-park operations.

# vivendi



# Sustainable development key figures\*

## INDICATORS RELATED TO CONTENT PRODUCTION AND DISTRIBUTION (December 2006)

More than **2** billion euros invested in content

**4,000** artists under contract with **Universal Music Group** in the world

More than **50** labels within **Universal Music Group**, representing the diversity of musical repertoires

**58%** of first and second French-initiative films received a contribution from **Canal+**

With more than **5,000** titles and **55** film-producing countries represented, **StudioCanal** owns the largest catalogue of films in Europe

**i>TELE**, France's **No. 1** all-news channel: **10** million viewers weekly in January 2007

**Canal+ Horizons**, **No. 1** French-language pay-TV channel in sub-Saharan Africa

with more than **100,000** subscribers

More than **70,000** subscribers to **SFR**'s TV offering (CanalSat, TPS, and SFR bundles)

**4** million music titles downloaded on the **SFR Music** platform

**Maroc Telecom**, Morocco's **No. 1** Internet service provider

**Menara**, **No. 1** Internet portal in Morocco and the **leading** French-language portal in Africa,

with **3** million visitors per month

More than **700** game titles in the **Vivendi Games** catalogue

**8.5** million paying customers to the massively multi-player online role-playing game *World of Warcraft* (as of March 2007)

\* The sustainable development indicators are given in their entirety on pages 58 to 63.

## ECONOMIC INDICATORS

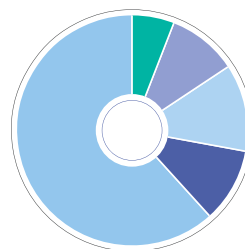
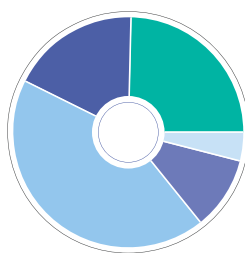
Revenues: **20,044** million euros\*

EBITA: **4,370** million euros\*

\* Including non-strategic and corporate activities and elimination of inter-segment operations.

### Breakdown of revenues for 2006 (in million euros)

by business unit	
UMG	4,955
Canal+ Group	3,630
SFR	8,678
Maroc Telecom	2,053
Vivendi Games	804
by geographical area	
France	12,372
Rest of Europe	2,081
United States	2,448
Morocco	1,960
Rest of world	1,183



## SOCIAL INDICATORS

Group headcount: **34,694** employees

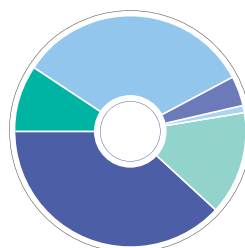
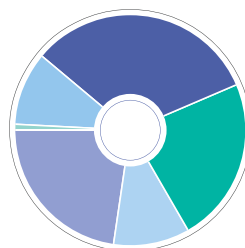
**43%** management personnel

**38%** women in the total headcount

**34%** women among management personnel

### Breakdown of group headcount at December 31, 2006

by business unit	
UMG	7,869
Canal+ Group	3,699
SFR	8,014
Maroc Telecom	11,259
Vivendi Games	3,567
Corporate	271
Other	15
by geographical area	
France	13,243
Europe (France excluded)	3,226
North America	5,006
South and Central America	350
Asia-Pacific	1,445
Africa	11,424



## ENVIRONMENTAL INDICATORS

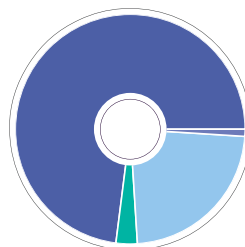
Water consumption: **581.8** thousand cubic meters

Electricity consumption: **404,914** thousand kilowatt-hours

CO<sub>2</sub> emissions: **80.4** million kilograms

### Sources of CO<sub>2</sub> emissions

Waste production:	<b>3,548.8</b> tons,
hazardous and special waste	465.6 tons
non-hazardous waste	2,837.1 tons
waste from electrical and electronic equipment	245.5 tons



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# A conversation with Jean-Bernard Lévy, Chairman of the Management Board and Chief Executive Officer

## How would you define your commitment to sustainable development?

Sustainable development is especially meaningful to a group like ours as a producer and distributor of content. Our goal is to make it possible for present and future generations to satisfy their desire for entertainment while satisfying their curiosity, developing their talents, encouraging exchange between them and developing their awareness of others, and informing them about the different sustainable development issues.

Our commitment to sustainable development is based on a clear objective – affirming our company’s responsibility over time. Sustainable development implies that we conceive of our strategy in three dimensions (economic growth, social cohesion, and environmental protection), with a vision that takes into account the middle and long terms.

## Concretely, how does Vivendi define its strategy?

In 2003 Vivendi defined three specific areas: protection of minors, promotion of cultural diversity, and sharing of knowledge.

We are particularly vigilant towards our young audiences. Mobile telephones, the Internet, games, and films can be vehicles for content of a sensitive nature or lead to inappropriate modes of consumption. The business units and our Sustainable Development

department, working in liaison with a network of experts from civil society, work intensively to ensure that this responsibility is taken into consideration. These issues are complex and require a range of points of view and of skills. In the age of the digital revolution, new uses of technology can involve certain risks, but at the same time they offer vast opportunities. They encourage initiatives and provide new forms of learning that contribute to young consumers’ personal fulfillment.

## Can you be more specific about the issues related to the promotion of cultural diversity?

Promoting cultural diversity is a major challenge for Vivendi, and we do it by pursuing three main objectives: encouraging creation in all its diversity, contributing to strengthening production capacities for the development of local talent, and preserving and disseminating heritages.

I’ll give you two examples of areas we’re working in. The first has to do with the new technologies. How will the new offerings of content and services stimulated by the combination of mobility and the availability of broadband (digitization of content, video on demand, mobile telephony, personal television, etc.) contribute to promoting cultural diversity?

The other area involves how cultural expressions of countries in the Southern

Hemisphere can be strengthened locally and promoted to ensure that they are known and recognized beyond their borders. How can Vivendi contribute to encouraging diversity of artistic expression?

The group’s business units are highly aware of these issues, which are essential to their activity, whether it’s film, music, games, news programming, or multimedia services.

Vivendi needs to continue its reflection in this area, taking into consideration the expectations of its different partners: artists, customers, regulatory bodies, national and European institutions, and the academic world.

## What is your definition of “sharing knowledge”?

As a producer and distributor of content, we have an obligation to reflect on the influence we can have on our different audiences. That requires us to be especially vigilant about the quality and the pluralism of the content we deliver and to contribute to raising public awareness of sustainable development, and take pains to make sure that our messages promote mutual understanding between cultures and openness towards others.

## What progress are you making in dealing with these specific issues?

We carry on in-depth discussions of these issues within the group, in particular at the



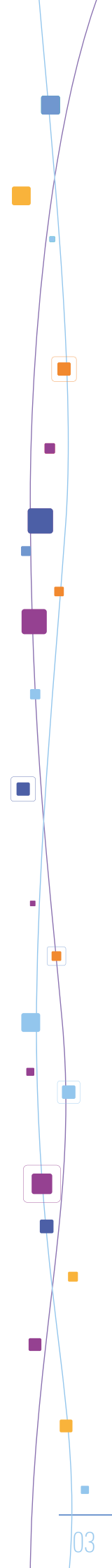
“ Our commitment to sustainable development is based on a clear objective – affirming our company’s responsibility over time. ”

meetings of the Sustainable Development Committee, which brings together representatives of the functional divisions at the corporate level and persons in charge of these topics within the subsidiaries. Outside observers (rating agencies, financial institutions, analysts, etc.), through their interest, their comments, and their questions, also contribute to enriching our process of reflection.

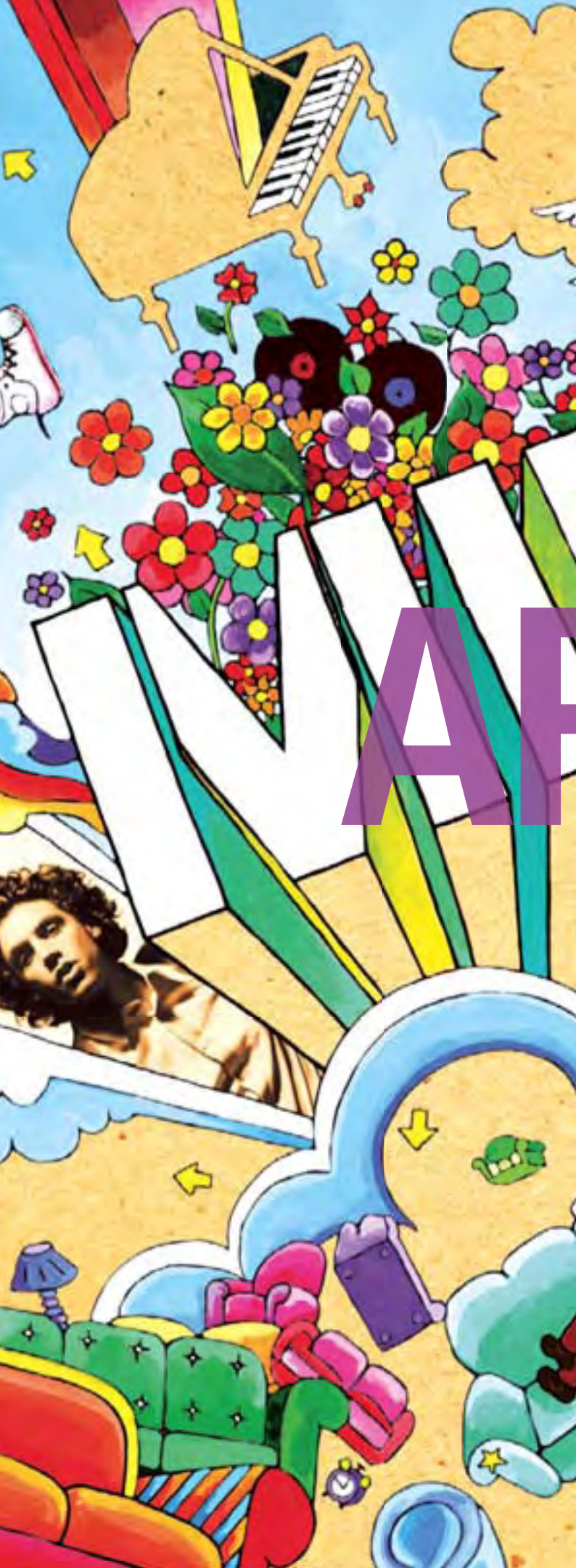
As we strengthen our capacity for innovation by launching new content and new offerings that respond to our customers’ needs, we must also be attentive to all the stakeholders. That is why I have begun a cycle of meetings with experts from civil society: NGOs, national and European public authorities, industry organizations, and representatives of the academic and research communities.

#### What is your involvement as Chairman of the Management Board?

The Management Board is the decision-making body best able to analyze the implementation of our sustainable development policy and place this sustainable development approach at the heart of the group’s strategy. As Chairman of the Management Board and CEO, it is my responsibility to promote that approach, one that is fully compatible with management of our risks and which can be a stimulus to Vivendi’s performance.







APPRO







# OUR APPROACH

Vivendi's approach to sustainable development is one of responsibility, putting the three pillars – economic, social, and environmental – upon which Vivendi's long-term future is being built into perspective. This approach leads us to adopt a comprehensive vision of management of our risks and to be especially vigilant about the impact that a group like ours, as a producer and distributor of content, can have on society as a whole.

## 06/11

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# A twofold demand

Vivendi's commitment to sustainable development is the result of a twofold demand: taking all the dimensions of its corporate responsibility into consideration, and dealing with the specific demands made on a producer and distributor of content. This involves Vivendi's being accountable for its values and its responsibilities regarding all its partners – employees, shareholders, customers, suppliers, institutions, and civil society.

## ■ CORPORATE RESPONSIBILITY

The Vivendi group's approach to its corporate responsibility covers all dimensions – economic, social, and environmental – of its business activities and takes the form of a comprehensive, cross-cutting approach to managing risks.

This approach is based on formal commitments such as the Compliance Program, the group's Charters (Values Charter, Safety at Work Charter, Fundamental Social Rights Charter, Supplier Relations Charter, Environment Charter, Internet Confidence Charter), and the Program of compliance with environmental, health, and workplace safety standards.

Among the main axes of our approach to corporate responsibility are encouraging sharing of risks through mobilization of our teams and financial, commercial, and technical synergies, evaluating the impact of new uses of technology on consumption of content and services, and increased awareness of and accountability for environmental issues related to our business activities.

## ■ SPECIFIC ISSUES

In 2003, when Vivendi re-centralized its strategic business units, sustainable development issues specific to the group were defined: protection of minors, cultural diversity, sharing knowledge, and more generally the new uses promoted by the rapid development of technologies (broadband and mobility).

The protection of minors is a major issue for society. Mobile telephones, the Internet, video games, films, etc., can be vehicles for content of a sensitive nature or lead to modes of consumption that are unsuitable for young people. Taking this issue into consideration has led to a cross-cutting mobilization of the business units, in liaison with Vivendi's Sustainable Development department.

Cultural diversity is another major issue for Vivendi: giving present and future generations the means to satisfy their curiosity, encouraging diversity in musical repertoires, promoting diversity of cinematic expression, and protecting and disseminating the artistic heritage are concerns shared by all the group's business units.

Vivendi also has the goal of encouraging the sharing of knowledge, and that implies high standards of quality in content, promoting audiences' awareness of sustainable development issues, and developing dialogue between cultures.

Finally, given the extremely rapid pace of technological changes, the potential impact of the new uses promoted by the convergence of communication networks is an area Vivendi is studying, developing a network of experts within civil society to build the broadest possible vision of this issue.

## RESULTS AND PROGRESS AREAS

	2006 Results	Progress areas for 2007	
Corporate responsibility	economic responsibility	<ul style="list-style-type: none"> <li>adjusted net income increased by 18%.</li> <li>all the activities of the group (music, television, cinema, mobile, Internet, and games) are leaders on their markets (▶ pp. 18-21).</li> <li>internal control: creation of a Risks Committee (▶ p. 16).</li> <li>attentiveness to investors and analysts, holding meetings to familiarize them with Vivendi's sustainable development policy (more than 10 French and English-speaking institutions, among the most representative) (▶ pp. 11 and 17).</li> </ul>	<ul style="list-style-type: none"> <li>attain an adjusted net income of at least 2.7 billion euros (after the transition costs related to the Canal+/TPS operation).</li> <li>strengthen the positions of all the business units.</li> <li>strengthen control of risks related to sustainable development by contributing to the work of the Risks Committee.</li> <li>continue exchanges with the financial community and present Vivendi's sustainable development policy to 15 institutions.</li> </ul>
	social responsibility	<ul style="list-style-type: none"> <li>information actions about the Compliance Program for corporate employees and in the framework of the Sustainable Development Committee (▶ p. 8).</li> <li>supporting employees in developing their skills (▶ pp. 26-29).</li> <li>consolidating outreach to younger generations [Vivendi signs the Charter of Business Commitment to Equal Educational Opportunity] (▶ pp. 30, 32-33).</li> <li>development of partnerships with civil society (462 in 2006 at group level compared to 367 in 2005) and contribution to development of employment (▶ p. 34).</li> </ul>	<ul style="list-style-type: none"> <li>increase employees' understanding of the rules of conduct defined in the Compliance Program.</li> <li>raise trade-union and personnel representatives' awareness of Vivendi's sustainable development policy.</li> <li>continue to develop the skills and employability of the group's employees.</li> <li>continue actions aimed at young people to encourage their integration into the world of work.</li> <li>fulfill our commitments to the public authorities to contribute to the creation of jobs in regions impacted by unemployment and industrial restructurings.</li> </ul>
Specific issues	environmental responsibility	<ul style="list-style-type: none"> <li>deployment of internal audits (6 internal audits and 2 site visits, in 2006) (▶ pp. 36-37).</li> <li>introduction of new indicators in the reporting protocol (▶ p. 36).</li> <li>certification and inspection process (▶ p. 37).</li> <li>exchanges on the adoption of new performance objectives (▶ pp. 38-39).</li> </ul>	<ul style="list-style-type: none"> <li>extend internal audits at Maroc Telecom and Canal+ Poland.</li> <li>strengthen the extension of the reporting protocol within the subsidiaries.</li> <li>begin the EMAS certification process at Vivendi's corporate headquarters.</li> <li>continue our reflection on defining performance objectives specific to our business units.</li> </ul>
	protection of minors	<ul style="list-style-type: none"> <li>building a network of experts from civil society (▶ pp. 10 and 44).</li> <li>organizing a meeting between Jean-Bernard Lévy, Chairman of Vivendi's Management Board and CEO, and representatives of national and European public authorities, NGOs, and industry organizations (▶ p. 10).</li> </ul>	<ul style="list-style-type: none"> <li>participate in the steering committee for "Internet sans crainte" as part of the European Union's "Safer Internet Plus program."</li> <li>repeat the meeting of representatives from civil society with the Chairman of the Management Board and CEO.</li> <li>contribute to relaying awareness-raising efforts to Vivendi's various partners.</li> </ul>
	promotion of cultural diversity	<ul style="list-style-type: none"> <li>building a network of experts from civil society (▶ p. 10).</li> <li>contributing to strengthening production capacities by promoting local talents in Africa through the training program implemented by Vivendi in Mali in partnership with UNESCO (▶ p. 50).</li> <li>support for the first edition of the Young Talents Festival, in Bamako, under the patronage of Malian author-composer-performer Salif Keita, a Universal Music Jazz artist (▶ pp. 50 and 51).</li> </ul>	<ul style="list-style-type: none"> <li>organize a meeting between representatives of civil society (French and European legislators, the European Commission, artists, regulatory bodies, the French National Library, etc.) and the Chairman of the Management Board and CEO.</li> <li>continue the training program to consolidate the sound engineer career track in Mali.</li> </ul>
	sharing knowledge	<ul style="list-style-type: none"> <li>promotion of this issue (quality and pluralism of content, raising public awareness of sustainable development, promotion of dialogue between cultures) with Vivendi's partners (▶ pp. 11; 52-57).</li> </ul>	<ul style="list-style-type: none"> <li>hold a meeting with the Chairman of the Management Board and CEO and representatives of civil society on the topic of new technologies for distribution of content in the service of sharing knowledge.</li> </ul>

# Standards and guidelines

## ▣ VIVENDI'S FORMAL COMMITMENTS

### ■ The Compliance Program

The Compliance Program, adopted in 2002 and updated in 2005, formally states Vivendi's commitments in the form of rules of conduct covering employees' rights, fairness and protection of information, prevention of conflicts of interest, commercial ethics, protection of the goods and resources belonging to the group, financial ethics, and respect for the environment.

In October 2006, a presentation of the updated program was organized by the General Counsel at Vivendi's corporate headquarters, attended by Jean-Bernard Lévy, Chairman of the Management Board and CEO, and the senior executives. During the session, the Human Resources department, the Audit department, and the Sustainable Development department presented the implications of the Compliance Program for their respective areas.

Respect for the rules of conduct is a condition for belonging to the Vivendi group. Monitoring structures and procedures are in place to see if these rules are applied in all group companies, coordinated by specially authorized Compliance Program officers.

An evaluation report on their implementation within the group's entities is drawn up each year by the General Counsel and submitted to the Audit Committee. The fourth edition of this evaluation report was presented to the Audit Committee on February 28, 2007.

### ■ The Charters

Vivendi has defined its values and commitments regarding its partners in six Charters accessible on the group's intranet.

#### ○ Values Charter

Ethics, priority to the consumer, creation of value, teamwork, social responsibility, cultural diversity, creativity.

#### ○ Safety at Work Charter

This Charter expresses Vivendi's commitment to vigilance with regard to observation of

workplace safety standards – standards set by the International Labor Organization or standards resulting from national legislation, when the latter provide greater protection.

#### ○ Fundamental Social Rights Charter

This Charter reiterates the group's resolute commitment to respecting fundamental rights as defined by the International Labor Organization: prohibition of child labor, prohibition of forced labor of detained persons or convicts, and prohibition of discrimination based on union membership.

#### ○ Supplier Relations Charter

This Charter sets down the principles governing the process of procurement and purchasing for the group's companies, to ensure objectivity and appropriateness in selecting a supplier or service provider.

#### ○ Environment Charter

This Charter enumerates Vivendi's commitments to promoting respect for the environment in all its business activities.

#### ○ Internet Confidence Charter

The Internet Confidence Charter sets down the principles to be followed and the concrete measures to be applied in the context of the group's Internet activities.

### ■ The Program of compliance with environmental, health, and workplace safety standards

In order to fulfill its corporate responsibility regarding the environment and comply with best practices of corporate governance, Vivendi adopted a Program of compliance with environmental, health, and workplace safety standards in 2000. The Sustainable Development department, in liaison with the General Counsel, contributes to coordinating and applying this program. The program's main goals are:

- Provide assurances of compliance to the group's management;
- Conduct an audit program in order to identify any areas of non-compliance at various group sites, determine corrective measures, and ensure they are applied;
- Relay the group's environmental commitments on the ground and identify best practices.

## Vivendi's Compliance Program

●● Being a worldwide group involves not only pooling financial resources, techniques, and know-how, but also cohesion among our teams, who – beyond their spirit of open-mindedness to all cultures – believe in the same values and share the same ambition of contributing, together, to sustainable development. ●●





## Margot Wallström, Vice-President of the European Commission



●● Sustainable development is a vision for the future and a long-term strategy to secure the needs, hopes and expectations of future generations. It is an overarching objective of the European Union set out in the Treaty and integrated into policy-making at all levels. It recognizes economic development, social cohesion and environmental protection must go hand in hand. It encourages the establishment and defends the stability of democratic institutions across the world, based on peace, security and freedom.

The Commission mainstreams sustainable development in its information, awareness-raising and communication activities. It organises events and stakeholders meetings on the European Union sustainable development strategy, to disseminate new ideas and exchange best practices, to promote coherence between local, regional, national and global actions, to enhance the social dialogue, corporate social responsibility and private-public partnerships.

I believe that the opportunities that can be found in a sustainable business approach are tremendous, both from a European perspective of competitiveness but also in a wider global context of progressing human development, especially if we look at the great potential of eco-technologies and mitigating climate change.

Today the climate has become hard core politics and how we act today will indeed determine our own and our children's very near future. We have an enormous responsibility and it requires action and leadership. To go carbon neutral and invest in a low carbon economy should be a key objective in all management and governance strategies. That is what I call smart growth.

Business, in particular, has a special role to play by adapting production processes to make them more efficient, less resource-intensive, and producing goods and services that are sustainable – carbon neutral.

Media companies can more specifically contribute to the knowledge society by actively taking a responsibility for communicating to citizens the key competences needed to achieve sustainable development in all its dimensions: economic prosperity, social equity and cohesion with respect for fundamental rights and cultural diversity, environmental protection.

The truth is that these issues require action from all of us - irrespective of the different roles we have in society. The choice is ours to make. ●●

*Margot Wallström*



## THE EUROPEAN CONTEXT

On the occasion of the fiftieth anniversary of the Treaty of Rome of March 25, 1957 instituting the European Economic Community, it is useful to recall how the European context pervades the reflection and the practices of public and private entities in their approaches to sustainable development.

### Sustainable development in the Treaty on European Union

The European Council recalled, in June 2006, at the time of its examination of the European Union's strategy in favor of sustainable development, that sustainable development is a fundamental objective, set down in the Treaty on European Union, and concerns all actions and policies of the Union.

In 1957, in its Preamble, the Treaty of Rome expressed the determination of the signatories of the six member States to "... ensure the economic and social progress of their countries by common action to eliminate the barriers which divide Europe."

This goal was strengthened at each successive revision of the treaties, and is mentioned precisely in the Preamble of the current Treaty on European Union ratified by the 27 member States of the Union: "Determined to promote economic and social progress for their peoples, taking into account the principle of sustainable development and within the context of the accomplishment of the internal market and of reinforced cohesion and environmental protection, and to implement policies ensuring that advances in economic integration are accompanied by parallel progress in other fields."

The European Council, in June 2006, specified the contours of the objective of sustainable development included in the Treaty on European Union: "It is about safeguarding the Earth's capacity to support life in all its diversity and is based on the principles of democracy, gender equality, solidarity, the rule of law and respect for fundamental rights, including freedom and equal opportunities for all. It aims at the continuous improvement of the quality of life and well-being on Earth for present and future generations. To that end it promotes a dynamic economy with full employment and a high level of education, health protection, social and territorial cohesion and environmental protection in a peaceful and secure world, respecting cultural diversity."

### The European Union strategy for sustainable development

Several European programs have been adopted to cover these different areas of action, leading to the formalization, in 2001, of an

initial European Union strategy for sustainable development. Given the aggravation of the environmental situation and economic and social challenges, the European Union defined, in 2006, a new sustainable development strategy, enacted by each of the Member States in their national strategy.

These European objectives are relayed by the private players who, in their respective areas, contribute to the implementation of that commitment. Vivendi includes this vision in its approach to sustainable development and in the definition of its specific issues, which echo this constant concern for responsibility regarding future generations: protection of minors, promotion of cultural diversity, sharing of knowledge, and the impact of the digital revolution on new uses affecting consumption of services and content.

In celebration of the 50<sup>th</sup> anniversary of the Treaty of Rome, a musical tour sponsored by the European Commission and the European Parliament is appearing in 50 cities in Germany between March 25 and June 25, 2007. Groups of young European musicians, trained by the Popakademie and MU:ZONE, with the support of Universal Music Germany, are taking part in several of these concerts.



# Implementation of the sustainable development policy

The creation of the Management Board, a collegial management body that includes the CEOs of Vivendi's subsidiaries, has contributed to the implementation of the sustainable development process throughout the group.

The Sustainable Development department, which reports to the Executive Vice-President, Communications and Public Affairs, who is a member of the group's Executive Committee, manages the process and coordinates its monitoring within the subsidiaries. In liaison with the General Counsel, it contributes to the coordination and application of the Program of compliance with environment, health, and workplace safety standards adopted by Vivendi in 2000. It also contributes to increasing familiarity with the Compliance Program within the group.

The Sustainable Development department is backed by a Sustainable Development Committee, instituted in 2003. This Committee comprises persons dedicated to questions related to sustainable development in the business units and representatives of several functional divisions of the head office (General Counsel, Finance, Audit, Human Resources, Corporate Communications and Public Affairs). It meets six times yearly. Each Committee session is an opportunity for participants to extend their knowledge by inviting experts, representatives of civil society, and French and European institutions like the HALDE (a French supervisory body for fighting against discrimination and promoting equal opportunities), the Ademe (the French Environment and Energy Management Agency), the Caisse des dépôts et consignations, the École nationale d'administration, and the European Commission.

The Committee is also a forum for discussing the group's objectives and disseminating the best practices of the various business units in areas such as protection of minors, cultural diversity, skills management, energy savings, waste from electrical and electronic equipment, reporting procedures for sustainable development indicators, etc.

Vivendi publishes a Sustainable Development report each year. For the fifth consecutive year, the procedures used for collecting, validating and consolidating the social and environmental performance indicators for the 2006-2007 *Sustainable Development Report* were analyzed by KPMG, one of the group's external auditors.

Each year, this Report is sent to members of the French legislature, members of the European Parliament, representatives of civil society, shareholders, financial analysts, rating agencies, and journalists.

A special section of Vivendi's World Wide Web site ([www.vivendi.com](http://www.vivendi.com)) informs site visitors about the group's approach to sustainable development and lets stakeholders leave comments and questions.

In 2006, Jean-Bernard Lévy, Chairman of the Management Board and Chief Executive Officer, began a series of targeted meetings with experts from civil society to share with them an analysis of the development of the group's activities in the light of sustainable development criteria. The first such meeting was devoted to the protection of minors, and the second to cultural diversity.

# Sustainable development indices and ratings

Vivendi is rated in the FTSE4Good Global international sustainable development index, the ASPI Eurozone index compiled by the Vigeo rating agency, and the Ethibel Sustainability Index (ESI) established by Ethibel.

## FTSE



The FTSE group (a company owned jointly by the Financial Times and the London Stock Exchange) confirms that Vivendi has been independently evaluated according to the FTSE4Good criteria and met the requirements for listing in the index.

FTSE4Good is a series of indices calculated in real time and designed to measure the performance of "Socially Responsible" companies. The FTSE4Good indices include environmental, social (development of positive relations with all stakeholders of a company), and ethical (respect for human rights) criteria.

## VIGEO



The ASPI Eurozone index compiled by Vigeo is made up of 120 companies, 46 of which are French. The reference guideline is the Dow Jones Euro Stoxx index.

The latest rating (November 2005) by Vigeo (on a scale of -- to ++) gave Vivendi a rating of ++ for human resources, human rights, and environment and + for corporate governance, commitment to society, and customer-supplier relations.

## ETHIBEL



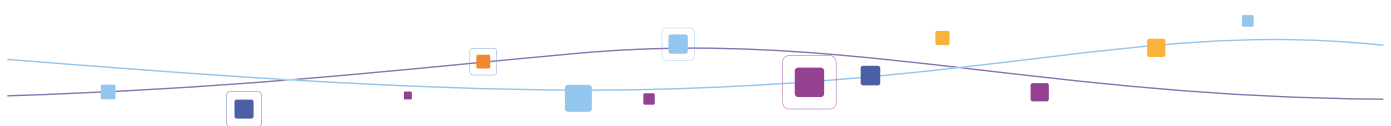
The Ethibel Excellence Sustainability Index (ESI) comprises 319 companies, 21 of which are French. The reference guideline is the S&P Global 1200 Index.

## CARBON DISCLOSURE PROJECT

Every year since 2002, Vivendi has answered the Carbon Disclosure Project questionnaire. The Carbon Disclosure Project provides a secretariat for the world's largest collaboration among institutional investors on the business implications of climate change.

## GOLDMAN SACHS

In February 2006, Goldman Sachs established a classification of European companies in the media sector according to sustainable development criteria. Vivendi is the first French company to be part of the classification and is in the first quartile (see below).



### Jean-Michel Bonamy and Marc Fox, Global Investment Research – Goldman Sachs International

●● The Goldman Sachs Media ESG framework (February 2006) is a proxy for overall management quality to identify companies best positioned for long-term performance in the sector. The ESG framework is designed to quantify performance on environmental, social and governance criteria, thematic leadership, and cash returns on investment. Given that two-thirds of the sector's asset base is comprised of intangibles, and almost half of the costs relate to human and intellectual capital, we view leadership on ESG issues simply as superior management of company assets.

Based on our Media ESG framework (February 2006), we find that Vivendi demonstrates clear leadership on ESG performance, ranking in the first quartile versus European media companies.

Vivendi scores in the first quartile on corporate governance based on independence of Board directors, committees, auditors and absence of block shareholdings. Vivendi's track record of reporting environmental and social issues to stakeholders with assurance of sustainability reporting procedures and Board and Senior Executive responsibility for sustainability performance earn the company a first quartile score on social leadership. Vivendi has demonstrated a commitment to managing its intellectual footprint through the creation and distribution of content by promoting awareness of environmental, human rights and public health issues. We also note that Vivendi has demonstrated a commitment to reducing its environmental footprint with energy consumption and greenhouse gas emissions intensity below industry peers.

Goldman Sachs: Europe Media: ESG framework - introducing our sustainable investing framework for media [http://www.unepfi.org/work\\_programme/investment/materiality/mat2/index.html](http://www.unepfi.org/work_programme/investment/materiality/mat2/index.html). ●●





# RESPONSI

31 OCTOBRE  
2010





# OUR corporate BILITY

Vivendi, through its sustainable development approach, makes continuous efforts to take into consideration all the dimensions of its corporate responsibility: economic, social, and environmental. That requirement implies that the group be accountable for its values and its responsibilities regarding all its partners: employees, shareholders, customers, suppliers, the public authorities, and civil society.

## 12/41

<b>ECONOMIC responsibility</b>	<b>14</b>
Governance	14
Performance	18
Innovation	24
<b>SOCIAL responsibility</b>	<b>26</b>
Supporting employees	26
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# Governance

The adoption of a dual corporate governance structure consisting of both a Supervisory Board and a Management Board that emphasizes collegial management, internal control, and attentiveness to shareholders contributes to advancing the group's global risk management.

## ■ A DUAL CORPORATE GOVERNANCE STRUCTURE

Vivendi has a dual form of operation, with a Management Board and a Supervisory Board, thus dissociating the powers of management and control (see the table of corporate governance indicators on pages 58 and 59).

### ■ The Supervisory Board: Membership and mission

The Supervisory Board, chaired by Jean-René Fourtou, is made up, as of April 30, 2007, of eleven members, nine of whom are independent. Four of the members

are of non-French nationality; three are European and one American (see box, page 15). Their term of office is four years.

The Supervisory Board is made up of a majority of independent members. A member is deemed independent when he or she has no direct or indirect relationship with the Company, its group or its management, of any kind such as might compromise the exercise of his or her freedom of judgment (as defined in the report of the AFEP-MEDEF working group chaired by Mr. Daniel Bouton).

The Supervisory Board exercises constant control over the management of the

#### MEMBERS OF SUPERVISORY BOARD COMMITTEES AS OF APRIL 30, 2007

Committee	Main areas of expertise	Members	Chairperson	Number of independent members
Strategy Committee	<ul style="list-style-type: none"> <li>strategic direction of the Company</li> <li>major acquisitions or disposals</li> <li>strategic joint-venture agreements</li> <li>transactions outside the scope of the announced strategy</li> <li>granting of securities, including endorsements and guarantees, the amount of which exceeds the power delegated to the Management Board</li> <li>major financing transactions</li> <li>substantial internal restructuring transactions</li> </ul>	<ul style="list-style-type: none"> <li>Gérard Brémond<sup>(1)</sup></li> <li>Mehdi Dazi<sup>(1)</sup></li> <li>Sarah Frank<sup>(1)(2)</sup></li> <li>Andrzej Olechowski<sup>(1)(2)</sup></li> <li>Karel Van Miert<sup>(1)(2)</sup></li> </ul>	Claude Bébéar	5 independent members out of 6
Audit Committee	<ul style="list-style-type: none"> <li>review of the annual individual and consolidated financial statements</li> <li>consistency and effectiveness of the company's internal control procedures</li> <li>procedure for appointing statutory auditors</li> <li>monitoring of the work programs of the external and internal auditors</li> <li>accounting methods and principles</li> <li>internal control methods and standards</li> <li>review of the cash position of the company and potential alerts</li> <li>review of the annual assessment of the company's Compliance Program</li> <li>any matter it considers likely to create or constitute a risk on or to the Company; review of any potential procedural failure or corruption cases</li> </ul>	<ul style="list-style-type: none"> <li>Gabriel Hawawini<sup>(1)</sup></li> <li>Pierre Rodocanachi<sup>(1)</sup></li> <li>Karel Van Miert<sup>(1)(2)</sup></li> </ul>	Henri Lachmann <sup>(1)</sup>	4 members, all independent
Human Resources Committee	<ul style="list-style-type: none"> <li>compensation, representation, and travel expenses of the directors and principal officers</li> <li>the adoption of stock option plans and free grants of shares, or any other mechanisms with similar purpose or effect</li> </ul>	<ul style="list-style-type: none"> <li>Gérard Brémond<sup>(1)</sup></li> <li>Fernando Falcó y Fernández de Córdova<sup>(1)(2)</sup></li> <li>Sarah Frank<sup>(1)(2)</sup></li> </ul>	Pierre Rodocanachi <sup>(1)</sup>	4 members, all independent
Corporate Governance Committee	<ul style="list-style-type: none"> <li>appointment of members of the Supervisory Board, of the Supervisory Board's Committees, and of the Management Board</li> <li>determination and review of independence criteria for members of the Supervisory Board</li> <li>terms of payment and distribution of directors' fees granted to the members of the Supervisory Board and its Committees</li> <li>review of the terms of holding of exercised stock options by the corporate officers</li> <li>succession plans for certain members of the Management Board</li> <li>assessment of the organization and performance of the Supervisory Board</li> </ul>	<ul style="list-style-type: none"> <li>Fernando Falcó y Fernández de Córdova<sup>(1)(2)</sup></li> <li>Gabriel Hawawini<sup>(1)</sup></li> <li>Andrzej Olechowski<sup>(1)(2)</sup></li> </ul>	Claude Bébéar	3 independent members out of 4

(1) Independent member

(2) Non-French member

## The Supervisory Board



**Jean-René Fourtou,**  
Chairman of the Supervisory Board



**Henri Lachmann,** Vice-Chairman of the Supervisory Board, Chairman of the Supervisory Board of Schneider Electric



**Claude Bébéar,**  
Chairman of the Supervisory Board of Axa Group



**Gérard Brémond,**  
Chairman and CEO of Pierre et Vacances Group



**Mehdi Dazi,**  
CEO of Emirates International Investment Company



**Fernando Falcó y Fernández de Córdova,**  
Director of various companies



**Sarah Frank,** Member of the Board of the Foundation of the New York Chapter of the National Academy of Television Arts and Sciences (United States)



**Gabriel Hawawini,** Professor of Investment Banking (Insead-France) and of Finance at the Wharton School of the University of Pennsylvania (United States)



**Andrzej Olechowski,**  
Senior Advisor of Central Europe Trust Polska



**Pierre Rodocanachi,**  
Chairman of the Advisory Board of Booz Allen Hamilton



**Karel Van Miert,**  
Former Vice-President of the European Commission

## The Management Board



**Jean-Bernard Lévy,**  
Chairman of the Management Board and CEO



**Abdeslam Ahizoune,** Member of the Management Board and Chairman of the Management Board of Maroc Telecom



**Philippe Capron,**  
Member of the Management Board, Chief Financial Officer of Vivendi



**Frank Esser,**  
Member of the Management Board, Chairman and CEO of SFR



**Bertrand Meheut,** Member of the Management Board and Chairman of the Executive Board of Canal+ Group



**Doug Morris,**  
Member of the Management Board and Chairman and CEO of Universal Music Group



**René Pénisson,** Member of the Management Board, Chairman of Vivendi Games and Senior Executive Vice-President, Human Resources, Vivendi

## Senior Executives

In addition to **Jean-Bernard Lévy**, **Philippe Capron** and **René Pénisson**, Vivendi's Senior Executives include:



**Robert de Metz,**  
Senior Executive Vice-President, Strategy and Development



**Jean-François Dubos,** Executive Vice-President and General Counsel, Secretary of the Supervisory and Management Boards



**Michel Bourgeois,**  
Executive Vice-President, Communications and Public Affairs



**Régis Turrini,**  
Executive Vice-President, Mergers and Acquisitions

Company by the Management Board. It has appointed four specialized committees whose membership and missions it defines and whose conduct is under its responsibility: the Strategy Committee, the Audit Committee, the Human Resources Committee, and the Corporate Governance Committee (see page 14).

The four committees of the Supervisory Board are made up of members of the Board, appointed by it. The role of these committees is to examine and prepare for the Supervisory Board's deliberations, make recommendations, and express opinions in their respective areas of expertise.

In application of its internal regulations, periodically and at least every three years, the Supervisory Board performs a formal evaluation of its operation under the direction of the Corporate Governance Committee. This formal evaluation was made in February 2006.

The Supervisory Board, in its session on March 6, 2007, devoted part of its agenda to discussion of its mode of operation.

### ■ The Management Board: Membership and mission

The Management Board, chaired by Jean-Bernard Lévy, is made up of representatives of the Company's business units, the Chief Financial Officer, and the group's Senior Executive Vice-President, Human Resources (see above).

It is in charge of managing the company collegially and conducting its activities. The Management Board intervenes in the following areas:

- financial results, liquidity, and debt;
- implementation of the Company's strategic orientations in collaboration with the Supervisory Board;
- divestiture, merger, or acquisition operations not requiring prior authorization of the Supervisory Board;
- social and human resources policy;
- communications policy;
- Compliance Program activities;
- internal audit and internal control procedures;
- monitoring of risk assessment and of the work of the Risks Committee (see page 16);
- litigation;
- environmental affairs;
- insurance.

The Management Board or its Chair regularly inform the Supervisory Board of the financial and cash situation, the company's commitments, and all events and operations of significance to the Company. The Management Board submits a quarterly report on its activities and the group's affairs to the Supervisory Board.

Also, as part of a rigorous process implemented through the Management Committees, the principal group entities submit to Vivendi's management, for each of their business units: an analysis of their operational and strategic positioning, objectives in terms of figures as determined when drawing up and updating their budget, their plans of action, and their current key concerns. Each business unit Management Committee meets approximately six times per year. The agenda is determined jointly by the CEO of the business unit and the Chairman of the Management Board and Chief Executive Officer.

## INTERNAL CONTROL

The year 2006 was marked by two major events – Vivendi's ending its listing on the New York Stock Exchange and the creation of a Risks Committee.

After Vivendi voluntarily delisted from the New York Stock Exchange on August 3, 2006 and terminated its registration with the Securities and Exchange Commission (SEC) on October 31, 2006, the group agreed to continue to provide a high standard of corporate governance and financial information and to continue its process of continuous improvement of internal control procedures.

The Management Board, at its meeting of November 14, 2006, created a Risks Committee (see below) chaired by the Chairman of the Management Board and Chief Executive Officer. The mission of the Risks Committee is to strengthen procedures for management and prevention of major risks for the group.

Vivendi looks upon internal control as a set of procedures defined by the Management Board and implemented by Vivendi's employees, with the aim of achieving the following objectives:

- application of the instructions and objectives set by the Management Board,
- compliance with laws and regulations and with the group's values,
- prevention and control of operational risks, financial risks, and risks relating to error and fraud,
- quality and fairness of accounting, financial and management information,
- optimization of internal processes to ensure efficient operation and efficient use of resources.

In order to attain each of these objectives, Vivendi has defined and implemented general internal control principles that rely to a large extent on the definitions of the COSO (Committee of Sponsoring Organizations of

the Treadway Commission) Report and on the recommendations concerning corporate governance and internal control made by France's Autorité des Marchés Financiers in its report of January 22, 2007.

Vivendi is organized into five business units (Universal Music Group, Canal+ Group, SFR, Maroc Telecom, and Vivendi Games) which implement the orientations set by the Management Board as regards internal control.

Directing the internal control process is one of the key responsibilities of the Management Board and the senior management of each of the five business units. Its direction is overseen by the Supervisory Board, following the recommendations of the Audit Committee.

As the parent company, Vivendi S.A. ensures that internal control measures exist and are effective within its subsidiaries and oversees application of the rules of conduct and ethics applicable to all employees (see page 8).

An assessment of the effectiveness of the internal control process is conducted independently through the internal audit following an annual plan approved by the group's Financial department and submitted to the Audit Committee.

Vivendi's Internal Audit department is composed of 23 auditors in three different offices (Paris, New York, and Los Angeles), supplemented by the internal auditors of SFR (7 auditors) and Maroc Telecom (18 auditors) and external resources for IT audits. Its operation is regulated by a charter which asserts its independence, defining its accountability to the Chairman of the Management Board and Chief Executive Officer of Vivendi while entitling it to direct access to the Audit Committee of the Supervisory Board. The Internal Audit department enjoys an autonomy which allows it to intervene with complete objectivity in all of Vivendi's business sectors and units. In 2006, the Internal Audit department carried out 122 missions within the group.

## Creation of the Risks Committee

This Committee, created on November 14, 2006, is chaired by the Chairman of the Management Board and Chief Executive Officer. Its standing members include the group's Chief Financial Officer, the General Counsel and the Senior Vice-President, Audit and Special Projects. The Committee's mission is to make recommendations to the Management Board in the following areas:

- identification and evaluation of possible risks stemming from the Vivendi group's activities, such as social, environmental, or tax risks, risks related to compliance with legislation and regulations, risks related to ethics, competition, and conflicts of interest, and risks related to information system security.
- assessment of the adequacy of coverage of risks and the level of residual risk.
- assessment of insurable risks and the insurance program.
- cataloguing of risk factors and the forward-looking statements made in documents published by the group.

The Committee invites representatives of the operational units to its sessions as a function of the topics on the agenda. It encourages exchange of best practices for risk management and prevention within the group and supports subsidiaries in their continuous-improvement actions.



A Disclosure Committee assists the Chairman of the Management Board and CEO and the group's Chief Financial Officer in their mission of ensuring that Vivendi fulfills its obligations regarding disclosure of information to investors, the public, and the regulatory and financial-market authorities. This Committee, made up of the representatives of all the functional divisions at the corporate level, met 14 times in 2006.

## ATTENTIVENESS TO SHAREHOLDERS

Vivendi's financial communication policy aims at providing all shareholders with accurate, precise, and sincere information on the group's strategy, situation, results, and financial development. It complies with the procedures put in place in application of French standards (the Financial Security Law).

### Relaying information to individual shareholders

Vivendi's commitment to its individual shareholders – who numbered some 600,000 as of March 2007, nearly 30% of them in the Île-de-France region – is demonstrated in its setting up dynamic, reactive channels for information and ongoing, constructive dialogue to ensure that their expectations can be made known.

Shareholders can get information on the group's strategy and situation directly from the Shareholder Information Service (SIA) by calling 0 811 902 209 (for shareholders calling from France, price of a local call; for shareholders calling from other countries: +33 (0)1 71 71 34 99).

Employee shareholders, who own approximately 1% of Vivendi's capital through a Group Savings Plan, have their own dedicated telephone number, 0 805 800 900 (no charge if calling from a fixed line) to provide them information, in particular about the group's Employee Savings Plan. Shareholders may also subscribe to the Shareholders' Newsletter, in electronic format, by calling the SIA, and also obtain all the group's publications (*Annual Report*, *Sustainable Development Report*, *Results*, etc.), also available on Vivendi's Web site ([www.vivendi.com](http://www.vivendi.com)).

The SIA regularly consults individual shareholders through questionnaires and compiles a weekly report on the calls, letters, and e-mail messages (to [Shareholders@vivendi.com](mailto:Shareholders@vivendi.com)) it receives. In this way, the SIA reports to Management on the shareholders' expectations and observations.

Jean-Bernard Lévy, Chairman of Vivendi's Management Board and CEO, regularly meets and talks with individual shareholders in Paris and in other cities (Lyon, Marseille, and Nice) at events attended by more than 3,000 participants in 2006. Major group meetings (investors' meetings, General Shareholders' Meeting) are Webcast via the group's Web site to make them available to as many people as possible.

Also, since 1997, Vivendi has been meeting and informing thousands of shareholders each year at its exhibit at the Actionaria show, the largest trade event in France dedicated to the stock exchange.

### Communication with investors and analysts

Vivendi communicates with institutional investors and analysts through meetings held in the world's major financial capitals.

An Investor Relations department, based in Paris and New York, maintains ongoing relations with analysts from brokerage houses and managers and analysts from investment funds. It sends regular information to aid financial markets in understanding the different events having an impact on the group's immediate and future performance

(see the dedicated site [www.vivendi.com/ir](http://www.vivendi.com/ir)). In September 2006, Vivendi's Investor Relations department was awarded a Thomson Extel Survey Award for IR Excellence for the best investor-relations team in the media category.

In 2006, 73 day-long road-show meetings with investors were held, during which 487 institutions were met with. Vivendi's senior executives and leaders of its business units also took part in 29 investor conferences.

In 2006, the Investor Relations department and the Sustainable Development department began a cycle of meetings to present Vivendi's sustainable development policy to investors. These meetings were an opportunity for direct dialogue with a dozen of the most representative institutions in France and the English-speaking world. The meetings were organized following a survey conducted by Vivendi in 2005 in the financial community to better evaluate expectations regarding sustainable development. These exchanges with investors and their contacts regarding SRI (socially responsible investing) will continue in 2007 due to the growing interest financial analysts are showing in sustainable development issues (see box below).



George Dallas, Managing Director, Standard & Poor's

### Corporate Governance, Corporate Responsibility and Sustainability



At Standard & Poor's our primary focus is providing independent risk analysis, investment research and data to the financial markets. The investment community is a core user of our services, and largely consists of creditors, shareholders and insurers. We recognize that corporate governance and corporate responsibility issues can have a key role to play in company analysis from both a credit and an equity perspective.

During the past year, corporate social and environmental performance has become increasingly visible to the global investment community, given media attention, civil society advocacy, shifting consumer sentiments, and corporate issuers themselves enhancing their reporting and communication in this area. This domain has long been a purview of socially focused investment funds – a small, but growing, segment of the investment world. Recent developments and initiatives are also raising the profile of ESG issues in the world of more «mainstream» investors that do not operate with a specific social mandate in their investment guidelines.

ESG issues in the world of more «mainstream» investors that do not operate with a specific social mandate in their investment guidelines.

For mainstream investors, which can include both shareholders and creditors, ESG-related factors often are not taken explicitly into account in the investment process. However, these issues can be analyzed as potentially material influencers or indicators of a company's operational and financial performance.

At present, there still is relatively limited empirical evidence with regard to the financial impact of sustainability issues more generally for investors. But as reporting standards and corporate disclosure in this area continue to improve, more light will be shed on the economic relevance of environmental and social performance as an investment criterion. Indeed, strong ESG performance increasingly is identified as a proxy for good general management – a consideration of relevance to all investors.

# Performance

Vivendi is a world leader in the entertainment industry, a sector undergoing rapid growth, in particular thanks to the development of technology and the growing needs of audiences pursuing leisure activities, seeking information, and making new discoveries.

Vivendi's business areas – music, television, film, mobile, the Internet, and games – meet these permanent needs that know no borders.

## GROUP STRATEGY

### Excellent results in 2006

In 2006 adjusted net income increased by 18%. The actual economic performance is even in excess of that, since the figure of 18% encompasses the transition costs related to the combination of the pay-TV activities of Canal+ Group and TPS.

Between early 2006 and February 28, 2007, Vivendi made more than 6 billion euros in new investments to accompany the growth of its business units, in particular for:

- Universal Music Group's acquisition of BMG Music Publishing (pending authorization by the European competition authorities), a unique opportunity for developing music publishing to become the world leader;



Mary J. Blige, "the Queen of R&B", a Universal Music Group artist, was one of the top winners of the 49<sup>th</sup> annual Grammy Awards.

The group's business units, all leaders on their respective markets, posted excellent performance in 2006.



The Canal+ Group has made the strategic choice of moving to High Definition for exceptional quality in content distribution.

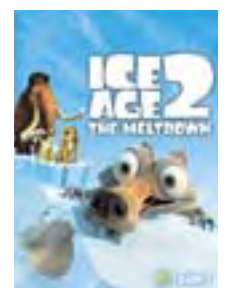


SFR continues to enrich its offering of mobile multimedia services and is now the leading mobile music platform in France.



Maroc Telecom launches television via ADSL, a first in Morocco, in Africa, and in the Arab world.

Vivendi Games, world leader in Massively Multi-Player Online Role-Playing Games, holds leading positions on the PC and console games market, with major successes like that of Ice Age 2.



- combination of the Canal+ and TPS pay-TV activities, effective January 4, 2007, resulting in Europe's leading pay-television platform in terms of number of subscribers;
- SFR's increasing its share of the capital of Neuf Cegetel from 28.2% to 40.5% and the acquisition, now under way, of the fixed-line and ADSL business of Télé2 France (pending authorization by the European competition authorities);
- Maroc Telecom's acquisition of 51% of Onatel, the historical operator in Burkina Faso, in December 2006 and 51% of Gabon Telecom in February 2007;
- Vivendi Games' acquisition of creative studios in the United States, China, and Chile to strengthen its development capacities and its mastery of leading-edge technologies.

## ■ Promising outlook

These excellent results entitled shareholders to a dividend of 1.20 euro per share for fiscal 2006, an increase of 20% when compared to 2005. Vivendi generates sufficient cash flow to pay out more than half of its adjusted net income in the form of dividends to its shareholders.

Vivendi is determined to continue its strategy, which rests on five main pillars:

- strengthen the positions of all the group's business units (music, television, film, mobile, Internet, and games);
- leverage consumer demands for mobility and broadband;
- leverage the penetration of digital to launch innovative services;
- develop the group's economic model centered on consumer satisfaction and the subscription model, a source of recurring revenue;
- provide the business units with greater resources than they can mobilize on their own to facilitate investments in organic growth and external growth, with the decisions made according to a precise matrix of indicators (impact on earnings per share; generation of cash flow; return on invested capital in terms of the level of risk).

Vivendi has confirmed its lasting recovery and its growth perspectives. The group, with debt under control at around 4 billion euros, has the goal of attaining an adjusted net income of at least 2.7 billion euros (after the transition costs related to the Canal+/TPS operation) in 2007 and of ensuring its shareholders a dividend distribution rate of at least 50% of adjusted net income. These objectives confirm those set for 2011, of an adjusted net income of between 3.5 and 4 billion euros and a dividend corresponding to a dividend distribution rate of at least 50% of adjusted net income.

## EVOLUTION OF VIVENDI'S RESULTS

(in million euros)	2004	2005	2006	2005/2006
<b>Revenues</b>	17,883	19,484	20,044	+2,9%
<b>EBITA</b>	3,504	3,985	4,370	+9,7%
<b>Adjusted net income*</b>	1,498	2,218	2,614	+17,9%

\* Vivendi considers adjusted net income, a non-GAAP measure, to be a relevant indicator of the group's operating and financial performance. Vivendi's management uses adjusted net income because it is a better illustration of the performance of continuing operations excluding most non-recurring and non-operating items. Adjusted net income includes the following:

- EBITA<sup>(2)</sup>
  - income from equity affiliates<sup>(1)(2)</sup>
  - interest<sup>(1)(2)</sup>
  - income from investments<sup>(1)(2)</sup>
  - tax and minority interests relating to these items.
- It does not include the following:
- impairment losses of goodwill and other intangibles acquired through business combinations<sup>(1)(2)</sup>
  - amortization of intangibles acquired through business combinations<sup>(2)</sup>
  - other financial charges and income<sup>(1)(2)</sup>
  - earnings from discontinued operations<sup>(1)(2)</sup>
  - provisions for income taxes and minority interests relating to these adjustments
  - certain non-recurring tax items (notably the changes in deferred tax assets relating to Consolidated Global Profit Tax System and the reversal of tax liabilities relating to risks extinguished over the period).

<sup>(1)</sup> as presented in the consolidated statement of earnings.

<sup>(2)</sup> as reported by each business units segment.

## INVESTMENTS

(in million euros IFRS*)	2005	2006
<b>Gross content investments</b>	1,890	2,183
<b>Industrial investments, net</b>	1,291	1,645
<b>Financial investments</b>	1,481	3,881
<b>TOTAL</b>	4,662	7,709

\* Certain choices regarding presentation of information adopted in 2006 have been applied to the 2005 figures for homogeneity.

## EVOLUTION OF VALUE OF VIVENDI SHARES IN EUROS (JULY 1, 2002- APRIL 18, 2007\*)



\* The day before the Annual Meeting of Shareholders

## EVOLUTION OF DIVIDEND

	2000	2001	2002	2003	2004	2005	2006
<b>Net dividend per share</b>	€1	€1	€0	€0	€0.6	€1	€1.20
<b>Date of payment</b>	05/02/01	05/13/02	N/A	N/A	05/04/05	05/04/06	04/26/07
<b>Total payment (in million euros)</b>	1,020 <sup>(1)(2)</sup>	1,066 <sup>(1)(3)</sup>	0	0	689 <sup>(1)(4)</sup>	1,152 <sup>(1)(5)</sup>	1,387 <sup>(1)</sup>

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

(2) Payment to shareholders of Vivendi Exchangeco (former shareholders of Seagram) for 30 million euros. Excluding prepayment of 213 million euros.

(3) Payment to shareholders of Vivendi Exchangeco for 18 million euros. Excluding prepayment of 263 million euros.

(4) Payment to bearers of equity notes in November 2005 for 47 million euros and to shareholders of Vivendi Exchangeco of 3 million euros.

(5) Payment to shareholders of Vivendi Exchangeco for 5 million euros.

## RESULTS AND STRATEGIC PRIORITIES OF THE BUSINESS UNITS

### 2006 Results

#### Universal Music Group

World's largest recorded music company and world leader in digital music distribution.

- 1.3% increase in revenues \*
- sales of digital music increased by 84% and accounted for 9.6% of the revenues of Universal Music Group in 2006 compared to 5.3% in 2005 and 2% in 2004
- EBITA \* up by 9.3%, to 744 million euros

#### Canal+ Group

France's No. 1 for premium and thematic channels and distribution of Pay TV; a major player in the financing, acquisition, and distribution of feature films in France and in Europe.

- 7.7% increase in revenues \*
- the Canal+ Group totals more than 8.8 million subscriptions in metropolitan France, the Overseas Territories, and Africa, for a net increase of 348,000 subscriptions in 2006
- increase in the proportion of digital subscriptions to the Canal+ channel (61% compared to 52% at the end of December 2005)
- EBITA \* up 21.8%, from 206 million euros to 251 million euros before transition costs of 177 million euros stemming from merger with TPS

#### SFR

France's No. 2 mobile telecommunications operator. SFR owns 40.5% of Neuf Cegetel, France's No. 2 fixed-line telecommunications operator.

- revenues all but stable (at -0.2% \*) but up 4.3%\* excluding the imposed reduction in wholesale rates (voice and SMS call terminations)
- 4% growth in number of customers, at 17.9 million at the end of December 2006
- 18% growth in traffic carried (68.3 billion minutes in 2006)
- data services accounted for 12.9% of network revenues at the end of December 2006, compared to 11.7% in 2005
- number of 3G customers: 2.7 million (compared to 1 million in 2005)
- EBITA \* up by 6.6% at 2,583 million euros and mobile EBITA excluding non-recurring items up by 2.4%\*\*

#### Maroc Telecom

No. 1 fixed-line and mobile telecommunications operator and Internet service provider in Morocco.

- 10.4% \* increase in revenues
- 30% increase in number of mobile customers (10.7 million)
- 1.3 million fixed lines at the end of December 2006; 59% growth in the installed ADSL base (nearly 384,000 lines)
- EBITA \* up by 16% at 912 million euros

#### Vivendi Games

Global developer, publisher, and distributor of multi-platform interactive entertainment. World leader in the subscription Massively Multi-Player Online Role-Playing Games segment.

- 25.4% increase in revenues \*
- continued worldwide success of the online game *World of Warcraft* (more than 8 million paying *World of Warcraft* customers at the end of December 2006)
- EBITA \* up by 109.1% (115 million euros compared to 55 million euros in 2005)

\* Comparable basis essentially illustrates the effect of the divestitures that occurred in 2005 and 2006 (principally NC Numéricable in 2005 and Paris Saint-Germain FC in 2006 chez Canal+ Group) and includes the full consolidation of minority stakes in distribution subsidiaries by SFR, if these transactions had occurred on January 1, 2005. Comparable basis results are not necessarily indicative of the combined results that would have occurred had the events actually occurred as of January 1, 2005.

\*\* in 2005, the EBITA included 115 million euros of non-recurring negative items.

\*\*\* Pending authorization by the European competition authorities.

\*\*\*\* MVNO (Mobile Virtual Network Operator) refers to a virtual mobile operator. Such operators own no frequency spectrum or communications infrastructure of their own, but distribute their own SIM cards. They then resell minutes of communication purchased from traditional operators to their customers (see [www.afom.fr](http://www.afom.fr)).



### Strategic priorities for 2007

- maintain global recorded-music market share at a high level
  - integrate BMG Music Publishing \*\*\* to become the world leader in music publishing
  - accelerate transformation into a music entertainment company by leveraging talents and brands through innovation and creative new sources of revenues
  - successfully migrate from physical sales to digital formats
  - fight piracy and build up the offering of legal downloads in all formats
- bring TPS into the Canal+ Group to create a major audiovisual player comparable to Europe's largest
  - offer the broadest and richest television offering on the market, for the benefit of consumers
  - accelerate digitization of television in France
  - encourage new forms of consumption (on-demand or mobile) of television
- continue growing the customer base
  - consolidate the position as leader in customer satisfaction
  - develop and strengthen the strategy centered on usages (voice/data) by putting emphasis on continuity of use, personalization, simplicity, and quality of the offerings and services
  - develop new perimeters around fixed/mobile substitution and Internet access (launch of "Happy Zone," "Office Zone," and SFR's ADSL offering)
  - strengthen operational excellence
- stimulate the growth of the mobile market by encouraging use of services and continuing to innovate (preparation for the launch of 3G services)
  - strengthen the attractiveness of fixed-line (launching of innovative offers such as Unlimited, TV via ADSL; loyalty program)
  - remain the principal driving force and player in the development of the Internet in Morocco
  - make Maroc Telecom a benchmark for customer services (technical installation, after-sales service, sales administration, call centers, etc.)
  - continue a policy of sustained investment to extend and strengthen the quality of the network and introduce the latest technologies
  - enter into long-term strategic partnerships aimed at developing the telecommunications sector in Africa (such as Mauritel in Mauritania, Onatel in Burkina Faso, and Gabon Telecom in Gabon) and encourage communication between Europe and Africa (through MVNOs \*\*\*\* like Mobisud France and Mobisud Belgium)
- strengthen Vivendi Games' position in Massively Multi-Player Online Role-Playing Games (MMORPG), console games, online games, and games on mobile devices
  - continue the expansion of Blizzard Entertainment in the category of Massively Multi-Player Online Role-Playing Games with the *World of Warcraft* extension pack *The Burning Crusade*
  - create new franchises

## ATTENTIVENESS TO CUSTOMERS

Attentiveness to customers is a fundamental factor for the success of our business units, operating as they do in sectors characterized by strong competition and subject to extremely rapid technological change. The subscription model, a common characteristic of our activities, facilitates exchanges with customers and contributes to anticipating their expectations.

### The challenges faced by a creator and distributor of content

The group, in its concern for leveraging its content available in digital format, is sensitive to the demands of consumers and responds favorably to them provided that all the stakeholders concerned (public authorities, site managers, ISPs, etc.) assume their responsibilities in making it possible for legal offerings that respect the rules of intellectual property to stand up to counterfeiting of digital property, a mass phenomenon which constitutes a danger to creation (see page 25).

Interoperability is a major issue for Vivendi. Interoperability means seeing to it that all terminals, whether part of the mobile or the Internet world, can play all legally acquired content. Currently, certain content legally protected by DRM (Digital Rights Management) – the equivalent of access rights to digital files – can only be downloaded to a specific player or other terminal, to the great discontent of consumers.

Vivendi is neither a producer of these “DRM” systems nor a supplier or manufacturer of equipment, and the solution is therefore not its concern alone. On the other hand,

the group has a vital interest in seeing that licensing agreements are made between the different stakeholders in this area in order to make interoperability possible.

These agreements will have to be compatible with two major objectives for Vivendi:

- the protection of content against illegal copying, unlimited and with identical quality, made possible by digital technology;
- the promotion of content via different business models (one-time downloading, subscription, rental, etc.)

The legislative framework – and, in particular for France, the Author’s Rights and Neighboring Rights in the Information Society law (“DADVSI Law”) of August 2, 2006 – is a useful one for allowing Vivendi to attain the point of balance between the indispensable nature of the technical measures of protection associated with DRMs and the fluidity, ease of use, and satisfaction consumers expect from these new uses.

### Vigilance on the part of the business units

All these issues are dealt with in close collaboration with the business units, whose Customer Services devote much energy to listening to and responding to the expectations of their audiences and anticipating their needs in a process of continuous improvement.

#### Canal+ Group

In order to offer personalized solutions to its customers, Canal+ implemented a complete system of quality measurement in 2006. This tool allows management of the Customer Service department based on indicators of performance and satisfaction of all consumers, whether or not they are already customers.

The quality of the Canal+ Group Customer Service is also the result of the choice of positioning the Customer Relations center within the company.

This approach was awarded the Social Responsibility Label in September 2006 (see box opposite).

#### SFR

In 2006, SFR confirmed the performance of its Customer Service by achieving the Number One classification in the monthly satisfaction survey conducted among customers of France’s three mobile-network operators. This quality process also earned the “Qualicert” certification for all customer segments in 2006. Informing and engaging in dialogue

## Canal+/CanalSat Customer Relations center awarded the Social Responsibility Label

The Customer relations center of Canal+/CanalSat was awarded the Social Responsibility Label in September 2006. This distinction, created in 2005 at the initiative of the Labor Ministry, recognizes a company’s ability to deliver quality services in a socially responsible environment. The label is awarded based on precise criteria that gauge the attention a company pays to its customer service staff: recruiting, welcoming and integration of new employees, career monitoring, working conditions, human resources policy, social dialogue, training, and respect for privacy.





### Dominique Martin, Director of Communication, SFR

●● The quality of our services in contact with our customers, sales staff, and Customer Service agents in the call centers is the result of continuous efforts to earn their confidence. We do it, firstly, by guaranteeing our clients a high level of service and accompanying them in discovering and learning about the uses of mobile technology, and by developing a process of listening and dispensing advice.

The "espace SFR" sales outlets play a key role in enabling the functionalities of mobile for customers, as well as the new multimedia uses that are constantly evolving, in particular since the arrival of 3G/3G+. So that they can get a concrete feel for the new SFR Music services, 500 downloading terminals will be deployed in the stores by the end of 2007. Training for the teams who are in contact with the clientele contributes greatly to the quality of the help and advice they dispense. Two thousand salespersons and store managers were trained in 2006 by Campus Distribution, SFR's sales university, and new

modules accessible on line give all sales people the opportunity to be trained in new offerings.

In the same spirit, the "espace" sales outlets, in the image of the company and its values, emphasize good citizenship. Citizenship display units were put in place in 260 stores in 2006 to inform customers about recycling cell phones, offerings and services for disabled persons, and protection of minors via parental control, and to explain to customers the actions SFR has taken to promote rules for good cell-phone conduct in public spaces. ●●



with consumers is also at the heart of SFR's approach, demonstrated by the publication of a newsletter dedicated to consumer representatives. SFR has also set up a toll-free number for consumer associations, and holds meetings all year long with national and local associations. The dialogue is enriched by SFR's participation in the work of the National Consumer Council, and also took the form of standardized information pages and a user guide to electronic communications, posted on its Web site in August 2006.

#### o Maroc Telecom

Maroc Telecom, whose business activities, including customer support, received ISO 9001 certification in 2004, is committed to a process of continuous improvement. To that end, surveillance audits of the Customer Service are conducted regularly to determine what improvement actions are needed. In the desire to control the quality of its service at all levels, Maroc Telecom will extend its inspections of the providers who participate in supplying services to its customers in 2007. A satisfaction survey will be launched during 2007 to gather customers' observations about the outsourced activities that have a direct impact on the service provided (e.g. installation of fixed lines, distribution of bills, etc.)

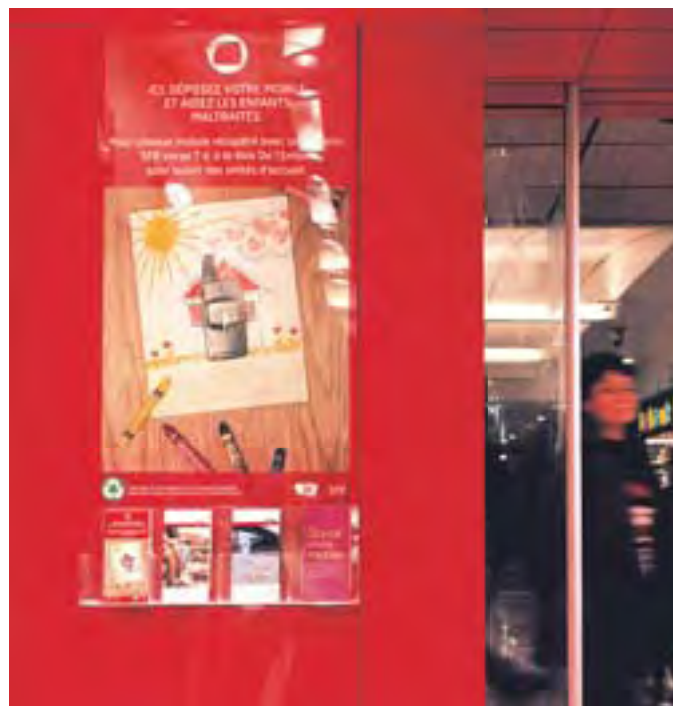
In parallel, audits of providers were launched in March 2007. The first audits will be of a part of the product and services sales and fixed-line installation activities.

#### o Vivendi Games

Vivendi Games confirmed its position as leader in the market for Massively Multi-Player Online Role-Playing Games in 2006 thanks to the success of *World of Warcraft*, developed by the Blizzard Entertainment division. The game, launched in 2004, had more than 8.5 million players around the world as of March 1, 2007.

The ongoing enthusiasm for this game can be explained in part by the quality of the Customer Service, which provides assistance to players 24 hours a day, 7 days a week. This service is provided by "game masters" who step in at any time to help players overcome their difficulties, whether technical incidents or problems related to inappropriate behavior by other players (see page 45).

The teams located in the geographical regions where the game is played (United States, Europe, South Korea, China, and Taiwan) send a report on players' expectations and positive comments to Blizzard Entertainment's headquarters in the United States every week, which allows developers to adapt the contours of *World of Warcraft* to local specificities.



The network of 735 "espace SFR" sales outlets, which covered all of France as of late 2006, is the driving force of SFR's sales policy and of the close relations that exist between the brand and its customers. Citizenship displays were put in place in 260 stores in 2006 to inform customers about SFR's commitments in areas such as services for differently-abled persons, parental control, and recycling of cell phones.

# Innovation

Innovation in production and distribution of content is a way of putting faith in creativity and talent (that of artists, authors, developers, filmmakers, engineers, and technicians) – an intangible capital that must be discovered, fostered, and protected. We do this by working to ensure respect for intellectual property, which is a wellspring of the economic development of the group and its different business activities (music, films, programming, game software, etc.)

## ▣ INVESTING IN CREATION

Vivendi's investment in creation of content (nearly 2.2 billion euros in 2006 compared to 1.9 billion in 2005) has increased as the business activity gradually moves to virtual media via the process of digitization of production and distribution.

### ○ Universal Music Group

UMG has confirmed its ability to attract successful artists and earn their loyalty while continuing to discover and support new talent over the long term. Always on the lookout for composers, performers, and musicians, A&R directors of the approximately 50 labels

that comprise Universal Music Group work to nurture long-term relationships with their more than 4,000 artists through contracts that generally call for the production of several albums over a period of years.

The digital environment provides a fantastic new terrain for their skills, and that is why, in November 2004, UMG launched a digital-music label – UMe Digital – which allows A&R directors to enter into exclusive agreements with new artists and digital distribution agreements with independent labels. Such new digital initiatives extend the roster of artists into many countries around the world, including India and China.

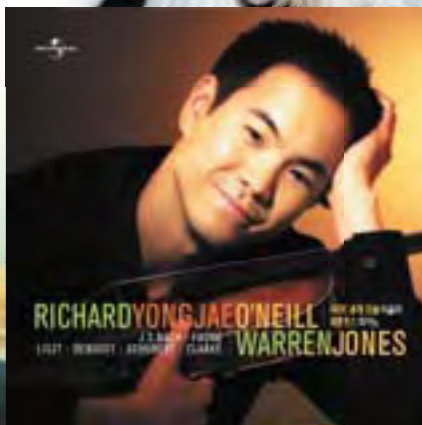
### ○ Canal+ Group

Canal+ is the leading investor in cinematic creation in France (see page 49). This investment benefits emerging talents.

The channel encourages young directors through a collection of short films supported by the short-film programming department via a call for submissions from which short films are selected for pre-purchase at a unit price of 25,000 euros and distributed via Canal+. This involvement with creators of short programming is also evident in an active pre-purchasing policy (in 2006, Canal+ broadcast 232 short films, 109 of them French and 123 international/European) and in partnerships with numerous festivals, to which the channel devotes ample space.

As for feature films, Canal+'s investments (138 million euros in 2006 to acquire 125 films) far exceed those of other French television channels. In 2006, the number of films pre-purchased by Canal+ accounted for a very large share of the films produced in France: 62% of the films approved by the CNC (Centre national de la cinématographie) and 66% of the 164 French-initiative films. These investments benefit first and second films in

Universal Music Group's ability to spot young talent has been recognized around the world: the EBBA (European Border Breaker Awards), organized by the European Commission to celebrate the diversity of music in Europe, were given to ten artists or groups of artists, of whom five have signed with Universal Music. In France, the famous Prix Constantin and Victoires de la Musique recognized young talents Universal Music France is accompanying on the road to fame, like Grand Corps Malade, Abd El Malik (below), and Olivia Ruiz. Deutsche Grammophon produced the first solo album, *Aria cantilena*, by the remarkable young Lithuanian mezzo-soprano Elina Garanca (opposite). In South Korea, the young violinist Richard Yongjae (below) has been wildly successful in his country with his album *Lachrymae*.





particular. In 2006 Canal+ financed 32 of the 56 first (57%) and 16 of the 27 second (59%) French-initiative films approved by the CNC.

Three years ago, Media Overseas, a 100%-owned subsidiary of Canal+ France SA, through its Prodom entity, began a policy of encouraging producers of audiovisual works initially located only in Metropolitan France to locate in the French Antilles, Guyana, and Réunion. It has also developed lasting relations with local producers, giving their content wider exposure – for example over the RFO distribution network. In 2006, Prodom co-produced or pre-purchased 47 audiovisual works, devoting a budget of nearly two million euros.

o **Vivendi Games**

Vivendi Games, a developer, publisher, and worldwide distributor of interactive multi-platform games, has been recognized for its creative talents in the form of numerous awards and by the phenomenal success of the game *World of Warcraft* developed by Blizzard Entertainment. The game’s extension pack *Burning Crusade*, launched on January 16, 2007, sold close to 2.4 million copies around the world during the first 24 hours of availability. As a result, *Burning Crusade* set a new record in the history of PC gaming in Europe and the United States.

In 2006, Vivendi Games created two new divisions:

- Sierra Online, which develops and publishes “casual” – short and medium duration – online games for PC and several other platforms;
- Vivendi Games Mobile, headquartered in the Paris region, which develops and publishes games for cellular telephones throughout the world. The games are distributed by more than 90 operators and dozens of Web portals in 60 countries. This division carries on a particularly sustained activity in the R&D sphere, since it designs the tools that facilitate porting of games to the entire existing base of mobile phones (approximately 800 models).

Vivendi Games also strengthened its business activities with the acquisition of creative studios in the US, China, and Chili in 2006.

o **PROMOTING CONTENT**

In a rapidly changing technological and sociological environment (with the burgeoning of mobility and the development of broadband), Vivendi is exploring all means of leveraging legal content offerings while continuing to combat piracy.

**Piracy: still a major challenge**

All the group’s business units are determined to fight piracy and are carrying on numerous actions in three major areas: developing legal offerings of digital content, raising consumers’ awareness of the dangers of piracy, and working in collaboration with public authorities to strengthen the legislative framework and intervene on the judicial level.

55% of all Internet users engage in downloading (music, video, games, and software) in France, compared to 59% in the United Kingdom and 47% in the United States. Legally downloaded files account for only 15% of all files downloaded in France, compared to 20% in the UK and 25% in the US.

(Source: “Monitoring du Téléchargement” study – IDATE and Médiamétrie/NetRatings – February 2007)

As an extension of an initial internal seminar held in Cannes in May 2005 with the aim of encouraging experience sharing among the group’s business units in the battle against piracy and improving the effectiveness of the resources used in protecting content, a further meeting was held on September 28 and 29, 2006 at Vivendi’s head office in Paris.

The context has evolved greatly since the Cannes seminar. As Jean-Bernard Lévy, Chairman of the Management Board and CEO, recalled: “The group’s efforts have kept piracy in check, and the burgeoning of online offerings, which may have seemed like a threat before, is now an opportunity.” The 2006 September seminar was devoted to reflection on promotion of content. All hypotheses were considered, including better management of free access to content.

Discussion centered on the group’s initiatives in the face of the major technological changes that have come about since the Cannes seminar. With several outside participants contributing, all of them professionals in the area of protection of online content, a full list of illegal practices was drawn up. An analysis of recent jurisprudence and the evolution of legislation threw light on the new instruments producers and distributors

now have available to guarantee the integrity of content and encourage the emergence of legal offerings.

The discussions evaluated the extreme diversity of potential economic models. The group’s business units stressed the central role of consumers in the development of legal offerings. However, the absence of interoperability between the various media and their authorized uses is an obstacle to the deployment of these new services (see page 22).

Jean-Bernard Lévy encouraged all the participants to commit themselves resolutely to a proactive approach, and expressed the hope that the next seminar will again demonstrate that innovation is the best guarantor of a sustainable development.



All of Vivendi’s business units met in Paris in September 2006 to give an account of the latest developments in their business activities and share ideas on promotion of content.



# Supporting employees

Vivendi strives to meet its employees' expectations as fully as possible. During 2006, trade-union and personnel representatives and Vivendi management engaged in regular dialogue, beyond what is required by legislation and collective-bargaining agreements.

While Vivendi works to ensure adherence to the values and rules of conduct defined in its Compliance Program, the group has chosen a decentralized form of organization of its labor-management relations. Each business unit, engaged in a dynamic of growth and social responsibility, mobilizes its employees through proactive policies.

## ▣ SOCIAL DIALOGUE

At group level, the Group Works Council, the European Social Dialogue Committee, and the headquarters' Works Council were regularly informed of the group's strategy, financial position, social policy, and main achievements for the fiscal year.

Discussions were held throughout the year and included a three-day training seminar for the members of the European Social Dialogue Committee and the members of the group's Works Council to keep them apprised of the group's activities and how they are evolving. Detailed presentations were made on the activities of Universal Music Group and Vivendi Games. Vivendi's sustainable development policy will be on the agenda of the training courses offered to trade-union and personnel representatives in 2007, along with a unit on the activities of SFR and Canal+.

Sustained dialogue with the trade-union and personnel representatives within the subsidiaries led to the signing of 64 collective agreements (including 32 for France) in 2006. Among areas covered by the agreements are working conditions, remuneration, social protection, non-discrimination, and health and safety.

A key area of discussion is the development of the skills of employees working in business units affected by extremely fast-moving technological change, which makes strong demands on creativity and involves intense competition.

Training needs and preferences are assessed regularly and discussions held between management and the employee representatives. These needs and preferences are also noted down during assessment interviews with employees. The percentage of the payroll devoted to training in the group is well above what legislation requires.

## Labor-management dialogue / Gender equality

In France, the law of March 23, 2006 relative to wage equality between women and men was the subject of thoroughgoing discussion between labor and management within the group.

Vivendi's corporate headquarters, SFR, and Universal Music France have all adopted agreements encouraging gender equality.

At Vivendi S.A., the company-level agreement on lifelong professional training, entered into on May 29, 2006, clearly stipulates that, in conformity with its goal of developing the employability and expertise of Corporate employees, the Company, in agreement with trade-union and personnel representatives, has made the choice of implementing the Individual Right to Training (DIF – *Droit Individuel à la Formation*) during working hours. This measure guarantees fair access to training and development of their skills for employees with families.

At SFR, the agreement on career equality between men and women of July 6, 2006 includes several voluntary measures concerning recruiting, organization of working life and personal life, and remuneration. Management agrees to identify significant unjustified differences in remuneration between women and men, to undertake corrective measures, and to adopt an annual plan of action. Also, the measure implemented at SFR in 2003 ensuring coverage of wage complements for employees with more than six months' seniority who take fatherhood leave so as to avoid loss of remuneration has been continued and complemented so that the leave will have no incidence on rights to share acquisition and profit sharing.

Universal Music France, in its company-level agreement taking effect on January 1, 2007, has placed the emphasis on accompaniment of employees returning from maternity or parental leave. The company offers its employees additional days of training so that they can be informed about changes that may have taken place in their absence (in software, legislation, within the business unit, changes in working methods, etc.)

## SHARING SKILLS AND EXPERTISE AT GROUP LEVEL

Vivendi carries on an active policy of exchange with its subsidiaries in order to encourage mobility and foster professional training.

■ The mobility network implemented by Vivendi's Human Resources department anticipates the impact of changes in the group on employment at the individual and group level. It brings together representatives of all the subsidiaries six times per year. These meetings are held at each of the five business units (Universal Music Group, Canal+ Group, SFR, Maroc Telecom, Vivendi Games) and at the group's corporate headquarters. The agendas of these meetings systematically include: job perspectives in the different business units, individual mobility requests, returning expatriates, and the study of group cases such as that created by the combination of the pay-TV activities of Canal+ and TPS. Beginning in October 2006, in the context of this merger – which became official in January 2007 –, the mobility network made job openings in the different subsidiaries of the Vivendi group available to employees of TPS.

In 2006, 995 employees took advantage of mobility opportunities either within their own entity or in another group business unit.

■ A "Reflection and Action" group on job training, made up of a dozen managers in charge of these matters in the different Vivendi subsidiaries in France, was formed in April 2006. It met five times during the year and regularly invites experts to speak.

Its aim is both better management of training expenditures by negotiating "framework agreements" at group level and dealing with practical and legal issues arising from legislation recently adopted in France, in particular that mandating the implementation of the Individual Right to Training, and more generally to exchange ideas and experiences on best practices.

## EMPLOYABILITY AND SKILLS DEVELOPMENT AT VIVENDI S.A.

■ Fostering the employability of employees at Vivendi's corporate headquarters is the goal of the company-level agreement on professional training entered into on May 29, 2006.

French legislation has made strides in the area of professional training. It has laid down certain guiding principles, but leaves it up to

trade-union and personnel representatives to define the rules for application of the legislation within the various professional branches and in each company. Vivendi S.A., which is not subject to a particular branch agreement, negotiated a company-level agreement to define the modalities of application of the law at the Company's headquarters.

Negotiation concentrated on the development of employees' employability and defined several objectives: allowing employees to be recognized as the best in their particular fields, providing them with the means to perfect their skills, and preparing them for further development in their respective career tracks.

The agreement was signed by all the trade-union and personnel representatives in the company. It will be re-examined after a year of existence in the light of all pertinent observations made about its operation.

■ Training all employees of the company in the basics of management to increase their job effectiveness.

The management of Vivendi S.A. continued the innovative approach implemented in 2005 for training all its employees in the annual assessment interview process by extending it to the basics of management. The training, dispensed by former operational managers from outside the company, is aimed at giving managers and their employees, working together in the same sessions, keys to comprehension and action that are generally reserved for managers alone.

Working from the point of view of performance (identifying and assessing their own contribution), each employee learns to take control of the "levers" that will let them increase their effectiveness on the job (managing time and priorities, working in a team, N+1/N-1 relations, learning to listen, managing conflict, and developing skills). These levers are approached from the point of view of the employee and that of the manager. The focus is on putting them to work on a day-to-day basis, which is essential in all functions and at all levels of responsibility.

Trainers provide participants with a CD-ROM containing a virtual simulation of an annual assessment interview, based on video-game technology and using role playing. This simulation exercise encourages awareness of the impacts of communication on the behavior of the person we're speaking to.

## Awarding of free shares to all employees

An exceptional operation awarding 15 Vivendi shares to all the group's employees around the world (in a total of 50 countries) was decided upon by the Management Board and went into effect on December 13, 2006.

With this plan, the Management Board wished to salute the success of the group, which has successfully recovered and has now entered a phase of rapid development. Since these results were achieved through the efforts of the employees, the Management Board wished to associate each of them in that success in a uniform way.

The Free Employee Share Plan (*Plan d'attribution gratuite d'actions* – AGA), in conformity with French legislation, will have a duration of four years, after which time the beneficiaries will be free to do what they choose with their shares.

## ▣ DECENTRALIZED MANAGEMENT OF HUMAN RESOURCES

Following the principle of subsidiarity adopted by the group, the subsidiaries define their training policies in accordance with needs in the field and their respective company cultures.

### ▣ Universal Music Group – United States

In 2006, UMG put renewed energy into its Respectful Workplace Training program, first adopted in the early 1990s in the United States. This year more than 90% of a workforce of some 2,500 participated in the program. The program aims to increase employees' awareness of the need to respect cultural diversity. Prevention of sexual harassment was also a major aspect of the program in 2006.

The program's four goals are: defining the employee's role in creating a work climate that respects others; understanding when and why behavior may be inappropriate or against rules and regulations; assessing the effects and liability of harassment on employees and the company; identifying resources and tools employees may use when addressing such problems.

In order to familiarize employees with real situations, videos are screened that describe scenes from day-to-day work situations during which discriminatory language or inappropriate behavior are identified. Employees are given a forum to exchange ideas about discriminatory conduct and how it can be prevented at Universal Music Group.

### ▣ Canal+ Group

In 2006, the priority for Canal+ has been to involve employees in the group's strategic choices, and in particular that of moving to High Definition (HD).

Giving employees the tools they need to make progress in their job or profession and anticipating evolutions in those occupations to adapt their knowledge are the two areas of priority for the training programs, which the Human Resources department defines in close collaboration with managers. These programs are dispensed by Campus+, an approved training entity within Canal+, but also by external institutions such as the INA (Institut National de l'Audiovisuel), which in 2006 trained 280 employees to face the technological challenge of moving to HD.

Disseminating a Canal+ culture shared by all employees to make each of them an "ambassador" of the Canal+ Group, its business areas, and its challenges is the

objective pursued by Campus+, expressed in the form of specific training modules. The sessions are led by professionals from the group who share their knowledge of Canal+'s customers, its products, and its programming techniques with trainees. 152 employees were trained in 2006, and since January 2007 the courses are open to employees arriving from TPS in order to encourage their integration into the group. The journalism curriculum (writing, voice and on-air/onscreen behavior, etc.) was followed by 130 trainees in 2006.

### ▣ SFR

Faced with increasing competitive, technological, and regulatory pressure, the SFR group has given itself the task of anticipating change by encouraging its employees' career development and guaranteeing them access to stronger, more innovative programs.

In October 2006 SFR and the trade unions signed an agreement entitled *Anticipation, développement des compétences et progression professionnelle* ("Anticipation, Skills Development, and Career Progress") which implements and organizes predictive job and skills management within the SFR group for a period of three years.

Through this agreement – based on two pillars: "Anticipate" and "Accompany" –, the SFR group commits itself to: sharing information with employees – after discussion with union and personnel representatives – on the strategic development of the company and its consequences on the business units; developing a process of anticipation of needs for skills by managers to avoid conflict over losses of jobs; encouraging the emergence of career projects, either internal or external, for each group employee; strengthening the resources and the time provided for employees to prepare themselves for changes to come about in their business units.

### ▣ Maroc Telecom

Maroc Telecom's commitment to its employee career development policy since 2002 has led to modernization programs in Human Resources and strengthened the skills development process (see comments by Najib Abdelmoultalib, page 29).

To this end, skills development interviews were conducted in 2005 with nearly 10,000 employees. Through this approach, the company's aim is to get a better knowledge of its employees' skills and those it needs to develop in the future. It has also been an opportunity for employees to assess the skills



### Najib Abdelmouttalib, Regional Director, Rabat

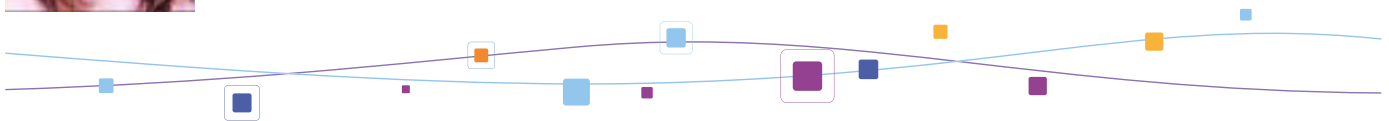
●● The human resources function at Maroc Telecom has marked a major turning point; like the company's other activities, it too puts its employees at the core of its strategy. Several modernization projects have come into being, with the goal of developing employees' skills to allow them to move forward within the company and also so that Maroc Telecom can make the skills necessary for proper operation available to the different entities. Region management in Rabat has set the same objectives of development of its employees. It is organized into four main activities, all centered on the customer and on proximity management of human resources: skills development, making skills available, management of employee relations, and reporting. ●●



### Samira Shaimi, Director, Diour Jamaa sales agency, Rabat

●● Thanks to MassaRH\*, in 2005 we conducted an evaluation of our employees in the light of the company's skills guidelines. We have listed their strong and weak points, and put accompaniment and training measures in place. Since then, we all feel closer to one another. MassaRH consolidates the manager's relations with his or her employees all year long. Then at the end of the year, we can easily conduct performance assessment interviews with our employees. ●●

\* MassaRH is the name Maroc Telecom has chosen for its program of developing its employees' skills.



they bring to bear in comparison to those required for fulfilling their functions and to identify how to develop them (see comments by Samira Shaimi, above).

To make training a real vector for development of skills, all the training needs expressed by employees during their interviews in 2005 were studied and taken into account in developing the training plan for 2006. The company's strong commitment to its human resources development policy also took the form of implementation of "career tracks" in 2006. With this approach, Maroc Telecom aims to offer employees the possibility of building their own career track in the light of their capabilities and expectations, and in phase with the company's objectives.

#### o Vivendi Games

Through its professional development policy, Vivendi Games endeavors to attract talented people and accompany them as they progress in the young video-games industry, which includes highly varied profiles.

In France, Vivendi Games, based in Meudon and in Vélizy, in the Paris region, makes a point of providing its young employees of varied nationalities with harmonious working conditions and opportunities for career advancement.

The company is especially vigilant towards the "game masters," who work 24 hours a day, 7 days a week in rotating teams to aid the millions of European gamers as they play *World of Warcraft*. Efforts to raise awareness of the need for balanced nutrition, help with moving and housing (finding lodgings,

handling administrative formalities), providing transportation (shuttle buses to the main housing areas for game masters at night and on Sundays), and the availability of a doctor for six half-days per month contribute effectively to ensuring optimum conditions for the young employees.

The Vivendi Games Mobile division, created in 2006 and headquartered in Meudon, provides its young employees with opportunities for integration and guidance through the corporate world (see page 33).



Two games developed by Vivendi Games Mobile: *Caesar* and *Slide'N Loop*. The mobile version of *Caesar*, based on the PC strategy game (see page 53) won the Airgamer's Best Mobile Strategy Game award in 2006. *Slide'N Loop*, a game of reflection that introduces Zya (below), a character created by the Meudon graphics studio, is available on mobile platforms and online.





# Equal opportunity

Vivendi, in its Compliance Program (see page 8), recalls the group's commitment to "giving each person recruiting, employment, and promotion opportunities based on skill and sense of responsibility."

## THE GROUP'S COMMITMENT

The rule of conduct regarding employees' rights, formalized in the Compliance Program, is integrated into the subsidiaries' codes of conduct. In the evaluation report on the Compliance Program compiled each year by the General Counsel, subsidiaries are asked to show how employees' rights have been respected in conformity with the group's internal rules – which, however, must not take precedence over legislation or local regulations. The program for developing employees' awareness of this Compliance Program, available on Vivendi's Intranet site, contributes to informing employees about their rights.

In 2006 Vivendi took part in the working groups created by the French Ministry of Education and Research aimed at strengthening partnership relations between the national education system and enterprise in the service of equal opportunity. In November 2006 Vivendi signed the Charter of Business Commitment to Equal Educational Opportunity, committing itself to carrying out individual, bilateral, or multilateral actions and initiatives encouraging promotion of equal opportunity in education, most notably through development of school-enterprise collaboration.

Vivendi accepted the invitation of the HALDE (Haute autorité pour la lutte contre les

discriminations et pour l'égalité), designating a contact person who will relay initiatives taken by the body and identify best practices within the group. A meeting of the Sustainable Development Committee in October 2006 was devoted to this theme of equal opportunity and the struggle against discrimination. It was attended by a representative of the HALDE, who made a clear presentation of her organization's ambitions. All the contact persons at Vivendi's subsidiaries – including, via videoconference, colleagues at Universal Music Group in Los Angeles and Maroc Telecom in Rabat – took part in this committee meeting, which revealed and exchanged a wealth of practices for combating discrimination.

Vivendi's Social Affairs department also had the French subsidiaries SFR, Universal Music, and Canal+ list actions put in place for promoting equality in order to respond to the HALDE's "Cadre Pour Agir" program.

## CHANGING BEHAVIORS

A fundamental dimension of the promotion of equal opportunity is seeing to it that certain types of behaviors change. That change can be brought about by making diversity visible and recognizing the positive contribution it makes. That is why cultural diversity is an essential issue for distribution and production of content (see pages 48-51 and 55).

### REPRESENTATION OF WOMEN IN THE VIVENDI GROUP

Percentage of women in:	Universal Music Group		Canal+ Group		SFR		Maroc Telecom		Vivendi Games		Vivendi Corporate	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
<b>Total workforce</b>	45%	45%	50%	52%	54%	54%	22%	23%	21%	21%	54%	56%
<b>Management personnel</b>	39%	40%	42%	45%	35%	34%	26%	26%	21%	18%	45%	49%
<b>Senior management</b> (Senior executives, Executive Committee, etc.)	0%	0%	17%	21%	0%	0%	14%	17%	25%	28%	0%	0%

o **Canal+ Group: Diversity as difference**

Canal+ Group, a signatory in October 2004 of the Diversity in the Company Charter, has always promoted the values of assimilation, solidarity, and respect for diversity of origins and cultures in its broadcasting.

Through the contributions of its journalists, the regular appearance of a variety of commentators and guests, and its news, sports, film, and music programming, the Canal+ Group encourages its subscribers to go beyond clichés and stereotypes, thus participating in the discussion on the benefits of cultural diversity encouraged by the European institutions in 2007 – declared “European Year of Equal Opportunities for All” (see quote below).

This particularity of Canal+ was recognized by the members of the Club Averroes, founded in 1997 and numbering among its members more than 300 media professionals who are working to promote diversity in all the media. At the request of the French public authorities, the Club published a report in November 2006 summarizing information collected from major French media during the period November 2005 to October 2006. According to its authors: “For some time, and perhaps first among the major French channels, Canal+ has adopted the practice of showing diversity of origins and cultures in its programming. (...) At Canal+, the free-to-air broadcast schedule for Fall 2006 is like a UFO compared to its confrere channels. The result: nearly all the non-pay broadcasts have chosen to find young talents, and many among them are of culturally diverse backgrounds. (...) And where hiring is concerned, Canal+ again stands out from other channels, since it is the channel with the most executives, management personnel, and decision makers with culturally diverse backgrounds.”

o **SFR: Another way of looking at disability**

Among SFR’s efforts to change attitudes towards disability since 2002 are voluntary

programs to integrate differently-abled persons into the corporate world.

In 2006 SFR renewed its three-year company agreement, first entered into in 2002, to promote hiring of disabled workers. Under this agreement, SFR commits to an objective of 7% in the annual recruiting flow for disabled persons. In 2006, 33 differently-abled persons were recruited, 23 of them on permanent contract. These new employees can count on the support of the company’s Disability Mission, created in 2002.

The Disability Mission is in charge of all actions involving the integration of differently-abled employees. In 2006, one hundred employees of SFR received training in awareness of disability.

The Mission works in permanent liaison with recruiting agencies, schools, and human resources teams to identify jobs to be filled. In 2006, SFR joined the Handimangement program in partnership with other large French companies. SFR’s objective is to conduct awareness-raising actions in the business and engineering schools, to encourage disabled students to continue their studies, and to train “student ambassadors” in the disability cause with the goal of overcoming future managers’ resistance to recruiting differently-abled employees.

In 2006, SFR Service Client also entered into a partnership with a trade school for visually-deficient young people, the EREA in Villeurbanne, to create a BTS (*Brevet de technicien supérieur*) diploma in management of sales outlets. SFR’s Customer Service has committed to integrate 50% of the first graduating class in an alternating-training program in its customer center at Lyon Cité Internationale.

Finally the budget for services SFR outsources to the protected sector more than doubled in 2006 (1.2 million euros billed in 2006 compared to 475,000 euros in 2005).

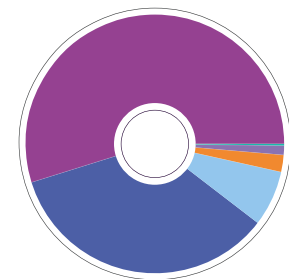
**EMPLOYEE RECRUITING AT VIVENDI GAMES IN FRANCE**

518 persons recruited in 2006

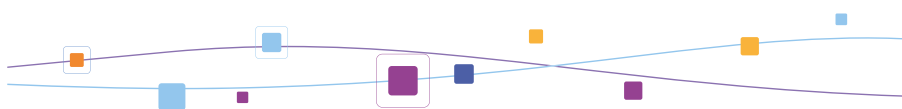
Breakdown of hirings by nationality

Algerian	2
American	1
Austrian	16
Belgian	1
British	85
Chinese	1
Danish	9
Dutch	9
Finnish	4
French	186
German	127
Irish	1
Italian	5
Korean	1
Norwegian	7
Portuguese	4
Spanish	35
Swedish	15
Swiss	9

Breakdown by age group



- 18-25 55%
- 26-30 35%
- 31-35 7%
- 36-40 2%
- 41-60 1%



Vladimír Špidla, European Commissioner for Employment, Social Affairs, and Equal Opportunities

**2007, European Year of Equal Opportunities for All**

●● Europeans have a right to enjoy equal treatment and a life free of discrimination. The 2007 European Year of Equal Opportunities for All aims to ensure they all know this. For a whole year, we will be putting the spotlight on equal opportunities and the benefits for Europe of a diverse society. Europe has a rich array of talents. We cannot afford to waste them. ●●

[http://ec.europa.eu/employment\\_social/eyeq/index.cfm?&page\\_id=341](http://ec.europa.eu/employment_social/eyeq/index.cfm?&page_id=341)

# Outreach

## to the next generation

Encouraging employment of young people is a priority for the group, which builds “bridges” that are relayed on the ground by the different business units. Proactive apprenticeship, recruiting, and accompaniment programs and efforts to integrate young people from disadvantaged neighborhoods are evidence of that ongoing commitment.

### ■ APPRENTICESHIP

Vivendi deploys efforts to encourage young people’s entry into the world of work by playing a part in a number of initiatives such as the Charter of Business Commitment to Equal Educational Opportunity (see page 30) and the Apprenticeship Charter (see below) and by developing partnerships with schools and universities.

#### ■ The Apprenticeship Charter

Vivendi, as a signatory of the Apprenticeship Charter, has committed itself before the public authorities to strengthening apprenticeship. The term “apprenticeship” is here taken to mean all the legislative measures related to dual-education work contracts, including apprenticeship contracts and professionalization contracts.

The signing companies agree to take on apprentices and students at all levels on an alternance (dual-education) basis, to increase their number by 20% in two years, and to respect cultural and ethnic diversity in recruiting.

In December 2006, whereas projections were for 178 at group level, the number of apprentices was 188, for 152 candidate areas and 136 receiving apprentices. With a group scope identical to that of 2006, there were 117 in 2005. More than half the participants are employed by SFR.

#### ■ Internships at Vivendi S.A.

The internship program at Vivendi S.A. involved 26 students in 2006, for an average period of six months, and led to three recruitings (two permanent contracts and one temporary contract).

Interns at Vivendi S.A. are paid between 30 and 110% of the minimum wage (1,357 euros monthly as of July 1, 2006), depending on their educational level. An additional sum in the form of a bonus can be added to that remuneration, at the end of the internship, amounting to 20% of the remuneration previously received, depending on the quality of the work done.

Under the responsibility of an internship mentor, interns do work that earns them job experience, designed to put them in actual work situations and give them responsibilities appropriate to their level of skill.

Since June 2006, interns have been asked to evaluate their experiences by completing a detailed questionnaire used by the Human Resources department to assess whether the internships met their needs and expectations. Late in 2007, an initial evaluation of these questionnaires will be made by the Human Resources department.

#### ■ Universal Music Germany: Learning the music business

Universal Music Germany actively pursues its training missions aimed at young people who are interested in the music-industry professions. As a founder of the Pop Music Academy (Popakademie), in 2003, along with the Bade-Wurtemberg Land and Südwestrundfunk radio, Universal Music Germany offers scholarships to students each year (between six and ten from a total of thirty young people selected) for six years of studies at the institution.

The goal of the Mannheim Popakademie is to give its students the skills they need to adapt to the rapid technological evolution of the music business. Students undergo practical apprenticeships with Universal Music over two semesters, during which time they hone their skills in a professional environment, mastering the various areas of the music industry.

Universal Music Germany also offers training for students in areas as varied as strategy, law, marketing, sales, promotion and artist development, human resources, publishing, and finance.

The Popakademie of Mannheim (Germany) enjoys very active support from Universal Music Germany. At the start of the digital era, the Popakademie works to give its students the artistic training and skills necessary for mastery of all aspects of the music industry. The Popakademie and Universal Music Germany are partners in the MU:ZONE project, supported by the European Union (see page 9 and opposite).



Universal Music Germany is also a partner in MU:ZONE, a project supported by the European Union via the Leonardo da Vinci Project for the promotion of young pop-music groups in EU member states (see page 9).

## ▣ ATTRACTION

Aware of the special demands of the group's business areas in terms of creativity and technological expertise, Vivendi has a stake in getting closer to the young generation in the interest of mutual transmission of skills and know-how.

### ○ Maroc Telecom

Maroc Telecom has signed a framework agreement with the public authorities covering five years (2005-2010) in which the operator commits itself to participate actively in creating jobs. Maroc Telecom provides opportunities for young graduates and young unemployed people to embark on a career through its product and services retail network.

In exchange for premises in which to operate and a contribution of 2,500 dirhams (the equivalent of 230 euros), Maroc Telecom provides interested young people with the necessary infrastructure (telephones, telecommunications lines, products, etc.) for developing telephony and Internet sales offerings aimed at the population. In partnership with Morocco's National Employment Promotion Agency (Agence nationale de promotion de l'emploi et des compétences – ANAPEC), Maroc Telecom participates in promoting employment and training of young people with business projects.

Maroc Telecom's objective for the agreement is the creation of 10,000 jobs by 2010. In 2006 alone, Maroc Telecom helped to open 3,600 *téléboutiques* and aided in the creation of nearly 7,000 jobs.

### ○ Vivendi Games

In Europe, Vivendi Games, based in Meudon, in the Paris region, attracts many young employees (see box on recruiting age, page 31). It includes the European office for Blizzard Entertainment, developer of the game *World of Warcraft*. This team provides customer assistance and service support for those playing *World of Warcraft* throughout Europe. The new Vivendi Games Mobile division, a worldwide center for development of games on mobile devices, is also based in Meudon.

Attracted by varied job profiles such as games tester, graphic artist, composer, and programmer as well as the sales, marketing,

## Attracting young talents at Vivendi Games Mobile



**Axel Rivière, 29, is now a game programmer at Vivendi Games Mobile.**

After earning his diploma as an IT engineer, Axel joined Vivendi Games Mobile, where he has already worked on the programming of five mobile games: *Caesar*, *Empire Earth*, *Red Baron*, *Office Wars* and *Larry*.



**Guillaume Lebrasseur, 31, is a talented musician who has already composed nearly forty original melodies for Vivendi Games Mobile games.**

He is at work adapting his melodies to more than 800 models of cell phones, to suit their specific memory capacities.



legal, etc. functions, young employees of Vivendi Games in Europe take advantage of the numerous opportunities for career development the company offers.

The broad range of jobs allows less qualified young employees to build their professional careers, in France and also in other divisions and internal studios based abroad (26.3% of Vivendi Games employees in Europe advanced their careers by changing jobs within the company in 2006) and attracts proven talents who want to find an outlet for their skills in the games industry (see portraits above).

## ▣ INTEGRATION OF YOUNG PEOPLE FROM DISADVANTAGED AREAS

### ■ SFR's Passeport Ingénieur Télécoms

With *Passeport Ingénieur Télécoms*, created in 2005 in partnership with France's Education and Employment Ministries, SFR became the first French company to make a commitment with the public authorities to an equal opportunity program giving students from disadvantaged urban areas access to engineering schools. Each young person is taken in hand by an SFR tutor throughout the process, from the time they prepare to take the qualifying examination through their entry into the job market.

For the 2006-2007 academic year, 125 SFR tutors are accompanying 145 students in BTS and ATS electronics curricula. The *Passeport Ingénieur Télécoms* program was awarded

the Trophée Social 2006 by UNETEL-RST (the telecommunications sector industry organization) and the social-protection entity MV4Parunion. In 2006, 74% of students leaving the *Passeport Ingénieur Télécoms* program were admitted to engineering schools.

### ■ Maroc Telecom supports business startups and students

Maroc Telecom and Vivendi have jointly created a fund for the creation of new businesses and the financing of scholarships. The fund, now managed by the Association pour la création d'entreprises, receives donations of one million euros from each of the two parties. The Association accompanies the new entrepreneurs from the time they draw up their initial project to its concrete realization. It grants interest-free loans to complement their personal stake, and other loans can be granted by partner banks of the Association. In 2006, the Association aided three business startups, and at the start of 2007 was studying some ten new applications.

The members of the Supervisory Board of Maroc Telecom have decided to forego their fees and donate them to finance scholarships for deserving Moroccan students from disadvantaged areas pursuing university studies, in Morocco or abroad, oriented towards Maroc Telecom's and Vivendi's business sectors. In 2006, 43 higher-education scholarships were granted.



# Social ties

Vivendi believes firmly in encouraging social ties by entering into durable partnerships with civil society, with emphasis placed on their effectiveness and permanence. This commitment contributes to developing employment, mobilizes employees, and encourages them to share human values.

## ▣ CONTRIBUTING TO THE DEVELOPMENT OF EMPLOYMENT

Vivendi has committed itself before the French public authorities to contribute to the creation of jobs in areas affected by unemployment or industrial restructuring. This commitment takes two forms.

The first commitment concerns jobs related to Vivendi's businesses (through its subsidiary SFR) with the creation of two call centers, via subcontractors, each of which will employ at least 300, by June 2007. Vivendi is ahead of its objectives, with 360 jobs created in the call center in Belfort and 86 in the Douai center as of December 31, 2006.

The second commitment is to contribute to creating jobs (five million euros yearly for five years for the creation of 1,000 jobs in three years and 1,500 in five years) not related to Vivendi's businesses, in the form of financial support for viable creative or entrepreneurial projects. Operations begun early in 2005 led to 265 job validations in the Sarrebourg Château-Salins area, 397 jobs in the Arles area, and 511 in the Oise. In February 2006, three new operations began with the validation of 151 jobs in the Arras, Saint-Omer, Calais, and Berck Montreuil areas, 166 jobs in the Chalon-sur-Saône area, and 142 in the Dreux region. As of end December 2006, the total number of jobs validated (that is, jobs in the process of being created corresponding to dossiers validated by the funding committees) was 1,632, and Vivendi had paid out 10.2 million euros. Jobs actually created number 806, or approximately half those validated.

Given the progress made in the search for employment possibilities and the projects actually set in motion, four new employment bases were designated in late 2006-early 2007: Abbeville and Montdidier, Thann-Cernay, the Tonnerrois and Autun, and Château-Chinon.

## ▣ FACILITATING EMPLOYEE CITIZENSHIP AND SOLIDARITY

Vivendi gives its employees opportunities to participate in various solidarity actions. In 2006, Vivendi launched a new program for aiding unemployed persons in partnership with the association New Solidarity Against Unemployment (Solidarités nouvelles face au chômage – SNC). Under the program, employees help persons seeking employment in defining and following their own path back to employment.

With its solidarity projects, Vivendi encourages its employees' commitment to humanitarian causes outside France. Vivendi finances missions related to economic development of the countries in the Southern Hemisphere, putting the professional skills of employees of Vivendi's corporate headquarters to work. A partnership entered into in 2005 with the Association of Volunteers of Progress (Association des volontaires du progrès) resulted in quality work by employees of Vivendi headquarters and SFR, meeting needs defined by the volunteers and the Association's staff in the field.

Three times yearly, Vivendi employees are invited to take part in the juries who select the projects to be supported as part of Vivendi's solidarity program. The projects, presented by partner NGOs, essentially concern development in the countries of the South and entry or re-entry into the job market in France. This policy of sponsorship is complemented by donations to partner NGOs; Vivendi responds rapidly to urgent appeals by Action contre la faim and Médecins du Monde, among others.

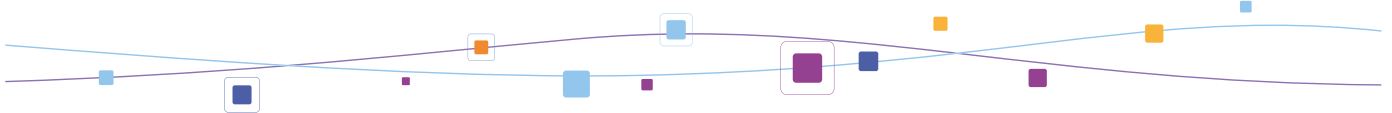
Vivendi nurtures ongoing relations with its partner non-profit associations, which include Médecins du Monde, Action contre la faim, Disability International, Planète urgence, the Guilde Européenne du Raid and its micro-projects agency, and more



**Françoise Le Guennou-Remarck, CEO of Canal+ Horizons Ivory Coast and Vice-President of the Ivory Coast National Council of Employers**

●● Belonging to certain groups of influential companies, including the Ivory Coast National Council of Employers, the Federation of Industries and Services, and the Chambers of Commerce, has provided Canal+ Horizons with a way to get involved in the search for partners in the integration of these young women into the economic fabric.

We feel that the young women's belonging to the Center and their social integration can be a motivation to other young women who do not have access to schooling in their neighborhoods. The first actions we conducted have had a positive impact on the perception of these young women as regards their integration into social life and into their neighborhoods where they live. They have realized that they themselves, through the various social projects (sewing, computer literacy, hairdressing, etc.), can push back poverty. They also appreciate the fact that a large company like Canal+ Horizons is interested in them (unschooled and illiterate girls) and that Canal+ Horizons is giving them a chance to play a real role in community life. ●●



recently the Association of Volunteers of Progress (Association des volontaires du progrès), the Association for the right to financial initiative (Association pour le droit à l'initiative économique – ADIE) and Solidarity against unemployment (Solidarités nouvelles face au chômage – SNC).

**ENDING ISOLATION**

Numerous actions are carried out around the world, in particular to aid isolated populations, in countries where Vivendi is active.

**Canal+ Horizons Ivory Coast: Aiding unschooled young women**

In October 2006 Canal+ Horizons Ivory Coast cemented a partnership with the Centre féminin Sainte-Thérèse, located in one of the poorest quarters of Abidjan. The center, created in 2001, aids girls and young women who are unschooled or victims of sexual abuse in regaining confidence by giving them the means to re-enter the world of work in order to avoid prostitution and other forms of exploitation.

Young women taken in by the center receive training in sewing, computer literacy, and hairdressing. They also receive schooling (in health, personal care, education, and culture) to help them assert their dignity as human beings.

Canal+ Horizons Ivory Coast has a threefold objective in entering into the partnership: contribute to the professional training of young women, aiding them in becoming ambassadors for their own social progress for other unschooled girls in the city's poor quarters, and encouraging them to take responsibility for themselves.

Beginning with the 2006 school year, Canal+ Horizons drew up a plan of activity to provide the 120 center residents with the equipment they need for their training. Employees are fully associated in this partnership and accompany the residents in their apprenticeship of management and computer technology. Canal+ Horizons has also set up meetings with psychologists to counsel young women with immuno-deficient diseases (AIDS) or who have suffered trauma (see comments by Françoise Le Guennou-Remarck, above).

**SFR: Mobility for all**

For ten years, SFR has deployed initiatives to facilitate access to new information and communication technologies for differently-abled persons. As a partner in the association HandiCapZéro since 1997, SFR develops adapted services that facilitate the use of mobile phones for blind and visually-impaired people, such as vocalization software including light detection and recognition of colors. SFR also has a 3G offering for the hearing-impaired, for whom video phones and multimedia messages represent major progress. Since December 2006, a daily news program in French sign language, produced with the Websourd cooperative, is accessible on SFR's Vodafone Live! multimedia portal.

In 2006, SFR developed the "Handi-Cité" service, the first guide for persons with reduced mobility available on mobile. The service, created in 2005 in partnership with the association Mobile en ville and with the support of the French Muscular Dystrophy Association (Association Française contre les Myopathies – AFM) is the first of this type launched in Europe. Deployed in Paris,

Nantes and Rézé (in the Department of Loire-Atlantique), the guide lists facilities accessible to persons with reduced mobility in each of the cities: parking areas, ATMs, but also bars, restaurants, cinemas, etc.

Thanks to geolocalization, the system can also guide users around the cities. In 2007, this "Handi-Cité" service will be extended to other large cities, including Toulouse.



To simplify city life for persons with reduced mobility, SFR offers the "Handi-Cité" guide for mobile devices, the first service of its type launched in Europe.

# Transparency approach

Vivendi's environmental policy is structured around formal commitments (the Program of compliance with environmental, health and workplace safety standards, the Environment Charter, and the Compliance Program) and implementation of methods and programs for internal and external control: reporting, audits, certification, and verification of the environmental management systems.

## PROCEDURES FOR REPORTING ON ENVIRONMENTAL INDICATORS

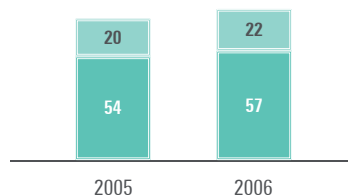
These procedures are defined in a protocol which formalizes the process of collecting environmental and social information in

all Vivendi's business units. It lists and defines social and environmental indicators. It defines the scope and the procedure for collecting information and analyzing and consolidating the data. It is part of the internal and external control procedures put in place at the corporate and subsidiary levels (see page 58).

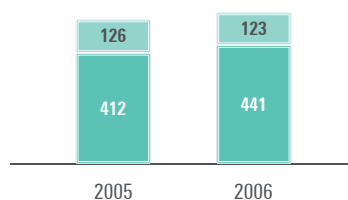
### Environmental impacts

by business sector, media ■ telecommunication ■  
in 2005 and 2006 (excluding head office)

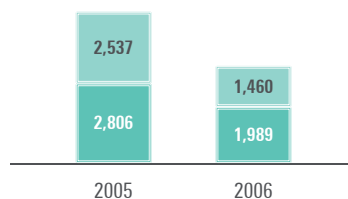
#### CO<sub>2</sub> EMISSIONS (in million kilograms)



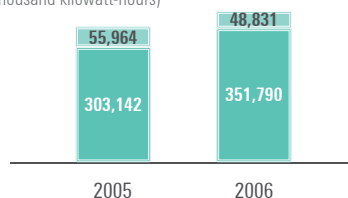
#### DRINKING-WATER CONSUMPTION (in thousands of cubic meters)



#### WASTE PRODUCTION (in tons)



#### ELECTRICITY CONSUMPTION (in thousand kilowatt-hours)



To complement the existing protocol, work to refine the environmental indicators was completed in 2006, based on evaluating the reporting process from preceding years and comments from the environmental representatives of the business subsidiaries. As a result, certain indicators (landscaping waste, water recycled off site, etc.) were eliminated and certain other definitions were made more precise. Finally, new indicators specific to the telecommunications sector were added to the existing indicators (such as the number of measurements of electromagnetic fields made near antennas and the percentage of these measurements complying with regulations).

## INTERNAL AUDITS

The Program of compliance with environmental, health, and workplace safety standards adopted by Vivendi in 2000 has now been implemented at more than 80 sites. In 2006, six sites, including Vivendi's corporate headquarters, were audited using the established procedure: pre-audit questionnaire sent to the site manager; site visit (facilities inspections and verification of regulatory documents); evaluation report and list of recommendations; follow-up and re-evaluation. In 2007, the audit program will include certain Maroc Telecom and Canal+ Poland sites. In early 2007, a total of 155 sites in the group had been identified for auditing.



Maroc Telecom was rewarded for its commitment to protecting the environment by the European label "Blue Flag" in July 2006 for its work to improve and clean Achakar beach in Tangier as part of the "Clean Beaches" operation (see page 55).

A summary of the internal audit program was presented by the group's Vice-President for Environmental Affairs, Health and Safety at a session of the Sustainable Development Committee during 2006 in which the Senior Vice-President, Audit and Special Projects participated. Representatives of the business units made comments and shared their experiences concerning the audits.

The conclusions drawn in 2006 from the different audits did not identify any significant areas of non-compliance with regulations but focused on proposing improvements in the identification and inspection of exterior and subterranean storage tanks, waste management, fire-protection equipment, safety measures applicable to subcontractors, and environmental record-keeping.

## THE CERTIFICATION AND EVALUATION PROCESS

This process is part of the group's environmental commitments; it applies to the subsidiaries and Vivendi's corporate headquarters. Participation in this process is an illustration of the group's commitment to environmental performance and takes the form of ISO and EMAS certification.

In 2006, within the framework of this process, SFR formalized its commitments to managing the impacts of its activities on the environment through ISO 14001 certification of its environmental management system, achieving the certification at three pilot sites (two technical sites in France's Essonne and Bouches-du-Rhône and a tertiary site located in the Ille-et-Vilaine). This process will be extended in 2007 to network deployment and maintenance activities (strategic technical sites and antennas) and two additional tertiary sites.

Maroc Telecom complies with the environmental regulatory measures in force in Morocco and has committed itself to making continuous improvements to its results in the area of environmental protection. In order to strengthen review and assessment of its environmental impact, Maroc Telecom is considering implementation of a certification project beginning in 2007.

The Canal+ Group also plans to begin studying the possibility of certification of its environmental management system at all of its sites in 2007.

Vivendi S.A. has chosen to deploy an environmental management system in accordance with Europe's EMAS (Eco-Management and Audit Scheme) (see below) at its corporate headquarters. There are two main

reasons for the choice of the EMAS standards: the desire to involve employees of Vivendi's corporate headquarters and the consistency with an environmental declaration aimed at stakeholders. The process also includes awareness efforts to be implemented at the subsidiaries, using environmental management workshops, to aid the business units in better gauging their impacts.

Increasing awareness of environmental protection is central to this initiative, piloted by Vivendi's Sustainable Development department and conducted in close collaboration with the group's Vice-President for Environmental Affairs, Health and Safety, the Human Resources department, and the Administrative Services department at the corporate level.



### Gilles Vincent, Deputy Head, "Industry and Environment" Unit – Environment Directorate-General, European Commission

●● EMAS-registered companies are renowned for their high environmental performance, transparency and credibility - all assets which differentiate EMAS from the rest of management systems available today.

More than ever, environment and profit can be reconciled: EMAS companies often explore avenues such as the life-cycle approach, eco-designed products and innovative solutions to long-standing environmental problems, which are also economically profitable.

Evidence shows that improved environmental performance often triggers innovation which in turn leads to competitiveness; clean production pays off in terms of lower energy, waste and resource costs; environmentally-friendly companies find it easier and more economical to comply with environmental legislation; there is an increasing demand for eco-designed products; and being green results in a better corporate image.

The Commission is in the process of reviewing EMAS. Not only is it considering ways of making the scheme even better recognised as the scheme of excellence in this field, but it is also considering making the scheme available to companies located beyond the EU frontiers. This will give it a global dimension. It would address not only the needs of companies located outside the EU but also those of companies with branches located both within and outside the EU. ●●



# Shared objectives

Discussion of the new environmental performance objectives within the Sustainable Development Committee made progress toward adopting new actions for all the group's business units for the period 2007-2012. The objectives proposed in early 2007 are now being discussed within the Sustainable Development Committee, and take the diversity of the group's business activities into account. They apply to energy, waste management, relations with suppliers, and the application of environmental quality standards in the construction of new facilities.

## THE ENERGY ISSUE

Several experts from the Caisse des Dépôts et Consignations, Ademe (the French Environment and Energy Management Agency), and the European Commission were invited to Sustainable Development Committee sessions to help make the representatives at both the corporate level and in the business units more aware of energy issues.

### Saving energy

For several years, the Administrative Services department of Vivendi S.A. has implemented measures for saving energy at the group's Paris headquarters offices. In 2006, new initiatives included adaptation of heating water and the use of lighting fixtures appropriate to the energy demand of certain spaces. Continuing

improvements in the areas of lighting and air quality are among the actions slated for 2007.

The Canal+ Group's involvement in energy issues is evident in two initiatives. The first concerns the fleet of technical vehicles (choosing vehicles whose level of CO<sub>2</sub> emissions does not exceed 120 g/km), and the second the implementation of vehicle pooling. Since 2006, employees who need to travel to different Canal+ Group sites are encouraged to use shuttles provided by the company. Toward the end of 2007, employees will be able to make car-pooling arrangements from home to work via the Intranet.

With 17.9 million SFR customers and 12 million fixed-line and mobile customers for Maroc Telecom, the group's telecommunications operators are aware of the significant environmental impact they have, and are

working to reduce it by adapting their products and services (see table below). SFR is continuing this effort in 2007 by implementing an energy efficiency policy for technical infrastructures and evaluating how to optimize employee travel to benefit the environment.

Universal Music Group has also worked to reduce its environmental impact by changing product packaging. In October 2006, as part of its program to re-issue albums by renowned artists, Universal Music Enterprises, a division of UMG, marketed its Millennium Collection CD with recyclable, biodegradable packaging. Encouraged by the success of this initiative, UMG International plans to market 900,000 CD-ROMs in "ecopacs." The packs, made of 100% recycled materials and completely recyclable, will begin appearing on shelves in France and the UK in June 2007.

## ENERGY SAVINGS AT SFR

Actions having an environmental impact	SFR 2006 Results
Virtual Mobile Packs*	906 tons of paper and cardboard saved thanks to increased use of the virtual packs
E-recharging (electronic recharging of telephone cards)	This mode of recharging accounted for 78% of consumption of prepaid telephone cards
Paperless billing via the Internet	Consumption of close to 100 tons of paper saved
Use of recycled paper in commercial documents	2,909 tons of recycled paper used, approximately 29% of the paper consumed by SFR
Recycled bags given to customers at "espace SFR" sales outlets	Distribution of more than 2 million recycled kraft bags in the last quarter of 2006

## ENERGY SAVINGS AT MAROC TELECOM

Actions having an environmental impact	Maroc Telecom 2006 Results
Biodegradable prepaid telephone cards	78% of the total number of prepaid telephone cards
E-recharging (electronic recharging of telephone cards)	This mode of recharging accounted for 6% of the consumption of prepaid telephone cards
Use of recycled paper in commercial documents	331 tons of recycled paper used
Recycled bags given to customers at Maroc Telecom agencies	68 tons of biodegradable bags used

\* A "virtual" pack is a mobile device, without a SIM card, activated directly at the point of sale, regardless of the rate plan chosen. The packaging of these mobiles is designed to reduce the outer packaging and limit consumption of raw materials.

## ■ Renewable energy sources

Two Universal Music Group sites and four Vivendi Games sites in California (USA) are continuing their commitment to foster sustainable development by purchasing electricity from renewable energy sources. In 2006, these six sites sourced more than 1.42 million kilowatt-hours (1.36 million kWh in 2005), which amounts to more than 11% of their electricity use, from renewable sources. By 2011, these sites have the goal of increasing the share of renewable energy sources to more than 20% of their total electricity consumption.

Telecommunications operators SFR and Maroc Telecom also make use of renewable energy sources. Maroc Telecom's radiotelephony network has 70 sites powered with solar energy to provide GSM coverage in areas without electricity service. SFR put a solar antenna at Fitou in the Aude into service in December 2006, deploying 160 sq. m. of photovoltaic panels.

## ■ WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT

Since 2004, through its Sustainable Development Committee sessions, Vivendi has been working to increase the awareness

of its subsidiaries of the promulgation of European Union regulations applicable to waste from electrical and electronic equipment (WEEE) and the limitation of the use of certain hazardous substances in electrical and electronic equipment. In 2006, a summary was prepared on the application of regulatory texts transposed into French law, but also on the impact of WEEE on accounting.

All the group's entities are making efforts to better manage their WEEE. SFR uses a specialized provider to collect used cell phones and batteries returned by its customers throughout its "espace SFR" retail network (735 sales outlets). The devices are then recycled, if no longer usable, or refurbished and sold second-hand in emerging countries with intensive mobile-telephony needs.

By the end of 2006, more than 120,000 mobile units had been collected (including after-sales service and mail-order sales).

For its part, Maroc Telecom plans to deploy a pilot collection program in four of its retail network's facilities in 2007. Users will be able to return used terminals, batteries, and accessories which will then be refurbished, re-used, or recycled depending on their age and condition.

## ■ RELATIONS WITH SUPPLIERS

Procurement contracts entered into by the group's business units include a sustainable development clause whose provisions affirm the environmental and social responsibility of suppliers of products and providers of services.

This commitment extends upstream with requests for bid issued by the entities that include requirements for expected commitments from industrial and commercial partners in this area.

One of Vivendi's objectives for the period 2007-2012 is to include verification of these clauses in service contracts in the scope of the environmental audit program. Discussions are in progress with representatives of the business units with the goal of better monitoring of these commitments with major suppliers.

## Environmental standards in new construction

Concern with energy is also evident in the construction of new sites, notably in North America. In 2006, Universal Music Group integrated environmental quality standards into its construction programs, such as not using refrigerants that impact the ozone layer in HVAC systems, choosing lighting systems with lower energy consumption, automatic shutoff of lighting in unoccupied offices, absence of solvents in paint and floor and wall coverings, choosing light-colored roofing materials to reduce absorption of solar heat, installation of plumbing fixtures with low water consumption, installation of tankless water heaters, etc. These new construction standards are the result of the group's commitment to including environmental considerations in the management of its properties.



**Matthieu Wemaere, Associate in charge of the Brussels office – Huglo Lepage & Associates law firm**

●● The need for selective, controlled management of waste from electrical and electronic equipment (WEEE) became clear in the mid-1990s as two things became evident: – first, the great increase in the amount of electrical and electronic equipment containing hazardous components or substances with relatively short life cycles being placed on the market (in 2005, 5% per year in the European Union, that is, three times more than any other waste stream, or approximately 50 million tons/year worldwide) and, – secondly, the absence of a selective process for collection and processing, resulting *de facto* in final disposal mixed with household waste (for 90% of WEEE).

To respond to these realities, the EU's so-called WEEE Directive was adopted in 2002 to set specific objectives, in figures, for recycling and recovery, requiring each member State of the Union to establish a specific waste stream for management of WEEE to attain those objectives. All the Member States encountered difficulties in implementing the principle of producer responsibility.

The WEEE Directive sets specific objectives guaranteeing that a certain volume of waste will be processed within the European Union, but it also requires that waste exported from the EU be processed under equivalent conditions as regards protection of health and of the environment.

It is estimated that in 2005, 250 million personal computers became obsolete and that the great majority of them were not recycled, but exported to developing countries, in particular in Africa and Southeast Asia, without regard for the regulations relative to waste. This explains recent developments at the international level, such as the decision adopted by the contracting parties of the Basel Convention on cross-border movement of hazardous waste at their 8th Conference (COP 8, Nairobi, December 2006), which recommends an approach based on the life cycle of equipment and calls for stronger cooperation between States to prevent illegal trafficking in electronic waste. ●●



# Health and mobile telephony

Consumers' enthusiasm for mobile telephony has raised concerns about potential health risks associated with electromagnetic waves. Vivendi pays particular attention to these concerns given its positioning in the first rank of telecommunications companies, with SFR in France and Maroc Telecom in Morocco, whose respective CEOs sit on its Management Board.

## ▣ VIGILANCE AND DIALOGUE

The rapid development of mobile telephony in recent years has given rise to an international debate on the potential risks of electromagnetic waves for human health, a debate to which Vivendi pays close attention.

The overall analysis of currently available scientific data on the effects has so far not pointed to any deleterious effect on human health from exposure to electromagnetic waves below internationally-established limits. The World Health Organization (WHO) confirmed in Ottawa, in July 2005, the position it had adopted in June 2000, namely that: "no research results supported the conclusion that exposure to radiofrequency fields (RF) emitted by cellular telephones, their base stations, or their antennas cause adverse health effects."

As regards electromagnetic waves emitted by relay antennas, the WHO concluded in its Fact Sheet No. 304 of May 2006 that: "Considering the very low exposure levels and research results collected to date, there is no convincing scientific evidence that the weak RF signals from base stations and wireless networks cause adverse health effects."

Concerning the use of mobile telephones, research is continuing and Vivendi regularly monitors the results published, in particular concerning the INTERPHONE study coordinated by the International Agency for Research on Cancer (IARC), a WHO agency. The main objective of this study, launched in 2000, is to determine whether exposure to mobile-telephone radio frequencies is associated with cancer risk. This broad epidemiological study involved 13 countries (France, the UK, Germany, Italy, Denmark,

Sweden, Norway, Finland, Canada, Japan, New Zealand, Australia, and Israel). Pending the results of INTERPHONE, groups of experts recommend certain precautions in using cell phones and other mobile devices, such as using them in areas where reception is good and using a hands-free kit (provided free of charge in all SFR packs since September 2002 and in all Maroc Telecom packs since 2004).

## ▣ SFR

SFR established a Health and Environment Programs department in 2000. The department, assisted by scientific research unit comprising an epidemiologist, an environmental specialist, and a sociologist, monitors the progress made by research, works to better understand the expectations of the different stakeholders, and recommends any appropriate measures, which are then validated by a steering committee chaired by the CEO.

As part of its activity to promote scientific research in the area of radiofrequencies and their health effects, SFR worked extensively during 2004, with the support of the Ministry in charge of Research and in partnership with other corporate interests, toward creation of a Radio Waves and Health Foundation. The Foundation was recognized as an entity operating in the general interest in January 2005. Among its goals are defining, promoting, and financing research programs on the effects of exposure of humans to electromagnetic fields used in electronic communications and disseminating the results of these research programs to members of the industry and to the public.

In order to promote understanding of public expectations regarding research and

## SFR INDICATORS

Information and discussion actions	2005	2006
Number of public meetings	194	185
Measurements of electromagnetic fields taken by an independent laboratory and financed by SFR	575	522
Rate of compliance with regulatory limits of the measurements taken	100%	100%

information and how to respond to them, the Foundation has implemented a discussion body open to all stakeholders.

For cellular telephones, SFR is highly communicative about the levels of exposure to electromagnetic waves (SAR or specific absorption rate) of the telephones it sells in its brochures, on its Web site, and on shelves in its "espace SFR" retail network.

For antennas, the operator takes steps in placement including discussions with stakeholders (elected officials, residents, lessors) in conformity with the Guide to Good Practices, signed in 2004 between the AFOM (the French association of mobile operators) and the Association of Mayors of France (AMF). In this context, SFR has agreed to finance and commission measurements of exposure to electromagnetic fields near its relay antennas at the request of any individual, public official, or lessor (see table above).

## MAROC TELECOM

Maroc Telecom is vigilant in ensuring that the manufacturers who supply its equipment and the antenna builders respect all of the safety principles applicable to mobile telephones and antennas and associated equipment.

In 2003, Maroc Telecom published a brochure aimed at its subscribers on the safety of mobile telephony, explaining in a very comprehensible way how mobile telephones and antennas operate and discussing a few basic safety principles.

Maroc Telecom also holds informational meetings to respond to questions and possible concerns of residents' associations and anyone else about antennas being

located near their homes. An information packet containing the declarations made by suppliers as to the conformity of their equipment to international health standards, the Bureau Veritas report on measurements of electromagnetic fields, and statements from the Moroccan authorities (the Ministry of Health, the National Telecommunications Regulatory Agency [ANRT]) and international bodies (limits set by the International Commission on Non-Ionizing Radiation Protection [ICNIRP], an entity recognized by the WHO, etc.) is provided to participants.

Maroc Telecom made proposals to the ANRT, notably regarding an information campaign aimed at the general public, which led to a day of information sessions and discussions on the theme "Consumers and Telecommunications," on April 17, 2007.

Health and radiocommunications specialists published a report on the conclusions of studies mandated by the Ministry of Health and the results of measurements of electromagnetic fields made by the ANRT. Between 2003 and 2006, the ANRT took nearly 150 measurements of sites belonging to Maroc Telecom. The measurements were all within the limits established by international standards.





**SPECIFIC**



In 2003 Vivendi refocused its operations around its strategic business units and defined sustainable development issues related to its activities as a producer and distributor of content. These issues concern protection of minors, cultural diversity, and sharing knowledge – in particular as viewed from the perspective of the new uses stimulated by rapid technological changes (broadband and mobile).

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# Protection of minors

The protection of minors is a key issue for Vivendi, which endeavors to assess the potential impact its offerings of content and services have on young audiences. All the group's business units are mobilized around this issue and work in close collaboration with Vivendi's Sustainable Development department.

## ▣ VIVENDI'S COMMITMENT

Vivendi must reconcile development of content and service offerings made possible by the new technologies with the protection of young audiences from modes of use or behaviors that can be harmful to them. The task is all the more complex to the extent that numerous interests are involved, that regulations evolve, and that technological progress is extremely rapid.

### ■ Attentiveness to the concerns of civil society

Jean-Bernard Lévy, Chairman of Vivendi's Management Board and CEO, brought together several experts from civil society in December 2006 to discuss the issue of protection of minors as the media continue to evolve. Representatives of French and European public authorities, NGOs, the medical community, and industry organizations gave voice to their expectations

and in particular to their willingness to share their experience with that of private interests. These exchanges resulted in collaboration between certain participants.

Vivendi became associated with the European Union's "Safer Internet Plus program" (see the box below). The goals of the program (2005-2008), an initiative of the European Commission, are to combat illicit and harmful content on the Internet and to work to raise awareness, notably among end users – parents, educators, and children.

### ■ The Internet Confidence Charter

Since 1999 Vivendi has had an Internet Confidence Charter that expresses the group's commitment to protecting children and to ethical practices. Vivendi affirms its commitment to promoting methods of choice and control of content and to cooperating with authorities in the fight against illegal content.

## Safer Internet

Vivendi is taking part in the work of the steering committee of "Internet sans crainte" ([www.Internetsanscrainte.fr](http://www.Internetsanscrainte.fr)). This operation is part of the "Confiance program," the French plan for increasing awareness of issues and risks connected with the Internet for children. Recognized by the European Commission as France's awareness-raising hub, the "Confiance program" is a member of the European Insafe network (<http://www.saferinternet.org/>). More and more children and pre-teens use the Internet alone, with no supervision. Informing children and their entourage about responsible use of the Internet and other new technologies is indispensable for protecting young people in their day-to-day use of the Internet (finding information, chat areas, downloading potentially harmful content, etc.)

A few key figures (in France):

- 81% of children ages 8-10 use the Internet alone\*;
- 2 million children have Internet access in their rooms\*\*;
- more than 17% of 12-to-17-year-olds have already been exposed to a pornographic site\*\*;
- more than 433,472 pedophilia sites were found on the Internet as of 31 December 2005\*\*;
- 80% of young people ages 12 to 17 had cell phones in 2006, and 23% viewed Web content with their telephones\*\*\*.

Sources:

\* Figures published by the association Innocence en danger based on studies by the CEOP and BBC, April 2006.

\*\* 2005 survey by the French Ministry of Solidarity, Health, and the Family.

\*\*\* Sofres-Afom survey, August 2006.



The business units, to conform with the group's commitments, use various means to fulfill this commitment and create impact within their domains. The protection of minors cuts across Vivendi's activities even more as telecommunications operators include a growing number of content services in their offerings and as young customers adopt the new modes of consumption.

## ▣ ETHICS RULES

The rules of professional ethics defined by the business units are commitments made to their stakeholders and actions for keeping those stakeholders informed.

### ■ Mobile telephony

SFR, whose activity as a telecommunications operator is evolving towards that of a distributor of content (music, TV-video, Internet access, etc.) with the development of Third Generation (3G) telephony and its encouragement of new multimedia uses of mobile devices, is now assuming increased responsibility.

SFR, as a member of Afom (the French mobile operators' association), responded to an appeal launched in July 2006 by the European Commission on the theme "protection of children and mobile telephony." On February 6, 2007, SFR and other European operators, through the agency of the Commission, signed an agreement by which they committed themselves to supporting the following actions: control of access to content intended for adults; campaigns to increase the awareness of parents and children; classification of commercial content according to national standards of decency and appropriateness; the fight against illicit content distributed via mobile telephony. In January 2006 SFR also signed, along with the French ministry for the Family, the Charter for Responsible Development of Mobile Multimedia drawn up by Afom.

In 2006, SFR implemented a bi-monthly audit of applications of the professional ethics charter signed by content publishers. This charter covers – among other areas – the quality of the moderation of "chat rooms," the warnings displayed prior to access to certain services, and transparency about downloading costs. SFR applies the classification system established by the Internet Rights Forum in October 2006. The system can be used by publishers to classify their services in one of five categories: All Audiences, -12 (not recommended for children under age twelve), -16, -18, or Adults Only.

### ■ Video games

Equally committed to assuming responsibility, Vivendi Games defined rules of conduct for the launch of Blizzard Entertainment's Massively Multi-Player Online Role-Playing Game *World of Warcraft* in late 2004. This type of game is played over the Internet within a community of players who interact in a virtual world. They are encouraged to communicate among themselves and take part in discussion forums. The game, intended for players over the age of 12 (12+), includes rules of conduct that are part of the subscription agreement signed by the adult customer.

These rules define behaviors that are considered violations of respect for human dignity (violence, pornography, inciting to racial hatred, etc.). Game masters oversee their application in all areas of the world where the game is marketed. Sanctions are imposed for failure to respect these rules. They range from simple warnings to closure of the account, and can include suspensions for a period of 3 hours or 72 hours. Closure of the account is a definitive sanction; it is applied when a player has broken the rules of conduct excessively or repeatedly. This vigilance extends to the discussion forums. Controls are exercised by the managers of communities of players, who are particularly aware of the need to protect minors.














On February 6, 2007, SFR and other European operators, through the agency of the European Commission, signed an agreement on protecting minors who use mobile telephones.



## PEGI Charter

The PEGI (Pan-European Game Information) Charter uses five age brackets and six content criteria:

 Three and over	 Eighteen and over	 Frightening images
 Seven and over	 Violence	 Explicit language
 Twelve and over	 Nudity or sex	 Encouragement of discrimination
 Sixteen and over	 Drugs	



SFR is the first French operator to offer parents the option of automatically enabling a two-level parental-control system when an account is opened for a young person (see page 47).

The parental control system implemented by Vivendi Games allows parents to limit the time their children spend playing *World of Warcraft*, a game developed by Blizzard Entertainment, by setting times during the day when logging onto the game is not allowed.



## AWARENESS ACTIONS

Vivendi recognizes the need to better inform parents and young customers and strengthens its contribution by relaying messages in its various communication media. The business units are highly aware of the issue and are carrying out extensive initiatives.

### Video games: Content descriptions and age categories

In order to alert consumers to the content of video games, Vivendi Games was among the initiators of Europe's PEGI (Pan-European Game Information) system and is now one of its most active promoters. This system for providing information on games took effect in 2003 and was implemented at the initiative of the interactive-games industry. It is under the responsibility of the Interactive Software Federation of Europe, the European association of publishers of interactive games. Companies are free to apply this classification to their entertainment software products.

Vivendi Games adopted the PEGI Charter (see box above) from the outset. It uses five age brackets (3+, 7+, 12+, 16+, 18+) and six criteria (violence, nudity or sex, drugs, frightening images, encouragement of discrimination, explicit language) to categorize games' content. In the United States, a similar classification system (the Entertainment Software Rating Board) has been implemented by the Entertainment Software Association.

### Mobile telephony: Informing parents

In 2006 SFR increased its efforts aimed at parents. In addition to the distribution of 8 million copies of its brochure *Téléphonie mobile et contrôle parental* (*Mobile Telephony and Parental Control*), included in all cell-phone subscription renewal packs and distributed in "espace SFR" stores, the operator published a new brochure, in an edition of 4 million copies, presenting the two levels of parental control offered by SFR (see page 47). These documents, also available on the SFR Web site ([www.sfr.fr](http://www.sfr.fr)), call parents' attention to the fact that today's cell phones are used not only to communicate, but also to access a wide range of services and content, some of which require their vigilance. These documents give precise definitions of the new modes of consumption of content and inform parents about the tools made available by SFR for helping them protect their children against inappropriate use.

### Music: Informing adolescents

In the United Kingdom, Universal Music has strengthened its "digital" approach to relations with its customers by offering to send them, via the Internet, services and information concerning the artists and musical genres of their choice. This approach includes strict rules regarding the protection of young people under age 13 and makes specific recommendations aimed at adolescents and adults to remind them of "Internet best practices."

## PARENTAL CONTROL

Vivendi's responsibility as a producer and distributor of content also extends to providing parents with the means to protect their children. The business units have developed several tools.

### Controlling use

The game *World of Warcraft* and its extension *The Burning Crusade* have experienced great success. In order to protect against unreasonable use of this captivating game, Vivendi Games included a "rest system" that encourages players to pause their play in *World of Warcraft* (WOW) from the game's inception. As players develop their characters in the game, they can benefit from rest periods. This mechanism was invented by Blizzard Entertainment during development of the game to improve playability, before it even went to market. The feature rewards players who space out their gaming sessions

### Shane Dabiri, lead producer of *World of Warcraft*

●● We designed *World of Warcraft* to be a massively multi-player online role-playing game that provided all the great features we loved about the genre without the aspects that made them less accessible or fun to play. With the Rest System, players who do not play as frequently as others can still enjoy levelling their characters without spending excessive time 'catching up'. In addition, because the Rest System balances out the speed at which gamers with different play styles level within the game, it allowed us to greatly reduce the amount of experience that all players needed to progress from level to level. Furthermore, the Rest System adds to the fantasy of the game: as characters grow weary after a period of exciting adventure, their ability to gain from their experiences becomes understandably diminished. What better way to replenish energy and boost the spirit than to hang up one's sword and shield for the night at a nearby inn? This respite – for however long the player remains offline – rejuvenates the character's ability to draw experience from his or her adventures. ●●



From the inception of *World of Warcraft*, Blizzard Entertainment – a Vivendi Games division – has included a "rest system" that encourages players to take breaks.

by awarding them experience bonuses they can win over a longer period than if they don't make pauses for several days (see above).

Also, in November 2005, Vivendi Games developed a parental control system that can be used by parents of players of *WOW* (a game not recommended for children under 12 according to the PEGI classification – see page 46) to ensure that their children's gaming time stays within reasonable limits. By enabling parental control, parents can define the days and times during which their children may play (weekends exclusively, one or several predetermined weekdays between certain hours, etc.) and the frequency of breaks (every thirty minutes, once an hour, etc.) (see page 46). When parental control is enabled, anyone attempting to log on to the game outside the authorized times will not be allowed to connect to *World of Warcraft*.

### ■ Unsuitable content

The Canal+ Group, in its concern for protecting young audiences against unsuitable content, uses two tools: rating symbols and double encryption.

In 1985, soon after its launch, Canal+ adopted a system of color codes for alerting television viewers to program content that might be unsuitable for young audiences. This spontaneous initiative demonstrated the channel's desire to inform its subscribers. In 1998, the CSA decided that a system of symbols with color codes similar to those used by Canal+ and common to all over-the-air channels should be adopted. Then, in its recommendation of November 18, 2002, the regulatory body opted for a system of symbols based on the recognition of five age

groups: no symbol (all audiences), -10 (not recommended for children under age ten), -12, -16, -18.

In 2002, for its digital distribution, the Canal+ Group implemented a system of double encryption for its premium channel and for the channels making up the CanalSat bundle that distributes programs in Category 5 (those prohibited for under-18s).

For its analogue programming, Canal+ is in conformity with the provisions of the December 15, 2004 recommendation of the CSA relative to Category-5 programs.

SFR was the first French operator to offer parents the opportunity to automatically enable a parental control system when an account is opened. The system has two levels, depending on the age of the children. The first level blocks mobile Internet access as well as access to adult-oriented content on Vodafone Live! (a multimedia portal carrying content and services from publishers specially selected by SFR).

The reinforced level of control, available starting in January 2007, prevents access to all sex and nudity services, chat rooms, blogs (personal sites open to other visitors), and all WAP mini-sites (the equivalent of the Web available on mobile) that are outside the Vodafone Live! Multimedia portal and Gallery (a multi-operator search engine accessing WAP sites referenced with most French mobile operators).

In November 2006 SFR began offering the possibility of free activation of parental control in the "espace SFR" sales outlet; 91,000 activations had been made by December 31, 2006.

Parental control can also be enabled on the sfr.fr Web site, by dialing 900, or by logging on directly to the Vodafone Live! portal from the SFR mobile terminal.

Maroc Telecom demonstrated its vigilance towards the protection of minors during the May 2006 launch of television via ADSL. This offering – a first in Morocco, Africa, and the Arabic-speaking world – lets Moroccan television viewers access all the national channels and numerous foreign generalist and thematic channels.

The service, offered with the support of Media Overseas, a subsidiary of Canal+ France SA, offers diversified content accessible to the entire family. Unlike pirated satellite offerings, this service ensures that no content not recommended for viewers under age 16 is accessible to young Moroccan viewers.

Maroc Telecom, also Morocco's leading Internet service provider, has included parental control free of charge in its "Pack Menara Sécurité" offering.

# Promoting cultural diversity

The UNESCO Convention on Protection and Promotion of the Diversity of Cultural Expressions, which entered into force on March 18, 2007, recognizes that cultural diversity “is a mainspring of the sustainable development of communities, peoples, and nations.” Sharing that vision, Vivendi has defined promotion of cultural diversity as one of its specific areas of concern and is pursuing three main objectives: encouraging creation in all its diversity; contributing to strengthening production capacities by discovering and promoting local talent; preserving and disseminating our cultural heritage.

## ENCOURAGING DIVERSITY IN CREATION

As a producer and distributor of content, Vivendi has a major role to play in encouraging creation in all its diversity, and in particular as regards musical repertoires and cinematic expression.

### Diversity in music repertoires

Diversity in musical repertoires is central to the activity of Universal Music Group, the world’s leading music company in terms of market share (one album in four was sold by UMG in 2006), and leader in digital music distribution.

UMG’s ongoing efforts to nurture artistic creativity and make local artists known around the world are borne out by the following indicators:

- the diversity of labels (more than 50) brought together within Universal Music Group: AZ, Barclay, Decca, Deutsche Grammophon, Def Jam, ECM, Impulse!Records, Interscope Geffen

A&M, Island Def Jam Music Group, Lost Highway, Machete Music, Philips, Polydor, Universal Motown Records Group, Universal Music Latino, Verve Music Group, etc.;

- diversity of repertoires locally and internationally: jazz, classical, rap, hip hop, rock, Latin music, gospel, country, etc.;
- number of countries where UMG is present: 77;
- number of artists under UMG contract around the world: more than 4,000, most of whom perform in their native language;
- number of titles owned or administered by UMG’s publishing division: over one million;
- number of Grammy Awards won by all UMG labels in 2006: 34;
- number of “Victoires de la Musique” awards won by Universal Music France: eight out of fifteen, including *Midi 20* – the album by the year’s hottest new discovery, Grand Corps Malade – and two of the eight Victoires for classical music.

Universal Music Group is committed to giving its artists international exposure.

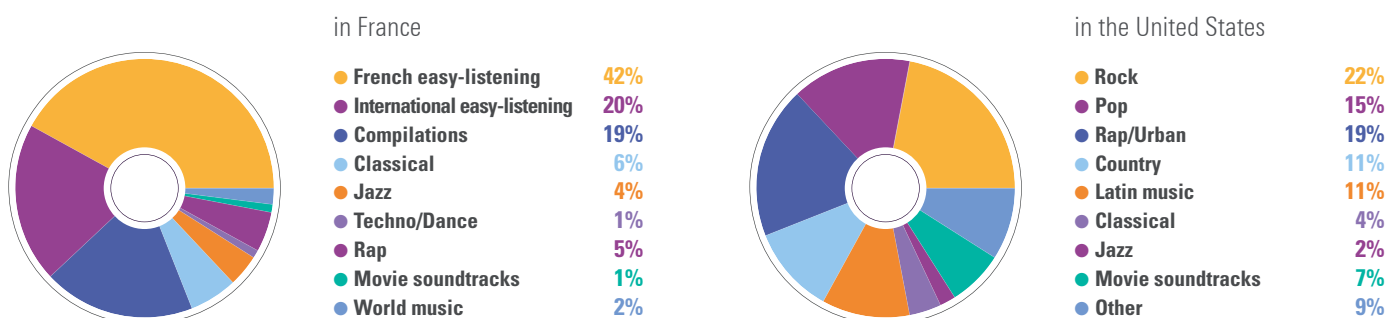
The international music channel International Music Feed (IMF), a subsidiary of UMG, is making a strong contribution. It is the first 24-hour-a-day channel to broadcast musical programming and video devoted to artists from around the world, from a diverse range of countries including India, Cuba, South Africa, Korea, and the countries of the Americas and Europe.

The new information and communication technologies encourage new forms of music consumption and contribute to the promotion of UMG artists, including local talents from developing countries who thereby become accessible to music lovers in countries having broadband and mobile.

In 2006, many initiatives, both via the Internet and on mobile devices, strengthened the distribution of Universal Music Group artists and their music. In 2006, UMG maintained its position as leader in digital distribution thanks to its catalogue of digital music (the most extensive on the market), to its ability to deliver new titles to digital distributors as

### DIVERSITY IN MUSIC REPERTOIRES

Distribution of Universal Music Group 2006 revenues by genre





soon as they appear, via its digital distribution infrastructure, and to collaboration with digital distributors in promoting its products (see comments by Rob Wells, page 57). Universal Music Group continues to innovate by improving its offering of product for downloading, making its rate structure more flexible, and offering additional content (CD booklets and editorial accompaniment).

■ Diversity of cinematic expression

Diversity of cinematic expression is an issue that essentially concerns the Canal+ Group. The Canal + Group’s concern for this issue can be evaluated in two main areas: financial support and promotion (editorial programming and major cinema events).

○ Financial support

Promoting diversity is an integral part of Canal+’s commitment to contribute financial support to cinema industry organizations (see above). Three indicators reflect this commitment to diversity:

- Canal+’s financial support to young creators making their first or second film. In 2006, Canal+ financed 32 of the 56 first films (57%) and 16 of the 27 second films (59%) among the French-initiative films approved by the CNC (Centre national de la cinématographie);
- The nationality criterion for cinematic works pre-purchased or purchased by the channel. In 2006, Canal+ financed 110 of the 164 French-initiative films approved by the CNC and 13 of the 39 minority co-productions listed by the CNC. (A French-initiative film is a film produced in its majority by a French production company, and a minority co-production is a film produced in its majority by a non-French company; in the present case the latter are essentially European co-productions);
- Canal+’s balanced investment in all film budget areas. In 2006, 47% of the films pre-purchased by Canal+ were *films d’auteur* whose projected cost was less than 4 million euros.

This commitment to diversity is the foundation of the film offering (more than 90% of subscribers in 2006 recognized the diversity of cinema genres – *films d’auteur*, genre films, documentaries) and is one of the channel’s added values.

StudioCanal – a 100%-owned subsidiary of the Canal+ Group and a major player in France and Europe in film financing, acquisition, and distribution – also contributes, along with Canal+, to the commitment to diversity. Approximately 600 screenplays are read every

.....  
**Canal+’s commitments**

Canal+ made the following commitments in an agreement entered into with the French film industry organizations that took effect January 1, 2005 for a term of five years:

- to devote 17% of its obligation to acquire cinematic works originating in the French language to films with a projected budget of less than or equal to 4 million euros;
  - to contribute to financing a wide variety of films, balancing its participation among all the different levels of budgets;
  - to devote at least 9% of its revenue to the acquisition of French-language films as part of its obligation of devoting 12% of its revenue to acquiring European works.
- .....

year by the StudioCanal teams in an effort to build a production policy that reflects all aspects of world cinema. In 2006, StudioCanal worked with 18 French producers and 13 non-French ones in 11 different countries on all continents.

Diversity of origin, and also diversity of content: co-productions and acquisitions by StudioCanal included comedy (*Prête-moi ta main*, *Fauteuils d’orchestre*), epic and politically committed narrative (*Indigènes*, *Vol 93*), films by experienced filmmakers (*Babel* by Alejandro Inarritu), genre films (*Ils* by Xavier Palud and David Moreau), and films by younger creators. Of 33 films co-produced or acquired by StudioCanal in 2006, 9 were first films.

○ Promoting diversity in cinema

Since its founding, Canal+ has made cinema a pillar of its offering of exclusive programming. The channel has continued to contribute to bringing its own characteristic, thorough approach to cinematic creation through an ambitious editorial policy. It offers confirmed film enthusiasts eager to discover new films two weekly programming slots: “La Séance Découverte” and “La Séance Cinéma Indépendant,” both of which give television viewers the opportunity to discover foreign, innovative, and independent films.

The Canal+ Cinéma channel, launched in March 2005 within Canal+ Le Bouquet,

also offers its subscribers some twenty films from around the world, never before seen on television, and sometimes even in cinemas. In 2006, most of the films made available to subscribers have received critical mention or won prizes at festivals: Cannes (*Moolade* by Sembene Ousmane – winner of the 2004 “Un certain regard” prize, Juan Solanas’s *Nordeste* [see below], *Machuca* by Andrés Wood); Venice (*Vera Drake* by Mike Leigh – Golden Lion and Volpi Cup in 2004); Berlin (*Paradise Now* by Hany Abu-Assad – Amnesty International Award and Blue Angel for Best European Film 2005); Sundance (Shari Springer Berman and Robert Pulcini’s *American Splendor* – Jury Prize 2003); Deauville (*Keane* by Lodge Kerrigan – Jury Special Prize 2005).



Among the world cinema films offered by Canal+ Cinéma in 2006, *Nordeste* by the Franco-Argentine Juan Solanas deals with the extreme poverty in Argentina and denounces trafficking in children for adoption. Juan Solanas had been noticed in 2004 after his César short-film award for *The Man Without a Head*. *Nordeste* was screened as part of the “Un certain regard” official selection at the 2005 Cannes festival. The film was broadcast on Canal+ Cinéma in the “Séance Premier Film Français” in May 2006.



In January 2006, the Canal+Cinéma channel ushered in one of its new monthly features, the "Séance Premier Film Français," with *Neg Maron*, directed by Jean-Claude Flamand Barney – his first work.

■ As an ambassador of the seventh art, the Canal+ Group is associated with the finest cinema events, including numerous festivals in France (Cannes, the Clermont-Ferrand Short Film Festival, the American Film Festival in Deauville, etc.) and in Poland, where the Canal+ Group has been present since 1995 (Gdynia Festival of Polish Feature Films, Era New Horizons Film Festival in Cieszyn, Koszalin Festival of Film Debuts, Ale Kino Films of the World Festival, etc.)

In 2007, in association with France's Académie des arts et techniques du cinéma, Canal+ produced and broadcast, for the fourteenth consecutive year, the César award ceremony. This high point of the French cinema is broadcast exclusively and unencrypted. Canal+ also has exclusive rights to broadcast the Oscar awards.

StudioCanal contributes actively to preserving this diversity of cinematic content and making it known through its worldwide operation of its catalogue. With more than 5,000 titles and 55 countries represented, StudioCanal has the largest catalogue of films in Europe. In 2006, StudioCanal films were sold to television channels in 81 countries and via video in 30 countries.

With its acquisition of the independent British distribution company Optimum Releasing in July 2006, StudioCanal intends to improve exposure of the films in its catalogue in the UK.

## ■ STRENGTHENING PRODUCTION CAPACITIES: SUPPORTING LOCAL TALENT IN AFRICA

### ■ Musical talent

Vivendi, in partnership with UNESCO, has implemented a program of training in the profession of sound engineer in Bamako, Mali to accompany Salif Keita, a Universal Music Jazz France artist-composer-performer, in his desire to promote young talents in Mali and neighboring countries.

The program, begun in 2006, continues in 2007. The objective is to support Keita's ambition to make Le Moffou, his digital recording studio in Bamako, a force for making the culture of Mali known and a place for artistic exchange.

Vivendi developed the project in close collaboration with its subsidiary Universal Music Jazz France, which financed the digital equipment for the studio and found French sound engineers willing to dispense training to help establish their profession in Mali. UNESCO received funding from Spain's Agency for International Cooperation for the launch of this training program.

The partnership gives three young technicians a chance to become professionals with mastery of all the technical constraints and expertise necessary for the regular operation of the studio. Le Moffou gives artists found and aided by Salif Keita the means to record their albums in Bamako, with their traditional musical instruments.

The first three international titles produced by Salif Keita's label Wanda Records and distributed outside Africa by Universal Music Jazz France appeared in March 2007. They are part of a collection called "Le Village."

Vivendi also contributed to the first edition of the Wanda Young Talents Festival, held in December 2006. The festival was held in a disadvantaged area of Bamako, and some 6,000 residents were able to share this cultural event, under the patronage of Salif Keita (see his comments, page 51).

### ■ Cinema talent

Within Media Overseas, a wholly-owned subsidiary of Canal+ France SA, the channel Canal+ Horizons contributes to the development of local African film production capacities.

As the leading French-language pay-TV channel, Canal+ Horizons covers the entire

In order to consolidate professional training for sound engineers in Mali, Vivendi, in partnership with UNESCO, has set up a training program at Le Moffou, Salif Keita's studio in Bamako. The studio, equipped with the newest technologies thanks to the support of Vivendi subsidiary Universal Music Jazz France, lacks qualified personnel. Thus the priority goal of the training program is to give young trainees the opportunity to perfect their mastery of computer-assisted music techniques and the software used by sound engineers for recording, editing, and mixing.





### Salif Keita, Malian author-composer-performer and Universal Music Jazz France artist

●● Development is sustainable if it strengthens local capacities for cultural production, and in Mali there are enormous artistic hopes. From this point of view, the Young Talents Festival was a big success. The district Mayor of Bamako and the Minister of Culture of Mali attended. The young artists were very happy to be appearing on such a large stage – not to mention residents of the neighborhood, who rarely have a chance to see an event of that size. The festival infused life into a neighborhood that had no cultural life. It brought happiness to the people's hearts and was a particularly successful initiative for the promotion of Mali's culture. ●●



African continent via cable and satellite. Available in more than 40 African countries, it has more than 100,000 subscribers.

With its pan-African vocation, Canal+ Horizons has continued a long tradition of aid to African cinema. In 2005 and 2006, 12 feature films received financial aid from the channel. Several projects are under consideration for 2007, the objective being to support an average of six feature films per year.

Among local producers who received financial support and promotion via Canal+ Horizons in 2006 are Les Films de la Dune Rose (Bamako, Mali), producer of *Zabou*, directed by Abdoulaye Ascofare, and Emebé Vision Multimédia (Dakar, Senegal), who produced *Atlantic Express* by Moussa Yoro Bathily.

Six films supported by Canal+ Horizons were in competition in the 20th edition (February 20 - March 3, 2007) of the Festival Panafricain du Cinéma et de la Télévision de Ouagadougou (Fespaco), the largest cinema event on the African continent. One of the six films, *Djanta*, directed by Tasséré Ouedraogo (Burkina Faso), was a festival prize winner and was awarded the United Nations Population Fund prize for the promotion of the rights of women and the IPPF (International Planned Parenthood Federation) prize.

### ■ PROMOTING HERITAGE

As the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions, which went into force on March 18, 2007, states, "cultural diversity forms a common heritage of humanity and should be cherished and preserved for the benefit of all." Vivendi contributes to the preservation and promotion of this cultural heritage so that it can be handed down to future generations. Digitization of content is a great advantage for accomplishing this huge mission (see page 57).

Cultural heritage is especially important to Universal Music Group, which serves as a medium for traditional expressions while at the same time encouraging the birth of new musical genres in each country where the group operates.

StudioCanal, a 100% subsidiary of the Canal+ Group with the largest catalogue of films in Europe, devotes 5% of its yearly investments to preserving and maintaining this priceless heritage. This is a major effort that involves both restoration of films (*L'Armée des ombres* received the "Special Film Heritage Award" of the National Society of Film Critics), digitization of media to optimize use and distribution of films on new media (video on demand, mobile television, etc.), and internationalization of the catalogue (subtitling or dubbing of all films for various countries). In 2006, StudioCanal produced 550 subtitled versions of 185 films and dubbed more than 40 into six different languages.

Maroc Telecom, through an ambitious policy of sponsorship, contributes to the preservation, protection, and distribution of Morocco's cultural heritage, promoting painting (via the acquisition of 38 works of art), film (support for the Marrakesh International Film Festival and the Tetouan Mediterranean Film Festival), and music (ongoing partnerships with several festivals including the Fes Festival of World Sacred Music, the Casablanca Festival, the Amazigh Mediterranean Festival in Tangiers, the Rabat Festival, and the Rassani Desert Music Festival).

Vivendi Games also makes efforts to include references to local tradition and culture in the multicultural universe of its game *World of Warcraft*, so that European, American, Korean, Chinese, Taiwanese, etc. players can find familiar elements (popular arts and traditions, humor, music, celebration of national holidays, etc.) in the game environment.



StudioCanal contributes actively to making the diversity of cinematic content known around the world through the wealth of material in its catalogue. With more than 5,000 titles and 55 countries represented, it is the largest catalogue of films in Europe.

# Sharing knowledge

“Sharing knowledge” refers to Vivendi’s ambition to meet the following objectives: The demand for quality and pluralism of content, raising public awareness of the importance of sustainable development, promotion of dialogue between cultures.

## ▣ QUALITY AND PLURALISM OF CONTENT

The group has the responsibility of providing information that is accurate and pluralistic, since it distributes content using a growing number of technological tools: satellite, digital terrestrial television, mobile telephony, the Internet, etc. Through them, Vivendi speaks to a vast audience that extends beyond its own customers.

While this is an issue of concern for all the group’s entities, two business units are more particularly subject to it due to their influence as broadcasters of information – the Canal+ Group and Maroc Telecom.

Canal+’s editorial policy has three guiding principles: diligence, clarity, and realism in dealing with topics; respect for pluralism and independence; inclusion of an international point of view.

The Canal+ editorial department throws light on current events, provides in-depth analysis, and provides a forum for ideas in programs such as “La Matinale,” “JT,” Canal+’s evening

news, “Lundi investigation,” and the new magazine “L’Effet papillon,” which offers, each week, stories devoted to international topics with the goal of opening a window on the emergence of a different world.

This demand for pluralism and rigorousness in processing information has also contributed to making i>TELE, the Canal+ Group’s all-news channel, the leading continuous-information channel in France, with a viewership that has doubled in a year since its introduction on free digital terrestrial television (DTT). The number of viewers increased from 3.8 million in late 2005 to 7.5 million by the end of 2006, and to 10 million in January 2007. Anchors emphasize debate and discussion, an international outlook, and exchange of points of view with guests from widely varied fields like culture, the economy, politics, science, justice, literature, sports, and the media, in an effort to place the news in a broader context of knowledge in order to contribute to developing viewers’ critical sense and building close relations with them.

Maroc Telecom holds a position in the first rank for media quality with its generalist information and service portal Menara which, in February 2007, remained the leading Internet portal in Morocco and the leading French-language portal in Africa – Menara being available in two languages, Arabic and French.

The year 2006 saw Menara’s recognition as a medium in its own right, with 3 million visitors per month viewing a total of 30 million pages.

Bolstered by this success, and aware of its power to influence, Menara has the ambition of strengthening its editorial positioning during the year 2007 with the objective of drawing 70% of its news provided to Internet users from national and international press services (Maghreb Arab Presse, Agence France Presse, Al Jazeera, etc.) with 30% produced by Menara’s own team of journalists, divided into three main headings: interviews, analyses, and press reviews.



The editorial staff of i>TELE, the Canal+ Group’s all-news channel. i>TELE has become France’s leading all-news channel, with 10 million viewers per week in January 2007.



Menara's goal is to provide an objective and open viewpoint while remaining attentive to the concerns of Internet users, a great many of whom connect from countries other than Morocco.

Vivendi Games applies the same rigorousness in developing its historically oriented games, such as *Caesar IV*. In this urban construction game published by Sierra Entertainment in 2006, players move through an environment that faithfully reflects Roman architecture and daily life in the time of Julius Caesar. The player builds the city while keeping in mind the well-being of its citizens (construction of aqueducts for supplying water, providing pedestrian areas, building forums, etc.) and their protection (firefighters for fire protection, etc.).

Game developers have studied many historical works and brought in historians to ensure that players interact within a game universe that is historically consistent (see below). A mobile version of the PC game has also been developed by Vivendi Games Mobile, giving gamers the opportunity to play on the go. The mobile version of *Caesar* was named Airgamer's Best Mobile Strategy Game in 2006.

## ENCOURAGING PUBLIC AWARENESS OF SUSTAINABLE DEVELOPMENT

Via its messages and its actions, Vivendi contributes to raising its various audiences' awareness of sustainable development issues.

In 2006, Universal Music Group, together with several of its labels, produced an album called *Rhythms del Mundo*, bringing together Cuba's famous Buena Vista Social Club and the greatest names in world pop and rock – such as U2, Coldplay, Sting, Jack Johnson, and The Kaiser Chiefs.

All profits from sale of the album go to the Artists' Project Earth (APE) association, whose missions are raising awareness of climatic change and support for victims of natural catastrophes.

The album is in the top ten for sales in several countries including Greece, Italy and the UK.

UMG is also the first "major" to sell CDs with recyclable, biodegradable packaging. That was done with this album, which also contains a booklet that includes several messages encouraging awareness of environmental protection.

In addition, many artists, through their own commitments and with the support of Universal Music Group, relay messages of solidarity to promote human rights.



All profits from the sale of the album, produced by Universal Music Group, go to the association Artists' Project Earth, whose goals are raising awareness of climatic change and aiding victims of natural catastrophes.

The Canal+ Group is fully committed to this mission of disseminating information and raising awareness of sustainable-development issues.

The 2006-2007 programming schedule illustrates Canal+'s determination to become even more involved in analyzing major societal issues via an ambitious documentary editorial policy (see comments by Christine Cauquelin, page 54).



*Caesar IV*, an urban construction and strategy game published in 2006 by Sierra Entertainment, a division of Vivendi Games, stands out for its strong historical dimension and graphics that appear to be drawn from the great architectural treatise *De Architectura* of Vitruvius (1<sup>st</sup> century AD).





With "Les Nouveaux Explorateurs," Canal+ offers a new documentary series, each Sunday afternoon, for better understanding our world and reviving the spirit of exploration. In September 2007, two Papuan explorers and their friend Marc Dozier will offer a surprising new slant on how Western society is organized.

Since January 2007, a new collection of documentaries entitled "Les Nouveaux Explorateurs" ("The New Explorers") offers an opportunity to discover the wealth of our planet and consolidate the knowledge necessary for a broadened vision of the world.

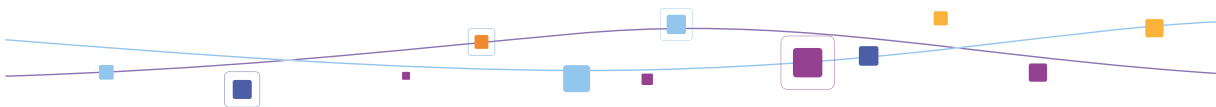
Planète, the benchmark documentary channel in France and part of the Canal+ Group, has been informing its audience about environmental issues since 1988 by programming numerous documentaries and thematic evenings devoted to environmental issues such as global warming, renewable energy sources, waste production, etc. In 2005 Planète became, as it remains, the leading documentary channel available on digital terrestrial pay television.

Canal+ Group also gives free advertising time (3,200 spots in 2005, 3,650 in 2006) to non-governmental organizations, foundations, and international institutions like UNICEF, Action contre la Faim, the World Food Program, Handicap International, and others in order to increase public awareness of such causes as children's rights, the struggle against hunger, AIDS solidarity, disability, and global emergencies.

SFR has mobilized to make technology accessible to persons most in need of protection and continues its long-standing commitment to the causes of disability (in 1997, SFR entered into a partnership with the HandiCapZéro association) and protection of children (SFR has supported La Voix de l'Enfant since 2001).

In order to better communicate with its customers about its citizenship commitments, SFR put terminals dedicated to sustainable development actions in 260 "espace SFR" sales outlets during the last quarter of 2006. They provide customers with information about products and services for disabled persons, for example (see pages 23 and 35), rules of proper behavior when using a cell phone in public, and recycling of cell phones (see page 39). Of a total of 120,000 used mobile phones collected, 90,000 were taken back to "espace SFR" outlets. For each phone collected along with its battery, seven euros are donated to the La Voix de l'Enfant federation of child-abuse advocacy associations.

Maroc Telecom again participated in the "Operation Clean Beaches" partnership with the Mohammed VI Foundation for Environmental Protection. In 2006 the operator built infrastructure and cleaned 14 beaches in Tangier, M'diq, and Fnideq.



**Christine Cauquelin, Head of documentaries, Canal+ Group**

●● September 2006 marked the launch of a new, stronger documentary policy. Providing an opportunity to see the world in a different light and understand the issues and changing trends that are re-shaping that world are the goals Canal+ has set for itself this year.

Through an ambitious collection of prime-time documentaries on society, we've dealt with the complex relationship the French have with the world of work, justice as regards juvenile delinquency, senior citizens, working in the suburbs, everyday racism, and the state of France's prisons. These are topics that require long preparation (between a year and 18 months of immersion and investigation) to give our subscribers real, documented expertise – a real alternative to headline-oriented TV evening news programs. These are films that provoke thought, take stands, and encourage discussion of the major issues we all have to face.

To avoid reducing our field of vision to France alone, once a month, "La Séance Doc" gives the reins to talented foreign filmmakers who show us their point of view on the world in feature documentaries, most of which are screened in cinemas.

Since January, we've tried to bring that humanistic outlook and curiosity about others to a weekly family series, "Les Nouveaux Explorateurs." A new generation of passionate adventurers take us around the planet to meet our contemporaries and give us another reading of the world, each in his or her area of special interest.

Looking critically and constructively at society, communicating the excitement of discovery and the love of adventure to our subscribers and opening their eyes to another way of seeing the world to understand it better... that is what we're trying to do with documentary at Canal+. ●●

The operation's success was recognized: Achakar beach in Tangier was officially authorized to fly the Blue Flag, a European label recognizing such factors as water quality, cleanliness, arrangement and management of the site, safety, information for visitors, etc. (see page 37).

Since 2002, and in line with its support for "Clean Beaches," Maroc Telecom has used a series of summer events on beaches to promote awareness of environmental issues to offer summer visitors, both adults and children, a chance to participate in actions for raising awareness of environmental protection.

## ENCOURAGING DIALOGUE BETWEEN CULTURES

Through its international status and its ability to produce and distribute content, Vivendi has an influence on the depiction of cultures and can encourage mutual understanding of citizens from different parts of the world.

The various entities of the Canal+ Group contribute actively to this dialogue. Its all-news channel i>TELE is the only French information channel to offer television viewers a weekly magazine, "i>Afrique," which echoes the reality of the African continent today. Avoiding clichés, making reference to African oral tradition, and positive handling of news and information are the keywords of the editorial policy of this program, unique in French TV and radio. Its audience is even larger since i>TELE has been accessible free of charge on digital terrestrial television (DTT).

Media Overseas, a subsidiary of Canal+ France SA – operator of Canal+ and of CanalSat in the Overseas Territories and sub-Saharan Africa – is a major player in this process of building bridges between cultures. Canal+ Horizons, the leading French-language pay channel, covering the entire African continent, enriched its offering of programs in 2006 with the magazine "Afrik'art," devoted to African cultures and their influence in other regions of the planet. This monthly cultural program, broadcast via Canal+ Horizons in Africa and then on the Planète channel (another subsidiary of the Canal+ Group) in France, bears witness to the vitality of African artists, the talents of the younger generation, and the wealth of the artistic heritage in all its forms (painting, sculpture, design, film, music, and literature).

Overseas, thanks to a partnership cemented in December 2006 between Media Overseas and ZEE Network, India's leading media group, subscribers on Réunion and Mauritius enjoy the best Indian films and TV series,

subtitled in English and French (as of Summer 2007), and have access to international news from the point of view of the Indian subcontinent.

Several initiatives are also contributing to encouraging mutual understanding between younger audiences. Canal+ has created a new weekly program, "Canaille +." The program is hosted in large part by children themselves, who have fun exploring time and discovering their differences by asking questions and proposing answers.

The Moroccan operator Maroc Telecom offers young Web surfers a special space on the Menara portal where, for example, they can try their hand at journalism or strike out to discover other cultures. One of Menara Junior's pages lets youngsters pepper the editorial team with comments or questions on various topics. In 2006, some 30,000 visitors a month were using the site.

Menara Junior was named "one of the best e-content projects" at the World Summit on the Information Society, held under the aegis of the United Nations in Tunis in November 2005.



Bolstered by its success, Menara Junior, the special children's area of Maroc Telecom's Menara portal, will extend its content offering in 2007. The site, offered in Arabic and French, contributes actively to laying educational stepping-stones.

# New uses

With new modes of consumption of content developing due to the technological changes brought about by broadband and mobile, Vivendi makes efforts to analyze how these new usages can best contribute to the progress of the group's sustainable development process.

## NEW USES...

New modes of access to content are multiplying (video on demand, the Internet, mobile telephony, mobile television, etc.), creating new habits on the part of consumers. Content itself is also diversifying. Regulations are evolving. The modernization of the "Television Without Borders" directive is aimed at making Europe's audiovisual sector more competitive and at the same time consolidating characteristics like protection of minors, cultural diversity, and pluralism in the media.

Vivendi is keenly aware of the importance of digital content and this has taken concrete form via new music distribution platforms, offerings of video on demand, and experimentation with mobile television, among other areas.

Universal Music Group, the market leader in distribution of digital music (with the largest catalogue on the market; see pages 48-49), has taken many initiatives, both on the Internet and on mobile devices, aimed at extending the promotion of its artists and the

distribution of their repertoire and meeting an ever-increasing demand for mobile music products in many countries (Germany, Australia, the United States, France, Japan, the UK, etc.)

In France, SFR has leveraged consumers' enthusiasm for new uses to become the leading mobile-music platform. In 2006, SFR Music logged a total of four million downloadings of titles (compared to 655,000 in 2005), 220,000 downloadings of music videos, and one million music TV sessions. The number of users of the SFR Music service increased fourfold, from 150,000 in 2005 to 630,000 in 2006.

The Canal+ Group has also seized new opportunities in the digital world, thanks in particular to the development of video on demand (VOD) with CanalPlay, which became one of France's leaders in that sector. CanalPlay offers more than 2,000 video-on-demand titles, including more than 1,300 feature films from studios as prestigious as 20th Century fox, Sony-Columbia, Pathé, Europa Corp, StudioCanal, and DreamWorks. Nearly 2.4 million videos were purchased in 2006 via CanalPlay.

After launching the first bundle of live TV channels on mobile devices in June 2005, CanalSat Mobile and SFR strengthened their partnership by marketing, in January 2007, the first unlimited television package. This fixed-fee plan lets subscribers watch television live on an SFR mobile with no limit as to duration on more than 40 channels offered by CanalSat Mobile, including France 2, France 3, i>TELE, i>TELE flash (the mobile version of the all-news channel), and TF1. In April 2007, SFR and the Canal+ Group also launched Canal+ Chaîne Mobile, a new channel specifically designed for cell phones, available 24/7 via Vodafone live!, the SFR multimedia portal. Canal+ Chaîne Mobile lets SFR subscribers with a 3G/3G+ mobile phone watch all the unencrypted programming on Canal+: "La Matinale," "Les Guignols de l'info," "Le Grand Journal," "Dimanche+," etc.

In the light of the excellent results of the experiment launched jointly by Canal+ Group, SFR, Nokia, and towerCast, ending in June 2006, the deployment of personal mobile television will take place in 2008 under the conditions provided for in the



### Martine Brousse, Director, La Voix de l'Enfant (Child's Voice) Mobilizing young people

●● Mobile telephony continues to surprise us! Wireless communication means that you can talk, send an SMS messages, or send a photo even if you're in the mountains, at sea, or at the opposite end of the world. But even more, it gives you the brand-new possibility of participating in public generosity by making a single call. With handbills and brochures from charitable causes piling up in our mailboxes, in 2001 SFR had the innovative idea of launching a new way to give without having to look for a pen, your checkbook, or an envelope, simply by entering a 4-digit number like 8649 ("VOIX") to make a donation to help protect children.

This new way of collecting donations, within everyone's reach, has shown how generous young people really are. In letters, e-mail messages, and phone calls, they've told us how much they approve of this initiative, which gives them a chance to make a donation that suits their limited means quickly and easily. This opportunity of showing their solidarity is quite new to them and shows how eager they are to get involved.

But beyond donations, cell phones have also provided a new response to the numerous cases of young runaways in distress and parents worried about a child's absence. Finally, with the new technologies opening up new perspectives every day, an SFR WAP portal has been opened with a list of emergency phone numbers for young people. And this year, for the first time anywhere in the world, a program for making appeals for donations by video phone was launched by SFR.

These uses of new technologies have shown that young people are indeed mobilized and are highly committed citizens. ●●



“Television of the Future” law, promulgated on March 7, 2007. This law stipulates how high-definition (HD) television and personal mobile television will be implemented in France and creates a legislative framework ensuring a complete switchover from analogue to digital by November 30, 2011 at the latest.

## □ ... PUT TO WORK FOR SUSTAINABLE DEVELOPMENT

The impact of the new uses enabled by convergence of communication networks is a subject Vivendi is studying with the aid of a network of experts within civil society to better understand the differing points of view of its partners. Several areas have been defined, in keeping with the three specific areas around which Vivendi has structured its sustainable development approach.

Numerous studies, essentially in the EU, raise the issue of the risks and opportunities the new technologies represent for the younger generation. Vivendi analyzes risks and has made the protection of minors one of its priority issues (see pages 44 to 47), but also works to promote the advantages of the new technologies – learning, creativity, participation, communication, etc.

Mobile telephony is giving young consumers a chance to play a good-citizenship role (see the comments by Martine Brousse, Director of La Voix de l’Enfant, opposite). This new technology also stimulates them to demonstrate their creativity. In creating its SFR Jeunes Talents portal in September 2006, the operator marked an important phase in its support for musical creativity. After six months in existence, some 6,000 young people have registered and uploaded 10,000 song titles to the site.

Players of the Massively Multi-Player Online Game *World of Warcraft*, developed by Blizzard Entertainment, a Vivendi Games division, are encouraged to join the community of players and engage in dialogue beyond simply commenting on the game itself. This discussion forum, supervised by the managers of player communities who ensure that rules of conduct are followed (see page 45), contributes to creating ties between the game’s developers and players from different countries and cultures.

From the point of view of cultural diversity, the new technologies are an excellent vehicle for promoting artists, the diversity of their expression, and their talents (see the statement by Rob Wells, above, and pages 48-51). They contribute to preserving and



**Rob Wells, Senior Vice-President, Digital, Universal Music Group International**

●● The issues surrounding ownership of rights and our ability to distribute repertoire through central systems to any territory-specific digital retailer are complex and extensive. The IT infrastructure that is in place to manage the distribution, rights-management, reporting and accountability to the artists has evolved over a period of time and continues to evolve.

This infrastructure, bear in mind, has also evolved from the traditional business. This is a transitional period for us, as it is for the entire industry, and transition from a traditional business to a digital business is not without pain. The end-game would be

for any territory on the planet to sell locally signed repertoire through any digital retailer in any other territory.

We are not far from achieving this goal. Although the effort involved in, for example, placing Italian-signed digital repertoire in a US digital store may seem simple – and it is far simpler than shipping CDs and convincing a traditional retailer to rack them in the limited space of a traditional record shop – there are still issues. These include changing inter-company licensing and repertoire management systems, adjusting publishing procedures, and establishing new reporting and accounting processes.

This is all being done. The result will be that Universal Music’s global domestic repertoire – in all its diversity – will be enjoyed around the world later this year. ●●



promoting the artistic heritage of some of the world’s best known artists by giving a new lease on life to films (see page 51) and musical works.

In February 2006 Universal Music Group International launched a vast program, to cover several years, which would digitize a total of 100,000 previously unavailable recordings from the archives of Universal Music that were virtually impossible to find at traditional retail outlets. By December 2006 – with 12,000 recordings from the UMG catalogue in Germany, France and the UK already digitized and accessible by digital distributors in 20 countries, the majority in Europe –, more than 500,000 downloads had already been made by eager consumers. The remarkable reaction to this ongoing digitization project illustrates the strength of UMG’s repertoire as well as the consumers’ continued willingness to purchase via alternative distribution methods. Universal Music Group extended its “digital archeology” program and its role as promoter of cultural diversity with the January 2007 launch of the largest Web site devoted to classical music and jazz, [www.classicsandjazz.co.uk](http://www.classicsandjazz.co.uk), with 125,000 selections available on line.

From the point of view of sharing knowledge, the development of the new technologies encourages access to content for isolated populations, building digital film libraries, and openness towards other cultures.

An example is Canal+’s deployment of an exceptional operation for allowing deaf and hearing-impaired audiences to follow the live weekly political broadcast “Dimanche+” on the five Sundays preceding the first round of France’s presidential election in April 2007.

The operation was considered a success and will be continued by the channel’s programming department, making subtitled of “Dimanche+” permanent.

Elsewhere, with its launch of two innovative offerings in January 2007 – permanent downloading of films by writing them to disc and a high-definition offering –, CanalPlay, Canal+ Group’s legal video downloading service, makes it possible for film lovers to build their own digital film libraries.

With the creation of Mobisud, Maroc Telecom is working to bring customers on both sides of the Mediterranean together. This new mobile operator, a subsidiary of Maroc Telecom, offers residents of the Maghreb, France, and Belgium who have family, personal, or professional ties the possibility of communicating at advantageous rates and accessing multicultural content (music, news, sports, etc.), with a bilingual (Arabic and French) customer service to aid them. The offering may be extended to other countries, contributing to better communication between peoples.

This analysis of sustainable development issues as they are affected by the new uses and usages of technology is especially rich and challenging due to the diversity of stakeholders and the unprecedented rapidity of technological change. Vivendi is endeavoring to strengthen its contribution to the discussion, motivated by its constant concern for its responsibility to future generations.



# 2006 sustainable development indicators

## ▣ METHODOLOGY

### ■ Standards and guidelines

Economic, social, and environmental performance indicators presented in this report refer in particular to France's New Economic Regulations Act (NRE)\* and the Global Reporting Initiative (GRI) Guidelines\*\*. The tables below show the correspondences between these two sets of guidelines.

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

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

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

### ■ Reporting on social and environmental indicators

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

\* New Economic Regulations Act (NRE). France's New Economic Regulations Act requires all French corporations listed on a regulated securities exchange to disclose their social and environmental performance in their Annual Report (see law no. 2001-240 of May 15, 2001, Article 116; Decree no. 2002-221 of February 20, 2002).

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

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

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

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

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

### ■ Opinion of the external auditor

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

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

## ▣ CORPORATE GOVERNANCE: LEGAL OBLIGATIONS,

<p><b>Independence</b></p>	<p>of members of the Supervisory Board</p> <p>of auditors in relation to management</p> <p>of members of the Supervisory Board toward each other</p>
<p><b>Involvement in decisions</b></p>	<p>of members of the Supervisory Board</p> <p>of members of the Management Board</p> <p>of shareholders</p> <p>of other stakeholders</p>

## 2006 ECONOMIC INDICATORS

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

(1) Certain choices as to the presentation of information adopted in 2006 have been applied to the 2005 figures for the sake of homogeneity.

(2) Total amounts booked by the group under fixed and variable remuneration (including employer's contributions), other advantages (stock purchase options and free shares) and all retirement plans (see page 258 of the 2006 Annual Report) granted to the members of the Supervisory Board and Management Board as per IAS 24 Paragraph 16.

(3) This number concerns all the members of the Management Board and the CEO for the period January 1-April 28, 2005.

(4) Excluding members of the Management Board.

(5) Number of entitled shares at January 1, after deduction of cash held at dividend payment date.

(6) Including payments to shareholders of Vivendi Exchangeco (former shareholders of Seagram) worth 5 million euros.

## RECOMMENDATIONS, AND EXPECTATIONS

	Supervisory Board	Audit Committee	Human Resources Committee	Corporate Governance Committee	Strategy Committee
Presence of at least 30% of independent members <sup>(1)</sup> on the Supervisory Board <sup>(2)</sup> , 50% on the Remuneration Committee <sup>(2)</sup> and 100% on the Audit Committee <sup>(3)</sup>	80%	100%	100%	80%	80%
Maximum average term of office of 5 years for members of the Supervisory Board <sup>(2)</sup>	4 years				
Publish the breakdown of the auditors' audit and consulting assignments <sup>(3)</sup>	See 2006 Annual Report, page 107				
Publish the number of meetings between auditors and members of the Supervisory Board without presence of the Management Board <sup>(2)</sup>	2				
Publish the percentage of members of the Supervisory Board who have no cross-holdings, who do not sit on the same Boards, and who have no common origins (training, career, family) <sup>(1)(4)</sup>	80%				
Maximum of 5 terms of office cumulated per member of the Supervisory Board (excluding non-French companies)	Compliant				
Publish the number of meetings and average participation rate of members in Supervisory Board meetings <sup>(4)</sup>	11 meetings; participation rate = 91%				
Publish the existence of Audit, Appointment, and Remuneration Committees <sup>(2)</sup>	Audit Committee	Human Resources Committee	Corporate Governance Committee	Strategy Committee	
Publish the number of annual Committee meetings <sup>(2)</sup>	6	2	3	3	
Assess the performance of the Supervisory Board every 3 years <sup>(2)</sup>	Assessment carried out in 2006 (see 2006 Annual Report, page 109). Existence of internal regulations for the Supervisory Board and for each of its Committees				
Maximum of 5 terms of office cumulated per member of the Management Board (excluding non-French companies)	Compliant				
Number of meetings of Management Board members	20				
Management Board members' participation rate	98%				
Publish the participation rate of shareholders at Annual Shareholders' Meeting <sup>(4)</sup>	Published on the same day of the Annual Shareholders' Meeting on <a href="http://www.vivendi.com">www.vivendi.com</a>				
Publish ballot results of the resolutions submitted to shareholders	Published on the same day of the Annual Shareholders' Meeting on <a href="http://www.vivendi.com">www.vivendi.com</a>				
Having employees represented by a member on the Supervisory Board	Appointment of an employee member of the Supervisory Board, as defined in the company bylaws, when employee shareholders represent at least 3% of the capital stock				
Percentage of questions on corporate social responsibility at Annual Shareholders' Meeting <sup>(4)</sup>	41% in 2006				

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

(2) Viénot or Bouton reports.

(3) Sarbanes-Oxley Act.

(4) Other issues put forward by stakeholders.

## 2006 SOCIAL INDICATORS

	2006 Data	2005 Data	NRE Act	2006 GRI guidelines
Total staff	34,694	34,031	✓	LA 1
<b>Incoming employees</b>				
<b>New hires</b>	5,056	5,746	✓	LA 1
Temporary hirings	49.7%	48%	✓	LA 1
Permanent hirings	50.3%	52%	✓	LA 1
Temporary hirings (France*)	52%	46%	✓	LA 1
Permanent hirings (France*)	48%	54%	✓	LA 1
Recruitment difficulties	None	None	✓	
<b>Outgoing employees</b>				
<b>Staff reductions and departures</b>	4,557	5,232	✓	
Staff reductions on economic grounds	301	1,255	✓	
Departures excluding staff reductions on economic grounds	4,256	3,977	✓	LA 2
Staff reduction and employment preservation plans			✓	
<b>Working week (in hours)</b>				
Average weekly duration - full-time	37.5	37.4	✓	
Annual yearly duration - full-time	1,742	1,753	✓	
Average weekly duration - part-time	27	27	✓	
Annual yearly duration - part-time	1,320	1,335	✓	
Absenteeism (days/employee)	8	11.3	✓	LA 7
Reasons for absence (France*)			✓	
Overtime hours	434,999	364,897	✓	
<b>Gender equality</b>				
% of women in the group	38%	38%	✓	LA 13
% of women in managerial positions	34%	34%	✓	LA 13
<b>Disabled persons employed</b>				
	211 employees	187 employees	✓	
<b>Labor relations</b>				
Collective agreements	64	57	✓	LA 4
Number of personnel representatives (France*)	779	879		
<b>Health and safety</b>				
Frequency rate of workplace accidents with lost days	3.2	3.5	✓	LA 7
Severity rate of workplace accident with lost days	0.13	0.12	✓	LA 7
Employees trained in safety	5,818	2,504	✓	
<b>Training</b>				
Training expenditure/payroll	2%	2.4%	✓	
Average training duration/number of employees trained	24 hours	30.3 hours	✓	LA 11
Average training duration/number of employees trained (France*)	29.6 hours	31.5 hours	✓	LA 11

\* metropolitan France

Social data refer to the group's worldwide scope and are from companies in which Vivendi holds more than a 50% share, or less than 50% provided that Vivendi has decision-making power.

Social data by business sector are detailed in a separate document, *2006 Statutory Financial Statements - Sociographics - Environmental Policy*, page 37. Data are consolidated at December 31 of the reference year.

#### Comments or references

The increase in staff is related in part to variations in the group's scope in 2006 due to acquisitions by UMG (Arsenal Music, BG Productions, UMG Rumania, and Vale Music), by Canal+ Group (Optimum Releasing), and by Vivendi Games (High Moon Studios, Secret Lair Studios, Centerscore).

The notion of hiring varies according to country. Here the number of new employees of all types is shown: temporary hirings, permanent hirings, and student summer jobs, which are considered hirings in the United States.

In order to consolidate this indicator worldwide, we have chosen to consider hirings over 18 months long as permanent and hirings less than 18 months as temporary, which is roughly equivalent to the maximum duration of a temporary work contract in France.

The rate of permanent hirings in France represents the number of permanent contracts (1,161) in the total number of hirings (2,435).

None of the subsidiaries have reported any particular difficulties with recruiting over the past two business years.

The figures indicate the number of departures of temporary and permanent employees.

The number of staff reductions on economic grounds in 2006 decreased sharply compared to 2005. Staff reductions on economic grounds are essentially the result of restructuring operations undertaken in preceding years by UMG, Vivendi Games, and Maroc Telecom. Departures from UMG (72% of total staff reductions in 2006) correspond to the implementation of restructuring programs begun in 2004 and 2005 in Asia-Pacific, the USA, and the UK.

Reasons for departures were mainly related to: resignation, individual firings, end of fixed-term contract, and retirement.

In France, measures for reclassification and assistance offered to employees affected by restructuring were of several types: internal job mobility through posting of internal vacancies on the Corporate intranet, reclassification leave, training leave to enable employees to increase their qualification level, assistance for employees starting their own businesses, and outplacement services. Vivendi also established reclassification measures for employees outside France where such measures do not exist.

Since approaches to work duration vary from one country to another, the number of hours worked varies as a consequence. The average weekly duration is defined here as the weekly duration most commonly found within the company for full-time employees. Vivendi's French subsidiaries apply the law regarding negotiated reduction of the workweek ("35-hour workweek law"). Differences between weekly and annual duration between 2005 and 2006 are the result of homogenization of definitions within the group.

Absenteeism is defined as absence on any working day excluding paid vacation time, training days, time off for union activities, special leave, and workweek reduction.

At group level, absenteeism was on average 8 days of absence per employee per year (since 2006, this figure no longer includes leaves that suspend the contract, such as sabbaticals, leave for starting a business...). In France it was 14.2 days per employee and per year. This difference can be explained in part by the existence of a company-level agreement on equality at SFR which encourages family leave such as maternity and paternity leave.

In 2006, the majority of working-day absences were for personal reasons (51%) and family reasons (31%) such as maternity and paternity leave, marriage, death, and moving.

Overtime refers to hours beyond the contractual number; in 2006, 82% of overtime was in the United States (64%) and Morocco (18%).

This figure remained stable between 2005 and 2006, with disparities between entities (the increase in recruiting of women at Canal + Group, Maroc Telecom, and Vivendi's head office and a higher level of recruiting of males at Vivendi Games).

The percentage of women among management personnel and senior executives (at Vivendi's head office and in the group's business units) is specified in the table on page 30.

The definition of a "disabled person" is based on each country's laws. When there are no applicable laws, the definition given in Convention No. 159 of the International Labor Organization is used: "an individual whose prospects of securing, retaining and advancing in suitable employment are substantially reduced as a result of a duly recognised physical, intellectual or mental impairment." The number of disabled workers in the group increased in 2006, notably due to SFR's ongoing commitment in this area, with the application of the agreement entered into in 2003 and which was renewed in the spring of 2006, aimed at increasing the hiring rate for disabled workers in the company over a period of three years.

The new collective agreements entered into in the group in 2006 concern, notably, remunerations (34%) and working conditions (16%). The other agreements concerned social protection, non-discrimination, health, and safety. In 2006, 32 collective agreements were entered into the French subsidiaries.

The frequency rate of workplace accidents diminished significantly between 2005 and 2006.

This decrease is the result of the strengthening of safety measures in the Canal+ Group, at Maroc Telecom, and at Vivendi Games.

Calculation method: number of workplace accidents with lost days x 1,000/employees x number of hours theoretically worked per year (estimated at 1,750 for the group).

The severity rate of workplace accidents with lost days was stable between 2005 and 2006. It should be pointed out that the group's business units are less exposed than companies in certain other sectors (such as construction).

Calculation method: number of working days lost x 1,000/employees x number of hours theoretically worked per year (estimated at 1,750 for the group).

In 2006, the number of employees trained in safety increased sharply, in particular at SFR and Vivendi Games. SFR employees continued receive training under the "safety awareness" program (two half-day modules) begun in 2005. At Vivendi Games, all personnel who work swing shifts received safety training. In 2006, Vivendi's corporate headquarters also stressed practical training of volunteers (10 persons received first-aid training dispensed by a Red Cross instructor and 26 volunteer "evacuation team" members took part in two evacuation exercises).

The percentage of the payroll devoted to training is a widely used indicator in France. Outside France, this indicator is not always calculated in the same manner. For this reason, the indicator used here is total outlay for training compared to payroll. This average does not reflect variations between business sectors – from 0.4% (UMG) to 7.5% (Maroc Telecom). In 2006, Maroc Telecom implemented a campaign to increase employees' awareness of information security and its impact on Maroc Telecom.

The average duration of training is calculated by comparing the total number of hours of training to the number of employees receiving training during the year.

With this method, each employee trained counts for one, regardless of the number of training courses taken.

The group's French subsidiaries have a high average training duration per employee trained. The decrease in 2006 is due to a reduction in training for employees affected in 2004 and 2005 by staff reductions in certain entities. In 2006, the number of hours of training at corporate headquarters was the highest in the group, at 52.9 hours; this corresponds to training aimed at increasing job effectiveness given all employees of Vivendi's corporate headquarters (see page 27).



## 2006 SOCIAL INDICATORS (continued)

	2006 Data	2005 Data	NRE Act	2006 GRI guidelines
<b>Social activities</b>				
Social activities (France*)	5,070,117	5,417,791	✓	
<b>External resources</b>				
Interim employees	5,635	7,268	✓	
Subcontracting	5,149	2,730	✓	
<b>Territorial impact</b>				
Partnerships and projects	462	367	✓	
Actions to aid development of employment			✓	

## 2006 ENVIRONMENTAL INDICATORS

Environmental data concern the group's worldwide operations and apply to companies which meet specified threshold criteria in terms of environmental impact (number of employees, water and electricity consumption, waste production, etc.)

For information on environmental data for each business unit, see the separate document *2006 Statutory Financial Statements – Sociographics – Environmental Policy*, page 55.

	2006 Data	2005 Data	NRE Act	2006 GRI guidelines
Water consumption (in thousands of cubic meters)	581.8	557	✓	EN 9
Electrical energy consumption (in thousand kilowatt-hours)	404,914	363,531	✓	EN 3
Use of renewable energy sources (in thousand kilowatt-hours)	1.42	N/A		EN 4
CO <sub>2</sub> emissions (in millions of kgs)	80.4	74	✓	EN 16, EN 17
Waste production (in tons)	3,548.8	5,353	✓	EN 22
Hazardous and special waste (in tons)	465.6	N/A		EN 22
Non-hazardous waste (in tons)	2,837.1	N/A		EN 22
Waste from electrical and electronic equipment (WEEE) (in tons)	245.5	N/A		EN 22
Measures taken to limit the impacts on biological stability, natural environment, protected species, and wildlife			✓	EN 14
Environmental assessment or certification processes undertaken in the area of the environment			✓	
Measures taken to ensure compliance of the company's activities with environmental regulation and legislation			✓	
Company expenditures for prevention of environmental impacts	0.98 million euros	1.35 million euros	✓	EN 30
Existence within the company of internal environmental management staff, training and information on environmental issues for employees, resources devoted to the reduction of environmental risks, as well as a procedure to manage environment-related accidents which have a consequence outside the company	Corporate (Paris head office and New York office): 1 Business units: 8	Corporate (Paris head office and New York office): 2 Business units: 6	✓	
Amount of environmental risk provisions and guarantees except in the case where this information may prejudice the company in a current dispute or lawsuit			✓	
Amount of compensation paid during the financial year arising from a court ruling relating to environmental matters and the actions undertaken to repair environmental damage			✓	EN 28

#### Comments or references

In France, the notion of social activities includes social and cultural events organized in the company primarily for employees and their families. This notion is difficult to measure worldwide. Each entity is allowed to set its own policy, including the amounts contributed. This indicator is for the group's French companies.

One person who has been hired several times is counted as many times as there were individual hirings.

The group makes less frequent use of subcontracting than companies with high percentages of manual workers. Work subcontracted in 2006 was mainly in the areas of customer service and technical support related to networks (see page 53 of the separate document *2006 Statutory Financial Statements - Sociographics - Environmental Policy*).

In 2006, Vivendi increased its participation in partnerships or projects. The group's various entities created partnerships or projects with 462 institutions or associations (UMG: 272; Canal+ Group: 34; SFR: 115; Maroc Telecom: 7; Vivendi Games: 7; Corporate: 27). 87% of the projects in which Vivendi is involved have to do with educational institutions.

Vivendi has committed itself before the French public authorities to contribute to creating employment in regions especially impacted by unemployment and industrial restructurings. These commitments apply both to creation of jobs related to Vivendi's business activities (449 jobs created as of 12/31/06) and creation of jobs not related to Vivendi's business activities, in the form of financial support for viable projects for creation or development of companies (1,632 validated jobs and payment of 10 million euros as of 31/12/06) (see page 34).

#### Comments or references

The level of water consumption increased by 4.5% in 2006 over the preceding year. This increase is related to growth of the group's business activities.

Electricity consumption for 2006 is up by 11.4%. This increase is the result of growth of the group's activities, of the acquisition of new entities by Vivendi Games, and finally, of the extension of the scope of reporting of entities of the Canal+ Group: For 2006, data from operational units located in the Overseas Territories and Canal+ Poland have been consolidated.

This figure corresponds to the purchase of energy from renewable sources by certain group entities located in the State of California (USA). The figure does not include production of energy from renewable sources or the use of this energy to power telecommunications installations (see page 39).

Emissions of carbon dioxide resulting from Vivendi's various activities are extremely low. Direct emissions stem from the use of backup generators in case of failure of electrical power or use of convection heating. Indirect emissions stem essentially from electrical consumption (59.9 million kg) and operation of the group's vehicle fleet (18.3 million kg). See the diagram "Source of CO<sub>2</sub> emissions produced by Vivendi" on the cover fold.

The amount of waste produced increased slightly in 2006. Below are the details of the categories of waste produced by the group. This means of presentation allows production of waste from electrical and electronic equipment (WEEE) to be identified more precisely.

This is the inflammable, harmful, toxic, etc. waste generated at the group's sites, as listed in Annexes I and II of Decree no. 2002-540 of April 18, 2002 relative to classification of waste (office consumables, batteries, paint and solvents, oils, etc.)

This is waste generated at the group's sites which is not of a dangerous nature, such as ferrous and non-ferrous metals, paper and cardboard, plastic, rubber, composite materials, wood, glass, and textiles.

This refers to professional WEEE (purchased by a site for its internal use) and household WEEE (placed on the market by a site and whose processing is handled by the site). It includes waste from telecommunications equipment, computer and audiovisual equipment, and lighting equipment.

Vivendi's business units have little impact on biological stability, the natural environment, and protected animal and plant species.

In 2000, Vivendi adopted a program of compliance with environmental, health, and workplace safety standards and since implementation of the program has assessed 80 sites to ensure their compliance with the laws and standards in force. Approximately 10 sites are evaluated each year. Group companies are encouraged to obtain the appropriate environmental certifications, and in particular EMAS and ISO 14001 certifications. In late 2006, SFR obtained ISO 14001 certification of its environmental management system for three pilot sites: two strategic technical sites and one tertiary site. Vivendi's corporate headquarters began the process of EMAS assessment in 2007 (see page 37).

Vivendi has implemented a comprehensive program for ensuring the compliance of its business activities with applicable legislative and regulatory provisions regarding the environment, health, and safety. At all major sites, an employee is in charge of environmental affairs. This representative is given appropriate training consistent with his or her responsibilities. Vivendi has implemented eighteen environmental measures based on the ISO 14001 standards, giving precise directives for compliance with the group's environmental regulations and standards.

The figure includes internal programs, surveillance of activities in the group's companies, and expenditures related to environmental protection at each operational site.

A Vice-President for Environmental Affairs, Health and Safety, who reports to Vivendi's General Counsel, is in charge of setting internal rules and procedures related to environmental and health and safety issues as well as organization of control and inspection of its sites around the world. He is a graduate engineer in environmental techniques who has professional certifications. The group has departments in charge of environmental, health, and safety matters. They currently include engineers, health specialists, consultants, and safety specialists. Each major site has an employee in charge of environmental, health, and safety matters. At each major site, a team is in place for intervening in case of accidents or releases of substances that could be harmful to the environment. These teams work closely with local emergency teams, and in particular firefighters. Three times per year, Vivendi's Sustainable Development Department brings together representatives of the business units and the Corporate departments to increase their knowledge and awareness of the group's environmental commitments.

In 2006, no Vivendi site or company booked provisions or guarantees for environment-related risks.

In 2006, Vivendi received no notifications from a regulatory agency alleging lack of compliance with environmental, health, and safety requirements at any of its operational sites.

# External opinion of one of the Statutory Auditors on the reporting procedures implemented to establish the social and environmental performance indicators in the Sustainable Development Report

At Vivendi's request, in our capacity as Statutory Auditors, we have carried out the work described below on the reporting procedures implemented to establish the 2006 social and environmental performance indicators contained in the Sustainable Development Report.

These indicators were prepared under the responsibility of the company's management. Our role is to express an opinion on the procedures used to collect the information, based on our work, which constitutes neither an audit nor a limited review of data as defined by the International Standards on Auditing (ISAs).

## NATURE AND SCOPE OF OUR WORK

Our work consisted of:

- an analysis of the procedures used to report, validate, and consolidate the group's social and environmental performance indicators;
- discussions with the managers responsible for the collection of the data included in the Sustainable Development Report, at corporate headquarters and in certain operating units\*.

## COMMENTS

We have the following comments to make regarding our work:

- the social and environmental reporting procedures have been disseminated to the different contributors and applied in all the entities we observed;
- the computer application for reporting social and environmental data has been made accessible to all the group's entities and enriched with functionalities that strengthen processing of the data;
- for one of the entities, the control process related to environmental reporting is in need of improvement;
- the rules for determining scope are specific to each type of indicator – economic, social, and environmental; they are specified in each part of the report;
- the comments in the report on each indicator mention the specific procedures used in determining it.

Paris - La Défense, April 26, 2007

Salustro Reydel  
*Member of KPMG International*

Benoît Lebrun  
*Partner*

Marie Guillemot  
*Partner*

Philippe Arnaud  
*Partner in charge  
of the Department  
of Environment &  
Sustainable Development*

\* Vivendi S.A., SFR, and Maroc Telecom (social indicators).  
Vivendi Games, Universal Music Group, Canal+ France (environmental indicators).

## Web sites:

**Vivendi:** [www.vivendi.com](http://www.vivendi.com)

**Universal Music Group:** [www.umusic.com](http://www.umusic.com)

**Canal+ Group:** [www.canalplusgroupe.com](http://www.canalplusgroupe.com)

**SFR:** [www.sfr.fr](http://www.sfr.fr)

**Maroc Telecom:** [www.maroctelecom.ma](http://www.maroctelecom.ma)

**Vivendi Games:** [www.vivendigames.com](http://www.vivendigames.com)

## Conception and editorial:

Vivendi – Sustainable Development Department

## Contact:

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Vivendi's 2006-2007 Sustainable Development Report is available upon request (see the back cover for the group's contact details).

The electronic version of this report is also available on the group's Web site under the Sustainable Development section.

We appreciate your comments and remarks. Please do not hesitate to send them by e-mail to [sustainabledevelopment@vivendi.com](mailto:sustainabledevelopment@vivendi.com) or by mail to the address of the head office.

## Creation and production:

 TERRE DE SIÈGNE Paris

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Captions of the following illustrations (from left to right):

Pages 04-05: Visual from the album by Mika, a Universal Music Group artist. Cannes Festival (palm motif). SFR has new offerings to respond to the growth in the uses of mobile telephony and to its customers' expectations.

Pages 12-13: General shareholders' meeting, April 19, 2007, Vivendi's financial results. Employees meeting, Canal+ Group marketing team. Maroc Telecom's participation in operation "Clean Beaches."

Pages 42-43: Vivendi, for whom the protection of minors is a major societal issue, is particularly vigilant in analyzing the impact of new uses made possible by technical changes. The creativity of the Burkinabè sculptor Ali Nikiema is honored by the magazine *Afrik'Art*, a Canal +Horizons broadcast devoted to African cultures. Journalist Charlotte Le Grix de la Salle offers an international vision of the news on Canal+.

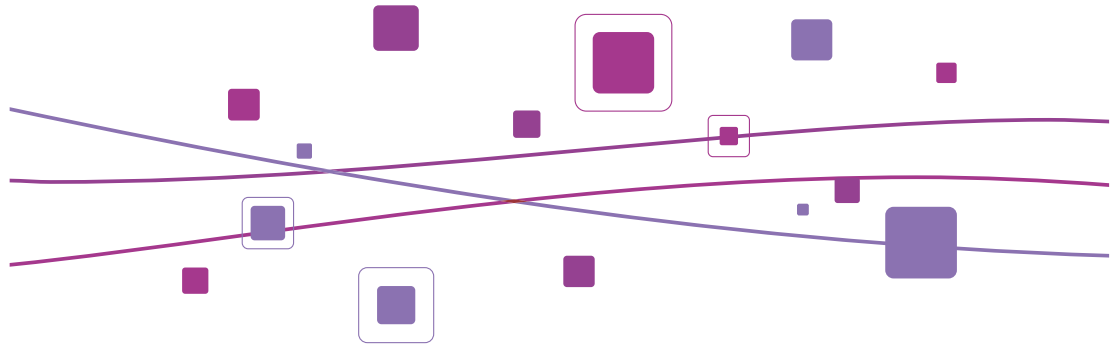
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