

vivendi

Communication on Progress 2010

United Nations Global Compact



March, 11th 2011

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Vivendi at a glance

VIVENDI IS AT THE HEART OF THE WORLDS OF CONTENT, PLATFORMS AND INTERACTIVE NETWORKS. THE GROUP CREATES, PUBLISHES, ASSEMBLES AND DISTRIBUTES HIGH-QUALITY DIGITAL CONTENT FOR CONSUMERS AND BUSINESSES AND HAS EXPERTISE IN TECHNOLOGIES, MARKETING TOOLS, INFRASTRUCTURES AND SALES NETWORKS THROUGHOUT THAT VALUE CHAIN.

Vivendi, the Best Emotions, Digitally

Key Figures

(12.31.2010)

**€28,878
million**
2010 revenues (+6.4%)

**€5,726
million**
2010 EBITA (+ 6.2%)

**2,698
million**
2010 Adjusted Net
Income (+ 4.4%)

51,300*
employees in 77 countries,

* As of December 31, 2010.

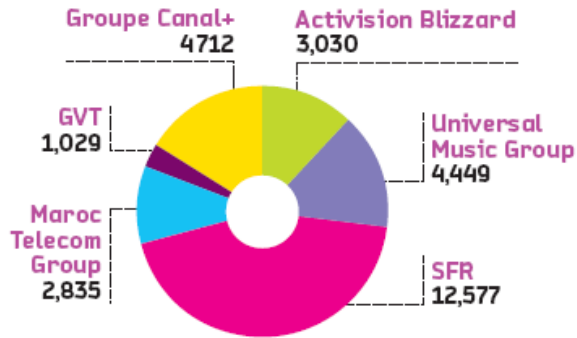
Dividend of
€1.40*
per share for 2010

* Submitted for the approval of the Combined General Shareholder's Meeting on April 21, 2011

Key Figures

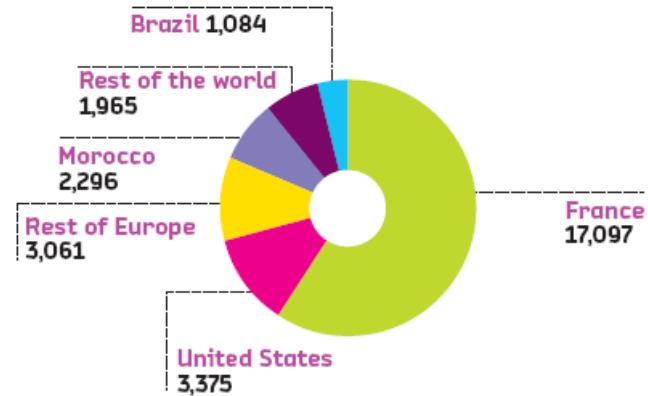
(12.31.2010)

2010 Revenues* by business unit
(in million euros)

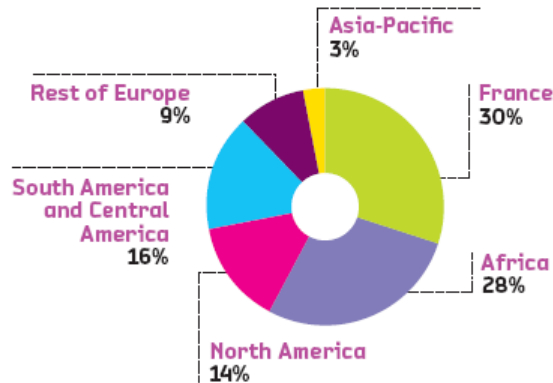


* Including non-strategic and other activities, and elimination of inter-segment operations.

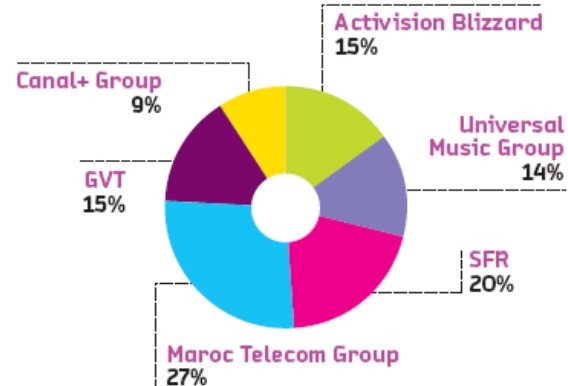
2010 Revenues by geographical area
(in million euros)



Headcount breakdown by geographical area



Headcount breakdown by business unit



Vivendi's Business units Overview



No. 1 worldwide in video games, an independent publisher of online and console video games, with leading positions in most segments of the interactive entertainment industry.



No. 1 worldwide in recorded music with more than 1 in 4 records sold around the world and the largest catalogue of music rights.



No. 1 in alternative telecoms operator in France, Europe's premier alternative mobile and fixed-line operator.



No. 1 in telecoms in Morocco, leading fixed-line and mobile telecommunications operator and Internet service provider in Morocco, with a presence in Burkina Faso, Gabon, Mauritania and Mali.



No. 1 alternative telecoms operator in Brazil, Brazil's best-performing broadband operator with innovative fixed-telephony, Broadband Internet solutions and products.



No. 1 in pay-TV in France, leading French publisher of premium and thematic channels, main actor in aggregation and distribution of pay-TV offerings, and a major player in France and the rest of Europe in film production and distribution.

Vivendi also owns

- 100% of zaOza (a subscription based community legal sharing site)
- 93% of Digitick (the French leader of e-ticket)
- 99.5% of Wengo (the French leader in telephone-based expert assistance).

Chairman of the Management Board and CEO's statement

Vivendi is proud of being a signatory of the United Nations Global Compact. This Communication on Progress highlights our commitment in favour of the United Nations Global Compact's ten principles and how the group totally integrated them into its activities and its sustainable development policy.

Vivendi's contribution to sustainable development is to enable current and future generations to satisfy their need to communicate, nourish their curiosity, develop their talent and encourage intercultural dialogue.

The Universal Declaration of Human Rights of 1948 states in its preamble that it is essential to promote the development of friendly relations between nations and declares, in its Article 27, the right for every person to freely participate in the cultural life of the community and to enjoy the arts.

Vivendi has this responsibility of enabling its tens of millions of clients, and of course all those who live in the least privileged countries, to take part in these artistic, musical, cinematic and audiovisual expressions. Facilitating access to these various forms of cultural expression stimulates creativity, strengthens social cohesion, encourages innovation and contributes to economic growth.

I feel strongly that culture and intercultural dialogue must be recognized as pillars of sustainable development for communities and peoples, and I commit myself to seeing that Vivendi contributes actively to consolidating them.



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

Paris, March 10th 2011

Implementation of the United Nations Global Compact's ten principles within Vivendi in 2010

Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence ;

- Vivendi respects and promotes internationally proclaimed human rights and ensures its employees' awareness on the topic.
- Vivendi defends the respect of cultural diversity and cultural rights as part of the universal promotion and protection of human rights, and shares the vision of UNESCO, whose March 2007 Convention on the Protection and Promotion of the Diversity of Cultural Expressions states that cultural diversity is “a mainspring for the sustainable development for communities, peoples, and nations.”
- Vivendi must reconcile the development of content and service offerings enabled by new technologies with the protection of young audiences against harmful behaviors.
- Vivendi commits itself to support and participate in the sharing of knowledge and access to new technologies (see article 27 of the Universal Declaration of Human Rights).

→ Vivendi promotes an [active dialogue with its stakeholders](#) , within its sphere of influence and regularly brings together employees and representatives of civil society to discuss the key topics of sustainable development and the promotion of human rights.

→ In 2003 the group defined the [promotion of cultural diversity](#) as one of its specific issues in sustainable development and contributes to promoting the variety and diversity of its content in all forms of expression.

→ In 2003 Vivendi defined the [protection of youth](#) as one of its specific issues in sustainable development. The group evaluates the impact of its product and service offerings on young audiences in terms of opportunities or risks, and apprehends generational approaches of media and cultural practices.

→ In 2003, Vivendi defined the [sharing of knowledge](#) as one of its specific issues in sustainable development. The group contributes to producing pluralistic quality content for a large and diverse audience, and to facilitating access to this content and to new technologies.

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and make sure that they are not complicit in human rights abuses.

- Vivendi supports and implements the fundamental principles of human rights and promotes them to its suppliers and providers.

→ Vivendi's [Compliance Program](#) formalizes the group's commitments, concerning human rights, on the form of rules of conduct. Adherence to these rules of conduct is a condition for belonging to Vivendi, and an annual progress report, based on these rules of conduct, is prepared by Vivendi's General Counsel's office and presented to the Audit Committee.

Examples to illustrate the implementation of Human rights' principles:



January 2010: Organisation of a **Sustainable development seminar** bringing together 70 participants and stakeholders representing civil society and the group's business units around the world.

In France, Canal+ actively supports creation, financing **60%** of the French films approved by the CNC (the French national centre of cinematography), and by supporting the creation of the **"Tomorrow's filmmakers"** label dedicated to encourage art-house films, based on a diversity principle.

Cinematic diversity is one of the pillars of the Canal+' editorial line; **90%** of its subscribers say that the films it offers are of varied genres, and **88%** were satisfied with the movie offering as of late 2010.

Vivendi was invited by the United Nations to present its sustainable development policy at the **Alliance of Civilizations Forum** held in Rio, in Brazil, in May 2010. Following the Forum, Vivendi and the Alliance of Civilizations formed a **working group** that is special in that it brings together representatives of international institutions (Unesco, Oecd, EU Commission, Alecso, etc.) and of the private sector (Global Reporting Initiative, Reed Elsevier, Bertelsmann, etc.). The group has set itself two principal goals: **promoting the role of culture and intercultural dialogue in the sustainable development agenda and endeavoring to define a few key indicators at the macro- and micro-economic levels.** In the framework of the follow-up to the Stiglitz-Sen-Fitoussi Report, Vivendi proposed a contribution to increase the integration of culture into the measure of well-being and economic and social progress.

In 2010, more than **60%** of Universal Music Group sales were accounted for by local artists in a 59-country scope.



In Brazil, GVT launched an **online game, 'Edu and Responsible Internet Use'**, aimed at young people, parents, and teachers, to help them to better deal with the risks they can be exposed to when “surfing” the Web.

The Sustainable development department regularly works with the Audit and Special Projects department for the **Risks Committee's** examination of sustainable development topics, for drawing up the risk map, or for more specific actions such as a questionnaire for the business units to be used in their dealings with their principal suppliers.

As part of its partnership with the European Union related to the **“Safer Internet”** program, Vivendi relays each year the awareness-raising campaign aimed at encouraging young web-users to think seriously about how they reconcile their virtual lives with their real ones.



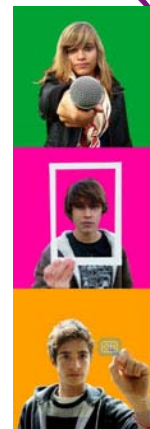
In December 2010, on the initiative of Vivendi and of the association Al jisir, **200** laptops were given to about twenty public primary schools of Rabat and Casablanca.

SFR partnered with Emmaüs Défi to allow persons in **situation of precarity** to benefit from a mobile phone offer adapted to their income, and associated to a specific accompaniment.

Since January 2010, **100%** of Canal+'s programs, including live broadcasts, are subtitled for deaf and hearing-impaired persons.

In the countries where it operates, the Maroc Telecom Group contributes to **ending digital isolation**. In Morocco, under the Pacte program dedicated to provide coverage to most out-of-coverage areas by the end of 2011 (80% of which is funded by Maroc Telecom), the operator now covers 4,414 rural localities, 1,866 more than in 2010. By the end of 2011, 7,338 localities will be covered. Moreover, the group deployed a fiber-optic cable linking Agadir to Dakhla (1,150 km), providing 3G and high speed Internet services to the southern areas of the Kingdom.

Vivendi is partner of the **Pan-EU Youth**, with European Schoolnet and Insafe, an online platform offering European teenagers a space where they can blog, vote and share videos on citizenship issues. The initiative includes three online consultations on topics such as “Young people in the media”, “Digital lives” and “E-skills.” For each theme, people are invited to contribute their views by inputting blogs, answering polls, debating issues in the forum and uploading their own videos. They can also download an interactive role play game designed for the occasion.



3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	<ul style="list-style-type: none"> • Vivendi works to establish a constructive dialogue between management and the competent bodies representing employees which respect their prerogatives. 	<p>→ Vivendi leads a process of dialogue and consultation with the social unions in order to encourage collaboration and communication within the group.</p>
4 5	the elimination of all forms of forced and compulsory labour; the effective abolition of child labour; and	<ul style="list-style-type: none"> • Vivendi supports and implements the fundamental principles of labour rights and promotes them to its suppliers and providers. 	<p>→ The respect of individual dignity and private life, within employment conditions, is a clearly defined rule of conduct set down in Vivendi's Compliance Program.</p>
6	the elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> • Vivendi affirms and asserts its attachment to diversity in recruitment and its fight against discrimination, which it holds to be guarantees of richness and performance. 	<p>→ The fight against discrimination based on unlawful selection criteria such as sex, age, lifestyle, race, ethnicity, nationality, disability, religious or political opinions or beliefs, or union membership is a clearly defined rule of conduct set down in Vivendi's Compliance Program.</p>

Examples to illustrate the implementation of Labour standards' principles:

At the group level, the corporate partners of the Group Works' Council, the European Authority for Dialogue between Management and Labor and the headquarters' Works' Council are regularly informed of the group's strategy, financial position, social policy and main achievements for the fiscal year.

Created in 2007 by the Sustainable development department, the Diversity Skills Network dealt with the seniors' employment policy in 2010 (themes of the previous sessions: women at the top management, integration of disabled workers,...).

In 2010, the Works Council and the European Social Dialogue Committee were renewed, bringing in new elected officials from the different entities for the four years ahead. The meetings of these bodies were opportunities for trade union and personnel representatives to discuss the Group's financial situation and social policies with General Management. In 2010, the two annual training days focused on strategic issues related to the digital revolution, familiarity with Vivendi's business units, and financial techniques. At the local level, dialogue with the social partners is a genuine lever for improvement. The number of agreements signed (91 in 2010, including 35 in France) in the areas of wage policy, profit sharing and participation, training, jobs and skills management, and employment of disabled workers is an excellent embodiment of that fact.

Employee's rights are a clearly defined rule of conduct set down in Vivendi's [Compliance Program](#).

100% of employees located in Metropolitan France and in Overseas territories and departments (DOM-TOM) (it is to say 30% of Vivendi's global headcount) are covered by collective agreements. At the world level, are also covered by **collective agreements**:

- 90.3% of Maroc Telecom Group's employees (Morocco, Mali, Gabon, Mauritania)
- 100% of Canal+ Group's employees (including Canal+ Overseas)
- 100% of GVT 's employees (Brazil).

Extract of the [2010 Averroes Report](#):
« *Again this year we acknowledge the Canal+ Group as the most exemplary channel in terms of diversity. There, diversity is not an issue but a solution, a key for success*».

In 2010, SFR obtained the **Diversity Label**, sign of quality recognizing the entire company's commitment to fight discrimination and promote equal opportunity.

Apprenticeship is at the same time a key for young people employment and an asset for the company by diversifying its recruitment sources. In France, Vivendi pursued its commitments by increasing the numbers of part-time work/study contracts (apprenticeship and professionalization contracts) by 27%. At SFR, lots of apprentices were recruited through a partnership with Mozaïc RH, a specialist of diversity recruitment (up picture © Prat / Berger). At the international level, apprenticeship took a new breath: GVT established a program called « *Educar – Responsabilidade Social* » aimed at providing students from unprivileged backgrounds opportunity to enter and integrate the working world (bottom picture © GVT).



To support the launch of *Call of Duty: Black Ops* in November 2010, Activision Blizzard committed to recruiting 1,000 unemployed war veterans and donated one million dollars to the *Call of Duty Endowment*.



The *Call of Duty Endowment* is a not-for-profit public company created by Activision Blizzard in October 2009 to aid veterans of the US army in rejoining civilian life.

Vivendi feels that the fruits of the efforts of its employees should be evaluated fairly. In 2010, this capital increase reserved for employees (Opus), in which Brazilian employees of GVT participated for the first time, attained a record subscription amount (98.5 million euros), resulting in the creation of 7.1 million new shares owned by employees. As a result, the **percentage of capital held by employees** of Vivendi increased from 1% to **2.1%** in three years. In light of its success, the program will be renewed in 2011.

Since 2010 General Assembly, Vivendi's Supervisory Board has numbered **four** women, or **one third** of the members.

At 2010.12.31, Vivendi Group numbers :

- **51,272** employees
- including **36%** of women and **35%** in management
- including **6%** employees under 25, **89%** 25 to 55 and **5%** over 55

7

Businesses should support a precautionary approach to environmental challenges;

8

undertake initiatives to promote greater environmental responsibility; and

9

Encourage the development and diffusion of environmental friendly technologies.

- Vivendi defends environmental awareness and takes full responsibility in this domain, while it operates in business sectors where exposure to environmental risks is relatively low.

→ [Environmental awareness](#) is a clearly defined rule of conduct set down in Vivendi's [Compliance Program](#). In 2000, the company put in place a Program of compliance with environmental, health and workplace safety standards, as well as an Environmental Charter.






Examples to illustrate the implementation of Environnement's principles:

As part of the Program of compliance with environmental, health and workplace safety standards, **10** new sites (out of a total of 117) were audited in 2010, including one GVT site. These audits revealed no significant issues of non-compliance with applicable regulations.

As for energy, SFR innovated with the launch of its news neufbox Evolution, which is made of recyclables materials and presents the best energy performance on the French market.

In order to develop environmentally sound CD packaging solutions, as well as markings to inform consumers about the environmental impact of its products, UMG is actively participating in a working group begun by two trade associations, the Recording Industry Association of America (RIAA) and the National Association of Recording Merchandisers (NARM). UMG has provided information to all its labels about the use of recyclable polypropylene cases.

In 2010, SFR signed the French Telecoms Federation's [voluntary sustainable development commitment charter for the telecoms sector](#) with the Ministry of the Environment, and committed itself to act in order to optimize energy consumption of its mobile and fixed technical facilities, of its operating facilities and of the ADSL box.

Anticipating the requirements of the French so-called "Grenelle II" law regarding display of "ecological prices," since April 2010 SFR has been informing its customers about the environmental impact of the cellular phones      by displaying information on terminals' environmental performance. Today, 100% of the terminals sold in the "espace SFR" sales outlets and on the online store (except for Apple products) show this information.



Anti-corruption

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Businesses should work against corruption in all its forms, including extortion and bribery.

- Vivendi works against corruption in all its forms, including extortion and bribery, and makes sure this principle is respected by all its suppliers and providers in all of the groups operating countries.

→ The fight against corruption and the receipt from or grant to any third party of an improper advantage of any kind for the purpose of obtaining preferential treatment is a clearly defined rule of conduct set down in Vivendi's [Compliance Program](#).

Examples to illustrate the implementation of Anti-corruption's principles:

Adherence to this rule of conduct is a condition for belonging to Vivendi, examined in the annual progress report, and prepared by Vivendi's General Counsel's office, of which the 2010 publication was presented to the Audit Committee on February 24th 2011.

Contracts signed by Vivendi with its intermediaries contain a **clause** called '**anti-corruption**' asserting that the payment is the counterpart of the sole service supplied by the intermediary and would absolutely not finance any kind of illicit activities.

Appendix

Compliance Program



To download our Compliance Program, please [click here](#).