



AN **INTEGRATED**
REPORTING
PROCESS PROMOTING
VALUE CREATION

(Excerpt from Vivendi's Annual Report 2015)

vivendi

FOREWORD

Vivendi has chosen to release its integrated reporting process inside its Annual Report for the third consecutive year. This process is inherent in the analysis of the value creation by Vivendi for stakeholders. It represents a continuation of the Corporate Social Responsibility strategy. This process is outlined in the first chapter of the Annual Report. The following pages are extracts from this chapter. Page references relating to other chapters - and notably Chapter 2 dedicated to Societal, Social and Environmental Information – illustrate the group's effort to establish links between the different company resources contributing to value creation.

vivendi

Vivendi is an integrated media and content group. The company operates businesses throughout the media value chain, from talent discovery to the creation, production and distribution of content. The main subsidiaries of Vivendi comprise Canal+ Group and Universal Music Group. Canal+ is the leading pay-TV operator in France, and also serves markets in Africa, Poland and Vietnam. Canal+ operations include Studiocanal, a leading European player in production, sales and distribution of film and TV series. Universal Music Group is the world leader in recorded music, music publishing and merchandising, with more than 50 labels covering all genres. A separate division, Vivendi Village, brings together Vivendi Ticketing (ticketing in the UK, the U.S and France), MyBestPro (experts counseling), Watchever (subscription video-on-demand), Radionomy (digital radio), the Paris-based concert venue L'Olympia, the future CanalOlympia venues in Africa and the Theatre de l'Oeuvre in Paris. With 3.5 billion videos viewed each month, Dailymotion is one of the biggest video content aggregation and distribution platforms in the world.

www.vivendi.com, www.cultureswithvivendi.com, vivoice.vivendi.com

1.5. Creating Value for the Group's Stakeholders

1.5.1. AN INTEGRATED REPORTING PROCESS THAT IS PART OF VIVENDI'S ONGOING CSR STRATEGY

Vivendi highlights the materiality of its CSR (corporate social responsibility) issues as they are directly related to the activities of the group, which exerts an influence over millions of customers and citizens. Societal priorities are, in fact, a primary focus of the company's strategy.

In a very competitive international market, it is important for Vivendi to maintain high standards for innovation, not only in its ability to discover and promote talent and not only for the services and musical, cinematographic or audio-visual content it offers consumers, but also in its vision and its responsibility to society.

The media and cultural industries, which help revitalize the economy, also contribute to the harmonious development of the planet and to intercultural living together.

Driven since 2003 by the will to combine CSR and value creation through the choice of its strategic issues and its positioning, Vivendi has pursued this dynamic by involving the different functional divisions of its corporate headquarters and its subsidiaries.

The choice to experiment, in part, with the International Integrated Reporting Council (IIRC) framework and formalization proposed by it, is consistent with Vivendi's ongoing determination to integrate its corporate social responsibility (analysis of risks and opportunities,

dialog with stakeholders, support for change) with a view toward overall performance.

In 2013, the launch of the integrated reporting pilot project, devoted to cultural capital, made it possible to involve the finance directors (headquarters and subsidiaries) more directly in this reflection process. Indicators establishing the link between investments in content diversity and profitability were selected, then examined by analysts representing the investors (Amundi, Groupama AM, Oddo Securities). This pilot project showed that the production of musical, cinematographic and audiovisual content offering a rich cultural diversity satisfies general interest (societal value) and offers the group a competitive advantage over its competitors (financial value).

Expanded internationally in 2014 and presented in an integrated analysis of the strategy, this pilot project gave rise in 2015 to a more in-depth analysis.

The following pages detail the resources necessary for the development of Vivendi's business, the group's sphere of influence concerning the promotion of human rights in its business sector, the benefits enjoyed by the different stakeholders of the group and the interaction of these different factors that contribute to the creation of value.

This allows the group's stakeholders to have a grid that provides an overview of its missions, its performance, its growth drivers, its corporate social responsibility (CSR) commitments, its strategy, its risks and its opportunities.



The cultural diversity at the core of Universal Music Group's business and exceptional catalog: soprano Pumeza Matshikiza; DJ and electro music producer The Avenier; songwriter, composer and singer Sam Smith; songwriter, composer and singer Barbara.

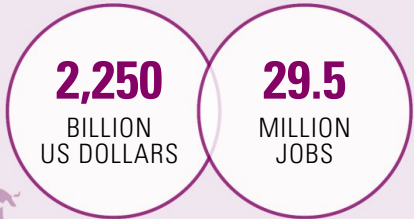


The societal, social and environmental indicators providing a detailed illustration of this value creation are presented in section 3 of Chapter 2.

KEY FIGURES

Cultural and creative industries figures

WORLD



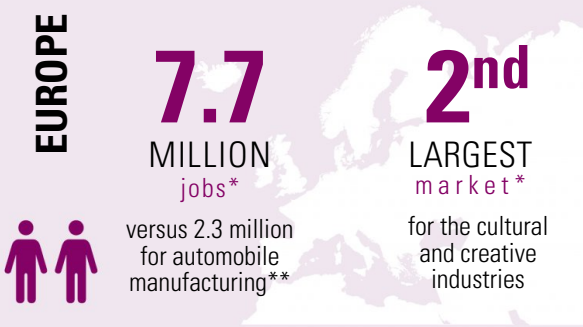
CREATED

by the cultural and creative industries



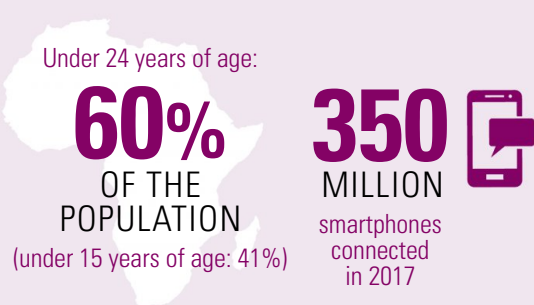
Source: Ernst & Young, Cultural Times - The first global map of cultural and creative industries, 2015

EUROPE



* Source: Ernst & Young, see above
 ** Source: Acea, 2012

AFRICA



Source: UN, World
 Population Prospects - 2015

Source: Deloitte,
 Africa TMT Predictions 2015

Vivendi

CANAL+

**PRIVILEGED
 PARTNER**

of French cinema and
 the Cannes Film Festival



FESTIVAL DE CANNES

STUDIOCANAL

**EUROPEAN
 LEADER**

in film and TV series production



UNIVERSAL

UNIVERSAL MUSIC GROUP

**WORLD
 LEADER**

in music



**CULT
 LOCATIONS**

for artists (L'Olympia,
 Abbey Road Studios)

L'OLYMPIA



**AWARDS AND
 NOMINATIONS**

Academy Awards,
 Cannes Film Festival,
 BAFTA, Victoires de la
 musique, Grammy Awards,
 Gramophone Awards...



**EXCEPTIONAL
 ARTISTIC
 CATALOG**

Jacques Tati, Jean-Luc Godard,
 Jean-Pierre Melville, David Lynch,
 Mstislav Rostropovich, Martha
 Argerich, ABBA, Louis Armstrong,
 The Beatles, Barbara, Amy Winehouse...

**2
 MILLION
 SUBSCRIBERS**

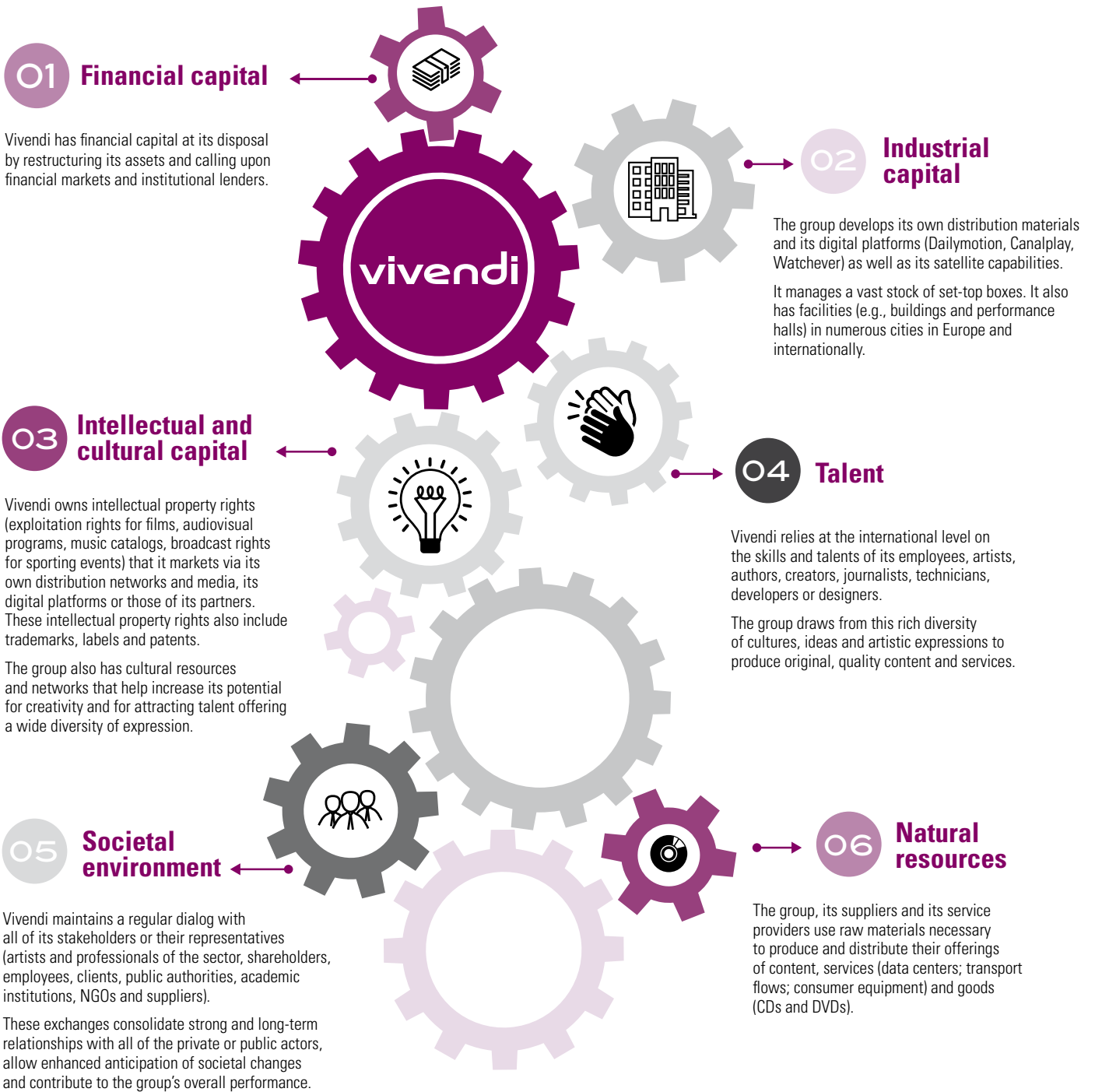
to the pan-African
 channel A+





1.5.2. RESOURCES NECESSARY TO VIVENDI'S OPERATIONS

To carry out its missions and its strategy (see "The Vivendi business model « on the next page), the group needs the specific human, cultural, financial, industrial and natural resources detailed below.



1.5.3. THE VIVENDI BUSINESS MODEL

VIVENDI, A GLOBAL INTEGRATED INDUSTRIAL GROUP IN MEDIA AND CONTENT

MISSIONS

- ◆ Discover and support talent in their creativity and their artistic expression.
- ◆ Produce and broadcast original, quality musical, cinematographic, audiovisual content.
- ◆ Promote access to this content to the largest audience.
- ◆ Contribute to intercultural living together and dialog.



GOVERNANCE

A dual structure with a Supervisory Board, a collective body that involves all of its members, and a Management Board.

Steering committees and cross-functional working groups bring together Vivendi's different skills and areas of expertise.

BUSINESSES

- Universal Music Group, world leader in music with strong positions in the recorded music market, music publishing and merchandising.

- Canal+ Group, the leading French audio-visual media group, present in France, Africa, Poland and Vietnam. Leading contributor to funding for French cinema and European leader in the production and distribution of films and TV series.

- Dailymotion, one of the world's largest video aggregation and broadcasting platforms.

- Vivendi Village, laboratory of ideas and developer of services that supplement the group's offerings.

PRODUCTS AND SERVICES

- Recorded music: the largest catalog with prestigious labels (e.g., Motown, Deutsche Grammophon, Polydor and Blue Note).
- Music platforms.
- Music publishing (Universal Music Publishing Group).
- Merchandising (Bravado).
- Partnerships with brands (Universal Music & Brands).

- Pay and general interest (Canal+) or special interest (e.g., Ciné+ and Planète+) channels.
- Free entertainment (D8), news (iTélé) and music (D17) channels.
- Multi-channel packages (Canalsat, nc+, K+).
- Films and TV series ("new" productions and works from one of the world's largest film catalogs).
- Film and series broadcasting platforms (Canalplay).

- Global video hosting and broadcasting service.

- Digital platforms of services offered to individuals (Vivendi Ticketing, MyBestPro, Watchever, Radionomy).
- Live performances (L'Olympia, Théâtre de l'Œuvre, CanalOlympia).



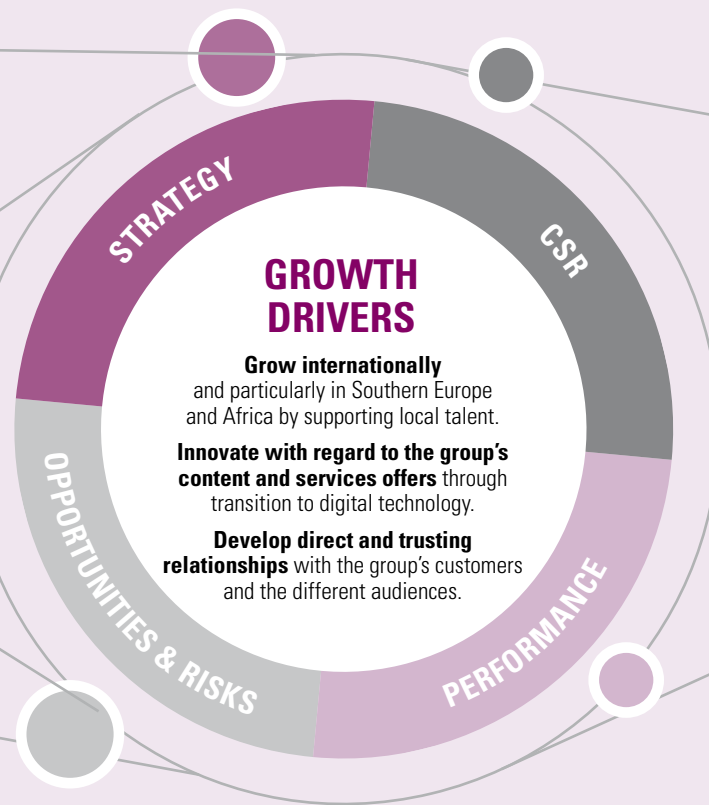
STRATEGY

- Innovate in a rapidly changing environment.
- Maximize the known potential of all the group's businesses to attract and develop the best creative talent.
- Mobilize employees around a shared corporate culture.
- Own equity interests in influential telecom operators to optimize the broadcasting of the group's content.

CSR

Ensure the implementation of the eight priority CSR issues, the first four of which are directly connected to Vivendi's business sector:

- Promotion of cultural diversity in content production and distribution.
- Empowerment and protection of young people in their use of digital media.
- Knowledge sharing (pluralism of content and access to media).
- Valuation and protection of personal data.
- Vigilance in conducting business.
- Social and professional empowerment of employees.
- Economic, social and cultural local development.
- Respect for the environment in the digital era.



GROWTH DRIVERS

Grow internationally and particularly in Southern Europe and Africa by supporting local talent.

Innovate with regard to the group's content and services offers through transition to digital technology.

Develop direct and trusting relationships with the group's customers and the different audiences.

OPPORTUNITIES & RISKS

- Seize and maximize opportunities, particularly those associated with know-how in identifying talent, with the pooling of resources of the content businesses, with knowledge of the French-speaking market or with the innovative CSR positioning of the group.
- Anticipate and control the principal risks: regulations, piracy, country governance, reputation, supply chain, competition from major international players in the digital market.

PERFORMANCE

- Measure achievement of the quantitative objectives: revenues, EBITA, cash flow.
- Evaluate the qualitative performance associated with achieving priority initiatives including those related to CSR.
- Value short-term performance (annual earnings) through bonuses and medium-term performance through performance shares.

1.5.4. VIVENDI'S "SPHERE OF INFLUENCE" IN HUMAN RIGHTS AT THE CENTER OF THE GROUP'S VALUE CREATION

Vivendi is one of the rare multimedia groups to occupy a leadership position across the entire value chain of content business.

Aware of the human and cultural influence that the group exerts over millions of customers and citizens, Vivendi strives to define its specific contribution to the respect for human rights through a direct link with its content production and distribution business, thus putting into practice

one of the OECD Guidelines for Multinational Enterprises: "Enterprises should respect the internationally recognized human rights of those affected by their activities" or the preamble to the UN Global Compact, which encourages businesses to act in favor of human rights "in their sphere of influence" (see table below).

Linking the "core" CSR issues to human rights allows the group to integrate this vigilance into its governance (extra-financial reporting, information verification work on the part of its auditors, inclusion of these issues in the variable compensation of senior executives) and its strategy (see Chapter 2, Section 1). In 2015, this policy was entered on the agenda of the Vivendi Audit Committee.

I THE "CORE" CSR ISSUES PERTAIN TO HUMAN RIGHTS

<p>Universal Declaration of Human Rights (1948)</p> 	<p>European Convention on Human Rights of the Council of Europe (1950)</p> 	<p>United Nations International Convention on the Rights of the Child (1989)</p> 	<p>Beijing Declaration and Platform for Action – 4th World Conference on Women (1995)</p> 	<p>European Union Charter of Fundamental Rights (2000)</p> 
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PROMOTION OF CULTURAL DIVERSITY IN CONTENT PRODUCTION AND DISTRIBUTION

Encourage creation in all its diversity	Article 27		Article 31	Objectives A1, J1	Article 22
Support female artists and producers of cultural goods and services				Objectives B4, F1, F2, J1, J2, L4, L8	Article 23
Promote local talent				Objectives A1, B4	
Promote cultural heritage			Articles 29, 30	Chapter 2	Article 22
Ensure respect for intellectual property and support artists	Article 27				Article 17

EMPOWERMENT AND PROTECTION OF YOUNG PEOPLE

Allow young people to exercise their creativity and their citizenship			Articles 13, 17, 29, 31	Objectives L3, L8	Article 24
Raise the awareness of young people and their circle to the responsible use of goods and services			Articles 17, 29	Objective J2	
Encourage media literacy			Article 17	Objective L8	

KNOWLEDGE SHARING

Promote the quality and the pluralism of content					Article 11
Facilitate access to offerings and services	Article 27			Objective L8	
Raise public awareness of the sustainable development issues			Article 29	Objectives K2, J2	

VALUATION AND PROTECTION OF PERSONAL DATA

Cultivate the digital trust of customers in a spirit of loyalty and transparency	Article 12	Article 8	Article 16	Objective L	Article 8
Exercise digital vigilance (employees, suppliers)	Article 12	Article 8	Article 16		

THE "CORE" CSR ISSUES



This requirement of transparency for economic players is increasingly sought by the company's stakeholders and expected pursuant to ever stricter regulations and standards both at the national (Grenelle II), or international (UN Guiding Principles on Business and Human Rights; European directive on non-financial information of large companies; GRI guidelines including the Media Sector Supplement) levels.

Respect for all human rights is therefore a valuable corporate asset that contributes fully to companies' reputations and to their performance.

Whether this involves the increase in alerts issued by NGOs, controversies that are receiving more and more media coverage urging investors to exclude from their portfolios multinationals or States accused of failing to keep their commitments, reluctance on the part of public authorities to open markets to offenders in this area, potential boycotts by consumers or dissatisfied customers, or rankings selecting the most virtuous companies, human rights are at the core of the company's value creation for itself and for its stakeholders.

**UNESCO
Universal
Declaration on
Cultural Diversity
(2001)**



**UNESCO Convention
on the Protection
and Promotion of the
Diversity of Cultural
Expressions
(2005)**



**OECD Guidelines
for Multinational
Enterprises
(2011)**



**UN Guiding Principles
on Business and
Human Rights –
Reporting Framework
Implementation Table
(2011)**



**Children's Rights and
Business Principles
by UNICEF, UN Global
Compact and
Save the Children
(2012)**



**UN Sustainable
Development
Goals (2015-2030)**



Articles 5, 8, 9, 10	Articles 1, 6, 7, 10		Page 106		Declaration; Objective 8.3
	Article 7			Principles 1, 6	Objectives 4.2, 4.3, 4.7, 5.5, 5.a, 5.b, 5.c
Articles 6, 9, 10	Articles 1, 2, 6, 7				
Articles 6, 7	Articles 1, 7, 8				Objective 11.4
Article 8	Articles 6, 7				
	Article 10		Page 105	Principle 1	Objective 4.7
		Point VIII.8 Consumer interests		Principles 5, 6	
				Principles 1, 6	
Articles 8, 9, 10	Articles 1, 6, 7, 8		Page 104	Principle 5	
Articles 6, 9	Articles 2, 6, 7		Page 104	Principle 5	Objectives 9.c, 11.a
Article 2	Articles 2, 13			Principle 10	Objectives 4.7, 12.8
		Point VIII.6 Consumer interests	Page 104	Principles 1, 5	
				Principles 1, 5	

1.5.5. CREATING VALUE FOR ARTISTS

It is essential for Vivendi to create value for the artists and the talent that produce the cinematographic, musical and audiovisual content or the entertainment programs that the group offers its customers, its subscribers and its different audiences. Discovering creative sources, paying special attention to the contribution of women and their access to cultural life, identifying talent, supporting it, ensuring respect for intellectual property, providing this talent with exposure on a local and international scale are at the core of Vivendi's missions.

In this way, the investments of Universal Music Group, the world leader in music, contribute to musical creation by discovering and supporting artists in all the countries where this group has a presence. This mobilization of financial resources and employee know-how creates a continuous renewal of the repertoires that satisfies the diverse tastes of audiences on a global scale. It also favors the attraction of local talent eager to be signed by prestigious labels with an international reputation.

Finally, the investments made to digitize the catalog allow the artists to extend the life of their works while simultaneously ensuring that the group's profits continue to increase. In fact, the digitization of musical works no longer accessible on physical medium enhances the value of the assets making up the exceptional UMG catalog in all its genres, including pop, classical, jazz and rock.

Canal+ Group, the leading French audiovisual media group, established in France, Africa, Poland and Vietnam, is the main contributor of funds to French cinema and the European leader in the production and distribution of films and TV series along with its subsidiary Studiocanal. Cultivating the creativity of local talent and taking advantage of the pooling of the group's areas of expertise strengthens artists' exposure.

Thus, in 2015, Canal+ Group has remained a privileged partner of French cinema. It actively supported creation by financing 55% of the French-initiative films approved by the CNC (the French national centre for cinema and motion pictures) for 175 million euros, which represents a total of 129 films.

Studiocanal has developed an ambitious production policy for European works with important international potential, thus proposing an alternative and complementary offer to that of the major American production companies. With a direct presence in the three largest European markets – France, Germany, United Kingdom – Studiocanal thus secures its supply of projects and a durable link with some of the greatest European talent.

On the African continent, the investments of Canal+ Afrique in local content increased by 80% in one year. In 2015, 5.5 million euros were invested in African production (films, audiovisual programs, A+, Nollywood TV). The construction of the CanalOlympia movie theatres and performance venues in numerous countries of the continent is fuelled by the same determination: identifying and supporting local talent to give it the means to make itself known and to reach vast audiences.

In Vietnam, the subsidiary of Canal+ Group, K+ is attentive to the development of new talent to work for an ambitious and accessible Vietnamese movie industry. The study of scripts, prior to commitment, corresponds to this dual ambition. In 2015, for the first time, K+ co-produced five Vietnamese films.

Digital gives an additional impetus to this business expertise in the discovery and support of talent particularly through the effectiveness of social networks and easier access to works, allowing the group to meet the new needs of their customers, particularly as regards the conditions under which they choose to consume their content. Vivendi is also increasing its investments in different platforms including Dailymotion and Watchever to optimize the exposure of the artists signed by the group (see Chapter 2, Section 2.1.1).

Vivendi pays close attention to the distribution of value and puts significant effort to ensuring respect for intellectual property, which is a necessary condition for the fair remuneration of rights holders.

On October 2, 2015, Universal Music France signed a Memorandum of Understanding for the fair development of online music pursuant to which the parties "believe that it is indispensable, in the best interest of the entire industry, to re-establish trust by ensuring the most transparent and the most equitable sharing possible of all revenues generated by the digital exploitation of musical works." Producers in particular made the commitment within this framework to guarantee a minimum compensation to artist-performers. "All these provisions constitute considerable advances for artists." (source: French Ministry of Culture).

Furthermore, in May, Canal+ signed an agreement with all of the professional organizations of the film industry. This agreement defines in particular the investment commitments of Canal+ "in European and original French expression feature-length cinematographic works" in addition to commitments to a diversified film acquisition policy of French expression feature-length cinematographic works (representativeness of the different budget levels of the films selected, balance between newcomers and established directors, financing of a wide variety of genres). This agreement, which lasts 5 years, supports the historical and virtuous partnership between Canal+ and the professionals of the seventh art.



31%
AMOUNT OF MARKETING AND RECORDING INVESTMENT OF UNIVERSAL MUSIC FRANCE dedicated to new talent (artists releasing their first album) as a percentage of total investment

Source: Universal Music France.



29%
ON AVERAGE OF UNIVERSAL MUSIC FRANCE'S REVENUE from the sale of new products, was generated by new talent (artists releasing their first album)

65%
OF UNIVERSAL MUSIC GROUP SALES generated by local artists in their own country

(scope of 59 countries)
Source: UMG

20 first French-initiative films
and
14 second French-initiative films
financed by **CANAL+**

Source: Canal+

* Figures as of 12/31/2015.



Supporting the contribution of women throughout the entire content production process is a component of Vivendi's performance. After launching its initial study on the role of women in cinema and music in Europe in 2013, Vivendi created a Steering Committee made up of several professionals of Canal+ Group and Universal Music in order to raise awareness and collect data. Thus, in 2015, 25% of the films bought up by Canal+ will be directed by women. Of the 19 films officially competing at the 2015 Cannes Film Festival, only two were by female directors. They were both supported by Canal+ Group: *Mon Roi* by Maïwenn was coproduced and distributed by Studiocanal, and *Marguerite et Julien* by Valérie Donzelli benefited from investment by Canal+. As part of its policy of supporting the development of African production, the channel A+ encourages several magazine and series projects led by women like Akissi Delta, Yolande Bogui and Alexandra Amon. Alexandra Amon,

discovered by Canal+ Afrique during the project *L'Afrique au féminin*, saw her first series, *Chroniques africaines*, receive the award for best TV series at the 2015 Pan-African Film and Television Festival. Furthermore, of the 50 best-selling Universal Music Group albums in the world in 2015, 28% were by female artists and 40% were by male artists (excluding groups, film scores and compilations).

The subject of the role of women in artistic creation fuelled in particular the partnership between Vivendi and Sciences Po (see Chapter 2, Section 2.1.2.1). Vivendi is also a member of the Ministerial Committee for gender equality set up by the French Minister of Culture. Finally, the site *Culture(s) with Vivendi* and the CSR webradio *Vivoice* highlight the careers of women who have become famous as orchestra conductors, screenwriters, film producers or directors.



Canal+ Group, privileged partner of the seventh art and of the cinematographic heritage: *Mon Roi*, Maïwenn (Cannes Film Festival, 2015); *Timbuktu*, Abderrahme Sissako (Césars, 2015); *The Imitation Game*, Morten Tyldum (Academy Awards, 2015); *Ran*, Akira Kurosawa (4K restoration by Studiocanal, 2015).



€134M
INVESTMENTS
BY STUDIOCANAL
 in European works

Source : Studiocanal



18%
OF INVESTMENTS
 excluding sports of Canal+ Afrique
 allocated to the production
 of local African content

Source: Canal+ Overseas



5
VIETNAMESE FILMS
CO-PRODUCED BY
THE SUBSIDIARY
OF CANAL+ GROUP

Source: Canal+ Overseas



25%
OF THE FILMS PRE-PURCHASED
BY CANAL+ IN 2015
DIRECTED BY WOMEN

Source: Canal+

1.5.6. CREATING VALUE FOR SHAREHOLDERS

Creating shareholder value is central to Vivendi's strategy, with a long-term view. This created value is measured in particular through the group's financial and extra-financial performance. It is accompanied by an active communication policy that is essential for establishing a regular dialog with Vivendi's management, sharing the strategy and commenting on the achievements of the group's subsidiaries. The integrated reporting process illustrates this dynamic.

In a context in which the economic models of its businesses are in transition, Vivendi has achieved financial performances consistent with the objectives announced in early 2015. Sales grew by 6.7% (1.4% at constant currency and perimeter), the current operating margin is 10.2% (at constant currency and perimeter) and adjusted net income reached 697 million euros, up 11.3%.

As of December 31, 2015, the group had a net cash position of €6.4 billion compared to €4.6 billion at year-end 2014. This position is primarily the result of finalizing the group's restructuring with the sale of its remaining 20% interest in Numericable-SFR, as well as the sale of GVT in Brazil and the payment in April of a dividend of €1 per share, and the payment in June of an interim dividend of €1 per share.

Vivendi shares are listed in compartment A of Euronext Paris, code ISIN FR0000127771. As of December 31, 2015, Vivendi was the seventeenth weighted stock of the CAC 40 index and the second weighted stock on the Stoxx Europe 600 Media index.

The Vivendi stock market price ended 2015 at €19.86, down 4.0% compared to 2014, and up 4.4% based on reinvested dividends. By comparison, the Stoxx Europe Media index was up 12.2% (+15.3% reinvested dividends) and the CAC 40 index grew by 8.5% (+11.9% reinvested dividends).

Vivendi's financial communication is based on the principle of providing precise, transparent and fair information concerning the group's position to all shareholders, analysts and investors. The group ensures that it complies with all the laws, regulations, standards and procedures in force in France: the French financial security act, IFRS (International Financial Reporting Standards) and the standards defined in the COSO (Committee of Sponsoring Organisation of the Treadway Commission) report. It also reports on the implementation of French laws and regulations (Grenelle II) or international standards that frame its social responsibility.

The Vivendi Investor Relations department maintains a close and ongoing dialog with the analysts of brokerage firms and investment funds. It also continuously adds to and updates the Investors/analysts section of the corporate web site, which is intended in particular for institutional investors. In cooperation with the Corporate Social Responsibility (CSR) department, it organizes meetings with analysts and investors interested in the group's CSR policy.

Vivendi's financial communication to institutional investors also translates into the organization of meetings about the world's main financial markets, and the participation of executives from corporate headquarters and from the group's subsidiaries at investor conferences.

In all, in 2015, 546 "events" (including roadshows, investor conferences, meetings at Vivendi corporate headquarters or at its subsidiaries and analyst contacts) were organized in Europe and in the United States. They allowed the management teams of Vivendi or of its subsidiaries to meet with the representatives of 382 financial institutions to present to them the group's results and outlook.

Furthermore, Vivendi is engaged in a close dialog with its individual shareholders who hold 4.9% of the group's capital (the employee shareholders own 3.3%). They benefit from communication dedicated specifically to them. Staying close to them, keeping them informed and understanding their expectations are the priorities of the group's Individual Shareholders Information department.

On the group's website, there is a section specifically aimed at individual shareholders, which includes "General meeting," "In pictures," "Audio news," "Letters to the shareholders," "Shareholders' Committee," "Agenda," "Press releases," "Shareholders' club," "Shareholder's passbook," "Market prices" and "Contact us" pages. A toll-free telephone number and a Twitter account have been created specifically to best meet their expectations.

At the 12th edition (2015) of the Grands Prix for corporate governance organized by the AGEFI (*Agence économique et financière*), Vivendi was awarded 3rd place for "Shareholder democracy, information transparency and communication quality."



10.2%
INCOME FOR OPERATIONS
MARGIN IN 2015
(at constant currency
and perimeter)



11.3%
GROWTH OF ADJUSTED
NET EARNINGS
IN 2015



0.51 euro
ADJUSTED NET INCOME
PER SHARE 2015



3 euros
DIVIDEND PER SHARE
FOR 2015

* Source: Vivendi.

1.5.7. CREATING VALUE FOR CUSTOMERS

Vivendi's capacity to offer its customers original, quality content while at the same time facilitating the options for enjoying it at will, is one of the main sources of value creation for them. To satisfy this demand, the group nurtures the curiosity and the diversity of its customers' tastes, cultivates their digital trust in a spirit of loyalty and transparency, welcomes their creativity and ensures it protects and empowers its younger audience.

Diversity of artistic expression, pluralism of content and editorial innovation are all criteria for satisfying customers 75% of whom feel that "Canal+ is a channel that offers programs that you cannot see anywhere else" and who, through their purchases, give Universal Music Group a better than 30% share of the world's music market.

This sharp difference characterizes the offers of Canal+ Group whether this involves films, TV series or entertainment programs. The same is true for the documentary channels that cover a diversity of themes and genres (history, science, civilization, society, investigation, adventure, escape, wildlife) and which, in 2015, offered 1,135 hours of programming to Canal+ subscribers. News is not to be outdone, as witnessed by the success of *Le Petit Journal*. This televised news program of the new generation, hosted by young journalists, attracts new audiences who want to understand the world's current events and are interested in a national and international news format that mixes humour, audacity and a taste for investigation. In December 2015, *Le Petit Journal* reached its second best audience of the season with 1,666,000 viewers.

Canalplay and myCanal broadcast this rich and original content package by allowing subscribers to access thousands of films, complete series, digital series, comedy and programming for a younger audience, at a time and place of their choosing.

Committed to expanding its content on the Internet, in 2015, Canal+ created a Digital Creation hub. This centre offers young talent in particular the opportunity to expand their audience and benefit from assistance with the production and promotion of short formats and original productions developed specifically for the web. In Africa, in November 2015, Canal+ launched the MDR! (Mort de rire, or Dying of laughter) project in partnership with CFI, the French media cooperation agency, to identify and train the African talent of tomorrow to participate in the creation of new, short comedy programs.

The diversity in the cultures of audiences is satisfied by the richness and the variety of the Universal Music Group labels (which include Capital Music Group, Island Records, Def Jam Recordings, Polydor, Blue Note Records,

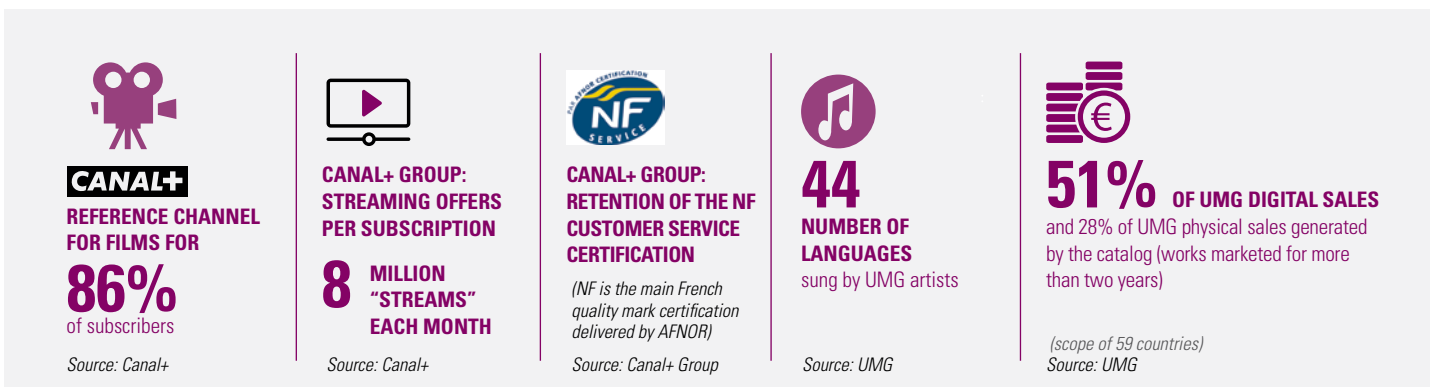
Decca and Deutsche Grammophon). The digitization of UMG's exceptional catalog promotes heritage and encourages different generations to share musical emotions. The artists signed by UMG in close to 60 countries express themselves in 44 different languages. In 2015, the best UMG sales were not only achieved by established international artists but also by new musical discoveries and local artists.

UMG is increasing its initiatives for attracting talent in the countries where the group has a presence. To this end, Abbey Road Studios in London, owned by UMG, launched the Abbey Road Institute in 2015. Since September 2015, this institute has offered a year of training aimed at students who will earn a sound engineering and musical production diploma when they complete their studies. In Africa, UMG partnered with the British director Richard Curtis to organize a competition for young people to involve them in writing the lyrics to the song "Tell Everybody" in connection with the campaign to raise awareness of the new United Nations sustainable development goals. Almost 6,000 young people sent their proposed lyrics via their mobile phone.

Vivendi's strategic choice to bet on the growth opportunities offered by digital technology must be supported by a rigorous policy concerning the collection and management of personal data that preserves respect for customers' privacy. Vivendi has established instruments, such as the Data and Content Protection Charter, adopted in 2008, or the best practice guide concerning sensitive data. Vivendi takes care to verify that its partners comply with the group's values and rules of conduct in the countries where the group has a presence. The protection and valuation of personal data are the subject to certain reporting requirements based on precise indicators by the subsidiaries of the company, which are then examined by the Company's Auditors. CSR (corporate social responsibility) criteria, associated with this issue, are also included in the variable compensation of Vivendi executives. This compliance creates value for the group's customers, who are increasingly better informed concerning the protection of their personal data and more inclined to disclose aspects of their identity to companies that have a clear and comprehensible policy.

Concerning this subject, special attention is paid to young audiences, with a taste for musical, cinematographic or online video offers. At the request of the CSR department, monitoring is conducted to obtain better knowledge of the methods for processing the personal data of children and teenagers on the web sites of the group's subsidiaries offering media content intended for this audience. This sustained vigilance makes it possible to anticipate the measures for protecting minors included in the future European regulations and to limit the potential reputation risks.

KEY FIGURES *



* Figures as of 12/31/2015.

1.5.8. CREATING VALUE FOR EMPLOYEES

Vivendi, an integrated industrial group with international ambitions, involved in media and the production and distribution of cultural or entertainment content, invests in men, women, ideas and creativity.

This is the condition of its success and of its ability to innovate in a constantly changing environment. The group must also provide for the excellent management of its employees to attract them, retain them and support them. Involving the employees in the company's strategies and results and satisfying their expectations regarding employability and the quality of their work environment life are both priorities for the group.

The year 2015 was marked by the desire of Vivendi's management to involve the employees of the group's different entities in a joint and participatory reflection process to define together the group's strategic developments and the new business opportunities.

This dynamic was carried forward through the organization of three international seminars that brought together some fifty operational and headquarter managers, who sought to facilitate the cross-functional mobilization of employees. Several campaigns were selected and some have already been deployed. Thus some forty young, recently hired employees under the age of thirty were asked to develop a "welcome and teamwork program" for new employees, based on four major focuses: the discovery of the group's different businesses, the development of internal networks, the pooling of ideas and the building of bridges between entities. Another pilot program intended for more senior managers will allow them to discover the best practices (offering of goods and services, technological innovations, team management, corporate social responsibility initiatives) through training cycles that bring them together for several weeks. Finally, certain occupations, such as web developers or designers, have already been organized into networks to foster synergies within the group.

Seeking to establish a fair distribution of the fruits of the employee's labor, Vivendi set up a profit sharing system that strongly encourages the development of employee share ownership. In 2015, a capital increase reserved for employees was carried out.

This operation was a great success in terms of employee participation (4,659, or a 43% increase compared to the previous capital increase carried out in 2013) and in terms of the amounts to which the employees subscribed, which increased by close to 75 million euros. As of December 31, 2015, employees of the group held 3.3% of Vivendi's capital.

Helping employees adjust to changes in their business is a central focus of the training programs deployed in the group. If Canal+ Group puts a premium on collective initiatives, Universal Music Group has opted for individualized methods. In 2015, more than 10,000 employees benefited from training campaigns.

In addition to employability, parenthood is an important issue for social dialogue considering the employee age pyramid. Close to 70% of employees are under the age of 44. Several agreements or charters provide for a certain career flexibility and leave of absence by the employee (maternity leave or parental leave). In order to foster gender equality, the agreements include measures for identifying and correcting pay gaps. Canal+ Group therefore disregards periods of maternity leave in the annual evaluation, and identifies pay gaps for equal jobs and the associated corrective actions. More globally, Vivendi seeks to achieve parity in succession and promotion plans. Women represent 42% of management staff and, on average, 20% of them sit on the management committees of the entities (Vivendi, Universal Music Group, Canal+ Group, Vivendi Village, Dailymotion).

Finally, all employees carry out their mission in compliance with the group's rules of conduct listed in the Compliance Program adopted in 2002. Compliance with these rules is a condition for being a part of Vivendi. These rules are applicable to each employee regardless of his or her level in the group's hierarchy and his or her duties. They cover the rights of employees, the accuracy and protection of information, the prevention of conflicts of interest, business ethics and compliance with the rules of competition, the use of property and resources belonging to the group, financial ethics and environmental awareness. To guarantee the best standards in conducting the group's business activities, the Management Board monitors the application of this Program, on the initiative of the General Counsel of Vivendi and the *Compliance Officers* of the principal operational units. An activity report is submitted annually to the Audit Committee, which reports to the Supervisory Board.



TOTAL NUMBER
OF EMPLOYEES:
16,395



3.3%
OF VIVENDI'S CAPITAL
held by employees



2 EMPLOYEES ON THE SUPERVISORY BOARD:
one director representing the employee shareholders
and one director representing the employees



68% OF EMPLOYEES
are between the ages
of 25 and 44
and **65%** of them **WORK IN EUROPE**



42%
OF MANAGERS
ARE WOMEN



42% OF EMPLOYEES
COVERED
by the collective bargaining agreements (worldwide)
and **23 AGREEMENTS SIGNED** with labor
representatives (France)

* Figures as of 12/31/2015 - Source: Vivendi.

1.5.9. CREATING VALUE FOR SUPPLIERS AND BUSINESS PARTNERS

Vivendi contributes actively to the local economic fabric of the territories in which it conducts business, particularly through the business contracts that it signs with its different partners in compliance with the group's rules of conduct. To assess the creation of value, economic results and fairness of practices must go hand in hand. As the Vivendi Compliance Program states: "The desire to strive for economic performance cannot in any circumstances justify breaching the rules of business ethics. On the contrary, this requirement for performance requires everyone to act in a way which favors commercial relationships which are lasting and based on loyalty and integrity".

The Vivendi business units make sure to integrate the group's commitments based on the Compliance Program and the principles of the United Nations Global Compact in their tender calls and their contracts with their principal suppliers. In 2015, to assess the risks associated with the Vivendi supply chain, an evaluation of the purchases made from suppliers and subcontractors accounting for at least 75% of the total expenditures of each of its subsidiaries was updated. This study shows that 85% of the group's purchases comprise the purchase of content and professional services and that 84% of these purchases are made in Europe.

Canal+ Group pays particular attention to ensuring that its suppliers and service providers are economically independent. Thus, the proportion of the sales of these suppliers and service providers attributable to Canal+ Group is audited regularly using ERP (Enterprise Resource Planning) purchasing management software. When this proportion becomes significant and reaches 30%, assistance may be offered to the service provider who is then alerted and invited to diversify its clientele. The Purchasing department ensures, as far as possible, not to sign contracts for more than three years. At the end of this period, the supplier must compete in requests for proposals.

In 2015, in six African countries (Burkina Faso, Cameroon, Congo, Gabon, Ivory Coast and Senegal), Canal+ Group maintained business relations with 76 local producers for the purchase and pre-purchase of rights and the coproduction of shows, films and productions. The group created close to 4,500 indirect jobs through its distribution network, its purchases of communication services and the technician services that it used to install the equipment necessary for subscribers to receive the packages.

In its main business regions, Universal Music Group requires its suppliers, through its calls for tender, to sign the Universal Music Group Supplier Corporate Responsibility Policy. In the United Kingdom, the UMG Purchasing department has been made aware of the new regulatory framework of the Modern Slavery Act adopted in 2015 requiring companies to detail the measures that they have taken to ensure that their suppliers do not engage in modern slavery practices or in human trafficking.

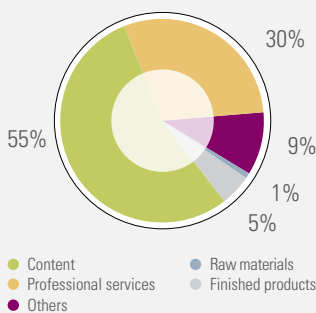
Bravado Australia, UMG's Australian merchandising subsidiary, requests its suppliers to provide evidence of international accreditation (WRAP, BSCI and SEDEX) certifying that they comply with the ethical requirements prior to any contractual commitment. They are also asked to sign a Manufacturing Agreement that reminds them of their commitments in relation to respect for human rights, and compliance with those commitments is verified by the company through annual audits.

In connection with the renewal of its EMAS environmental certification, Vivendi SA includes environmental protection clauses in its contracts and its business relationships with its suppliers and subcontractors.

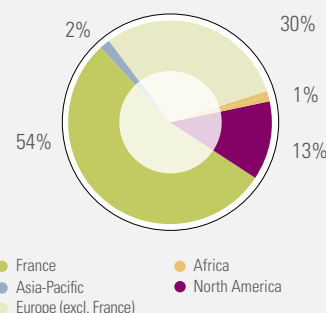
In 2016, Vivendi will continue its work to consolidate the commitments it has made to making progress on its purchasing operations with the operations staff of its business units and in order to better anticipate increasingly demanding regulatory changes.

KEY FIGURES *

PURCHASES BY CATEGORY



PURCHASES BY GEOGRAPHIC REGION



CANAL+ GROUP:
 renewal of
THE SOCIAL RESPONSIBILITY LABEL FOR CALL CENTERS



78% of purchases
MADE FROM LOCAL SUPPLIERS

Scope:
 - Universal Music Group limited to a focus group of nine countries (Australia, Brazil, France, Germany, Japan, the Netherlands, South Africa, the United Kingdom and the United States);
 - Canal+ Group: entities located in France, in Africa (a focus group of six countries: Canal+ Burkina Faso, Canal+ Cameroon, Canal+ Congo, Canal+ Gabon, Canal+ Ivory Coast, Canal+ Senegal), in Poland and in Vietnam; and
 - Vivendi Village: Vivendi Ticketing, MyBestPro, Watchever, L'Olympia.

* Figures as of 12/31/2015. Source: Vivendi.

1.5.10. THE VALUE CREATION CIRCUIT

The following two pages illustrate as a summary the sharing of financial and extra-financial value produced by Vivendi with its main stakeholders. The page references refer to additional information detailed in the Reference Document.

Total workforce **16,395**
Wages and salaries **€1,138M**

Attractiveness of the businesses pp. 12-14, 59
Development of skills pp. 59, 84-87
Cross-functional mobilization of employees pp. 12-13, 26, 59
Employee share ownership pp. 26, 58
Employee representation on the Supervisory Board pp. 26, 86, 117

Amounts distributed to artists, suppliers and service providers (distribution, purchase of programs, royalties, subscriber management...): **€7,751M**

Human rights and business relationships pp. 20-21, 27, 48, 52, 57-58, 73-74, 165
CSR as part of the purchasing policy and in relations with suppliers and subcontractors pp. 27, 53, 57-58, 73-74
Percentage of purchases made from local suppliers pp. 27, 70
Breakdown of purchases by main categories and geographic regions pp. 27, 73



Investment in local creation and talent pp. 15, 17, 20, 22-23, 48, 53, 55, 62-65, 70-71
Support for new talent pp. 13-14, 20, 22-23, 55, 63-67
Respect for intellectual property pp. 17, 20, 22-23, 65-66
Promotion of heritage pp. 20, 25, 55, 63-65
Dialog with the professional associations pp. 22-23, 53, 72
Role of female artists and producers of cultural goods and services pp. 20, 23, 53, 56, 63

Development of business activities
Investments in content **€2,309M**

Contribution to economic, social and cultural local development pp. 14, 27, 56, 70-71
Solidarity programs and sponsorship initiatives pp. 66-67, 71
Development of infrastructures, particularly performance venues in Africa pp. 14, 17, 56, 70, 263
Respect for the environment pp. 17, 27, 60-61, 89-94, 160

Promotion of cultural diversity pp. 20, 25, 55-56, 62-65
 Empowerment and protection of youth pp. 20, 25, 52, 57-58, 66-68, 70
 Pluralism of content, access to media and awareness raising of sustainable development issues pp. 20, 25, 56, 68-70
 Valuation and protection of personal data pp. 20, 25, 57, 69-70
 Dialog with consumer associations pp. 25, 72



State and local authorities
 Taxes on production and income: **€1,216M**
 Payroll taxes on wages and salaries: **€310M**

Dialog with national and international institutions pp. 22, 53, 55-56, 75
 Responsible lobbying p. 75
 Respect for intellectual property and fight against piracy pp. 20-21, 65-66, 72, 75



Shareholders*
 Dividends paid to shareholders in 2015, for fiscal year 2014: **€1,363M**⁽¹⁾
Financial institutions
 Interest paid to banks: **€30M**

Financial communication policy pp. 24, 41-42



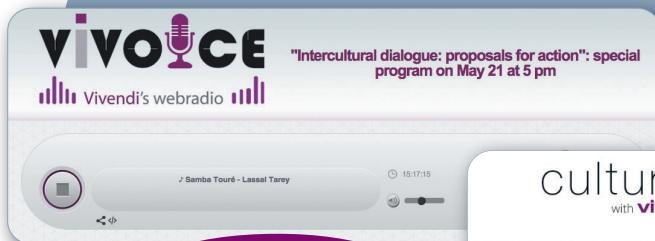
Regular and constructive dialog through partnerships pp. 17, 53, 56, 66-67, 70-71
 Two innovative digital tools: *Culture(s) with Vivendi* and *Vivoice* pp. 23, 52-53, 56-57, 90
 Involvement of young citizens pp. 20, 49, 53, 56
 Role of women in cultural life pp. 20, 23, 26, 52-53, 56, 59, 76, 81, 85-86, 131

* Employees and former employees hold 3.3% of the share capital.
 (1) See also Chapter 4, note 15 to the consolidated financial statements for the year ended December 31, 2015 "Shareholder dividend distribution policy".

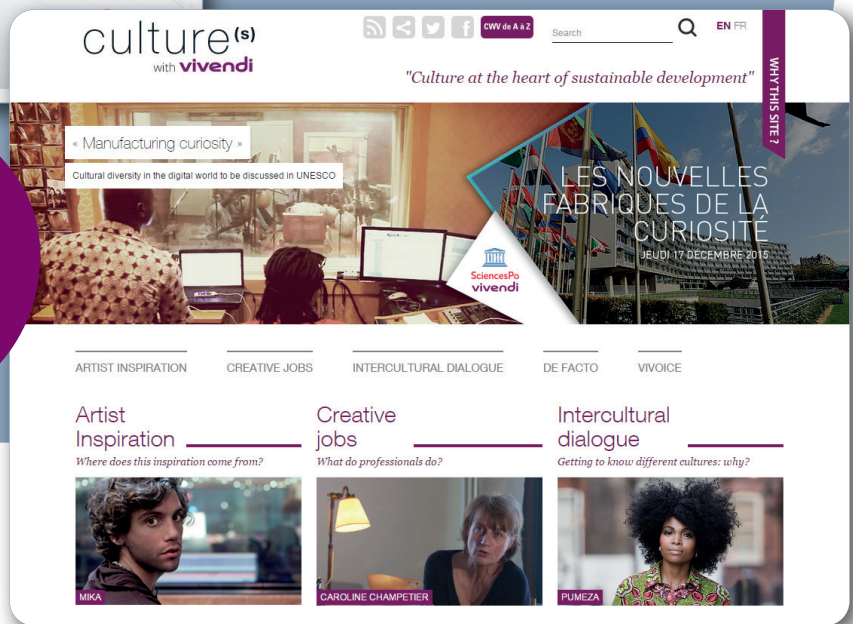
DIALOGUE TOOLS

Because dialogue with stakeholders brings new ideas and suggestions to any group that keeps abreast of its partners' concerns, the CSR Department has implemented two innovative tools: the website

Culture(s) with Vivendi and the CSR webradio *Vivoice*.



vivoice.vivendi.com
[@WebradioVivoice](https://twitter.com/WebradioVivoice)
cultureswithvivendi.com
[@CulturesWith](https://twitter.com/CulturesWith)
[f Cultures with Vivendi](https://www.facebook.com/CultureswithVivendi)



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