

GLOBAL COMPACT
THOMSON
2007 COMMUNICATION ON PROGRESS

Message from Marie-Ange Debon, Thomson Senior Executive Vice President, General Secretary and External Communication, and Chair of the Corporate Social Responsibility Committee:

Thomson continues to make major strides in its efforts to meet or exceed the goals embodied in the United Nations Global Compact initiative. As reported herein, we have made significant progress in the areas of supplier ethics, employee development and diversity, employee health and safety, and environmental protection and preservation. As a member of the UN Global Compact since 2003, Thomson's participation demonstrates the importance we place on our core values, our ethics, the safety of our people, and on the environment. We remain committed to the highest standards of ethical conduct and to the guiding principles outlined by the UN in the areas of human rights, labor, the environment, and anti-corruption. We have displayed our commitment for all to see, and we ensure that all Thomson people around the world work to live up to the Group's high standards and ideals.

THOMSON – WHO WE ARE

Thomson is a world leader in digital video technologies, providing technology, services, and systems to help its Media & Entertainment clients – content creators, content distributors, and users of its technology – realize their business goals and optimize their performance in a rapidly changing technology environment. The Group is the preferred partner to the Media & Entertainment industries through its Technicolor, Grass Valley, RCA, and THOMSON brands.

THOMSON VALUES & ETHICS CHARTER

Refreshed and revised in 2006, Thomson's values -- respect, transparency, anticipation, and accountability -- provide the framework for the way Thomson people work and interact with others on a daily basis. At the same time, the company's Code of Ethics outlines the key principles that guide employees worldwide. The Code of Ethics is comprised of four key elements: respect for the people who work within the Group, for the environment, for integrity, and for creativity. An Ethics Compliance Committee, appointed by Thomson's Executive Committee, seeks members who exemplify ethical behavior in executing their Thomson duties.

In 2007, Thomson also created a Corporate Social Responsibility Committee, reporting directly to the Chairman's Executive Committee, to oversee all matters related to corporate social responsibility, compliance and ethics.

SOURCING ETHICS GUIDEBOOK

Thomson's Sourcing organization often is the first internal organization to meet with external suppliers and is charged with developing and implementing the Group's ethical standards in relation to those suppliers. While Thomson is required to obey the law and abide by its agreements, ethical standards demand more. Thomson must deal honestly with those whose interests are affected by its business dealings.

ENVIRONMENT, HEALTH AND SAFETY

Thomson places a high priority on enhancing implementation of ongoing environmental, health and safety (EHS) policies company-wide. The cornerstone of the EHS effort is the Corporate EHS Charter, which defines key management principles designed to protect human health and the environment, and thus helps Thomson meet its legal and corporate responsibilities. Signed by Thomson's Chairman and Chief Executive Officer and posted throughout Thomson sites worldwide, the EHS Charter pledges the Group's commitment to "continually improving facilities, services, and products in the best interest of our employees, our communities, our customers, our company, and the future."

THOMSON FOUNDATION

Established in 2006, the Thomson Foundation for Film & TV Heritage provides Thomson's expertise, equipment, and technical and logistical support toward the preservation of cinema and TV archives, both key components of the world's cultural heritage. The Thomson Foundation currently is carrying out activities in Cambodia, India, Thailand, the United States, and France.

2007 ACTIONS AND RESULTS

Thomson in 2007 launched a Sourcing Supplier Ethics Program and made significant strides in strengthening employee development and increasing diversity within the Group.

In addition, Thomson undertook a number of initiatives in 2007 to fulfill its ethical and EHS obligations. These included programs to reduce employee injury rates on the job, reduce water use and landfill waste, and improve electronic recycling efficiency. The Group also continued a strong internal auditing process and launched a web-based reporting system for EHS-related information issues.

2007 Sourcing Supplier Ethics Program

Thomson's Sourcing Supplier Ethics Program requires all suppliers to sign a "Supplier General Rules of Conduct Compliances" certificate. In addition, all Thomson Sourcing personnel must read the organization's ethics handbook and sign a Sourcing Ethics agreement.

The Sourcing organization also conducts on-site audits of suppliers with highly labor-intensive processes as well as of suppliers with facilities in China and India. More than 500 such audits have been conducted since 2002. All audited suppliers must pass Thomson's ethics rating criteria to be eligible for selection.

During the audit process, instances of child labor are classified as "critical" and warrant immediate stoppage of business. Audits revealing employee discrimination, forced labor, safety violations, or permanent disabilities or fatal injuries are classified as "major" and warrant immediate corrective action by the supplier. From 2006 through September 2007, the number of "unacceptable" and "unsatisfactory" violations uncovered in Thomson audits fell by 66%.

Thomson gives preference to suppliers who have achieved ISO 9000 certification and meet various EHS codes, such as ISO 14000 and OHSAS 18000. In addition, Thomson ensures that supplier products are in compliance with local legislative and environmental regulations, specifically the European Union directive on restrictive uses of certain hazardous substances (RoHS).

2007 Employee Development and Diversity Efforts

Thomson's management development efforts at the Group level have placed a strong emphasis on employee training. Overall training initiatives encompass more than 600,000 man-hours averaging two training sessions per employee per year.

More specifically, Thomson has developed seminars designed specifically to support the Group's transversal programs. In 2007, corporate seminars targeting more than 130 participants have focused on Value Creation, Technology, Key Account Management, and Financial Leadership.

In addition, sharply tailored programs dedicated to strategy development and leadership have been established in partnership with a leading worldwide business school. More than 80 Thomson employees identified as potential managers are participating in this course.

To complement the Group initiatives, each Thomson business unit is developing separate training programs to meet specific needs and strategies. Individual developmental needs related to objectives and progress assessments are discussed each year as part of Thomson's "Contract of Progress," which is completed by all exempt-salaried employees worldwide.

In 2007, Thomson initiated an international diversity initiative, including the creation of a network comprising women managers. The network convened mid-year to help Thomson identify, attract, and retain talented women to participate in the growth of the Group and position the company as committed to best practices in diversity. The convocation is charged to define how women can fully develop their added value to reach the Group's 2009 ambitions.

Three working groups have been assigned to provide recommendations on key diversity issues ranging from integration to the promotion of women in operational and sales and marketing roles. In addition, Thomson's Corporate Social Responsibility Committee has required recruiting and personnel search professionals worldwide to ensure that the CV (Curriculum Vitae) of at least one qualified woman is included in every list of finalists for open positions within the Group.

Thomson is part of the Women in Science & Technology (WIST) initiative. Under the direction of the European Union, WIST gathers companies and academics committed to diversity to propose recommendations to improve the status and position of women in scientific careers, as well as corporate managerial positions in general. Thomson will participate in a 2008 study on work/life balance and its impact on the value proposition for employees.

An audit of dedicated leadership programs available to women and offered by leading international business schools currently is under way for incorporation into the Group's training catalogue.

2007 Thomson Free Share Program

In 2007, Thomson implemented a "Sharing Success & Beyond" program that awarded 20 shares of Thomson stock to employees worldwide. The program strengthened employee commitment and involvement in Thomson by enabling employees to become shareholders on an equal basis.

2007 EHS Programs

Injury Reductions

The Group's main business units took steps in 2007 to reduce its global injury rate. As a result, the incident rate (number of incidents multiplied by 200,000 hours, then divided by the total number of hours worked) for the Group's Services division dropped 17% during the first quarter of the year.

Also, 19 Thomson sites were added to the Group's incident reporting system so that the current business structure is represented accurately in public figures and the Environmental Health & Safety function can target improvement efforts at sites with the most risk. Fifty-four sites representing nearly 90% of Thomson's global work force now are part of the incident reporting system. This includes all locations with more than 300 workers, all Research & Development Centers with more than 100 workers, and all seven of Thomson's Centers of Excellence (Paris, Rennes, and London in Europe; Burbank, Indianapolis, and Princeton in the Americas, and Beijing in Asia).

Water Use and Landfill Reductions

Programs to reduce water use have taken place mostly within Thomson's worldwide film business, and a Zero Waste to Landfill pilot project was launched across four sites within the Americas. Thomson expects to expand the project to other sites once initial performance objectives are achieved.

Electronic Waste Reduction

Thomson's Environmental Health & Safety team in Indianapolis, Indiana, U.S., is taking a national pro-active approach towards raising environmental awareness in the field of recycling. As they become obsolete, televisions and other consumer electronics products once manufactured by Thomson and its competitors eventually will end up in landfills across the United States.

Several U.S. states enforce legislation to help pay the costs of e-waste recycling and landfill disposal. The impact of these laws in Maine and California is the focus of a Thomson EHS workshop aimed at anyone with a stake in the e-waste issue. The workshop employs role playing to simulate the administrative and cost issues associated with these laws. Four versions of the workshop were held in 2007, including one to participants at the E-Scrap North America electronics recycling conference in Atlanta.

Internal Auditing

Internal auditing related to EHS has been very active within Thomson, following the "at least every third year" rule in corporate governance. Nearly 30 audits were conducted in 2006 and 2007.

Web-Based Reporting System

Thomson completed implementation of a global, web-based reporting system for injuries, energy consumption, water use, and waste generation. Reports are compiled monthly and are supported with annual questionnaires on such topics as raw materials usage.

Carbon Disclosure Project

Thomson is rated "best-in-class" in several areas of the Carbon Disclosure Project (CDP), an independent, not-for-profit organization concerned with climate change. The CDP's goal is to facilitate a dialogue, supported by quality information, from which a rational response to climate change will emerge.

Over the last seven years, the CDP has become the global standard for carbon disclosure methodology and processes. The CDP website is the largest repository of corporate greenhouse gas emissions data in the world. The organization seeks information on the business risks and opportunities presented by climate change and greenhouse gas emissions data from the world's largest companies: 2,400 in 2007.

See the CDP website at: <http://www.cdproject.net>

See Thomson's responses to CDP questions at:
http://www.cdproject.net/online_response.asp?cid=789&id=5&exp=62&desc=France&letter=T&year=2

Other EHS Activities

- Thomson Premises Systems in Manaus, Brazil, received the Chico Mendes International Social-Environmental Award, the Best of the Amazon Environmental Award, and the Cunhatã Award from the SUFRAMA environmental agency.
- The Thomson Technicolor facility in Guadalajara joined Mexico's Clean Industry environmental program, managed by PROFEPA, the federal environmental agency. Qualifying in only four months (typical qualification periods range from one to three years), the DVD operations team was one of just 338 businesses (among 10,000 attempting the program) to achieve the certification.
- Thomson Technicolor Film Labs in North Hollywood, California, earned the Large Industry Plant of the Year Award from California's Water Environmental Association for top performance in pre-treatment, pollution prevention, and storm water management (P3S).
- Thomson Grass Valley in Nevada City, California, earned the State's WRAP (Waste Reduction Awards Program) Award for the sixth consecutive year and the seventh time overall. The award represents continued leadership and improvement in waste reduction and recycling.
- In addition, Thomson Technicolor Film Labs in Madrid, Spain, moved to a state-of-the-art facility in late 2006. The site includes carbon recovery systems for solvent recovery and recycling, resin recovery systems to further eliminate silver from the wastewater stream, and monitored pH control systems for effluent.

Summary: Thomson 2007 United Nations Global Compact Actions & Results

Thomson Program	2007 Actions	Results	Global Compact Principle
Supplier Ethics Program	On-site audits of suppliers with high labor-intensive processes	“Unacceptable” and “unsatisfactory” violations fell 66% from 2006 through September 2007	<u>Principle 4:</u> elimination of all forms of forced and compulsory labor; <u>Principle 5:</u> abolition of child labor; <u>Principle 10:</u> work against corruption in all its forms, including extortion and bribery
Management development and training	Individual training programs	Training initiatives representing 600,000 man-hours average two sessions per employee per year	<u>Principle 6:</u> elimination of discrimination in respect to employment and occupation
	Transversal programs training	Targets more than 130 participants and focused on Value Creation, Technology, Key Account Management, and Financial Leadership	<u>Principle 6:</u> elimination of discrimination in respect to employment and occupation
	Strategy development and leadership training	Partnership with leading business school targets more than 80 potential Thomson leaders	<u>Principle 6:</u> elimination of discrimination in respect to employment and occupation
	Business unit strategic training	Individual developmental needs are part of Thomson's semi-annual Contract of Progress	<u>Principle 6:</u> elimination of discrimination in respect to employment and occupation
	Women's network	Female Thomson managers are helping Thomson define how women can develop added value that will enable the Group to meet 2009 ambitions	<u>Principle 6:</u> elimination of discrimination in respect to employment and occupation

	Women in Science & Technology initiative (EU)	Thomson will participate in 2008 study on work/life balance and its impact on employees	<u>Principle 6:</u> elimination of discrimination in respect to employment and occupation
	Leadership programs for women	Programs from leading business schools incorporated into the Group's training catalogue	<u>Principle 6:</u> elimination of discrimination in respect to employment and occupation
	Seeking female professionals	Recruiters worldwide asked to include the CV of at least one qualified female candidate for open Thomson positions	<u>Principle 6:</u> elimination of discrimination in respect to employment and occupation
Sharing Success & Beyond	Awarded shares of Thomson stock to all employees worldwide	Strengthened commitment and involvement in Thomson by enabling employees to become shareholders on an equal basis	<u>Principle 6:</u> elimination of discrimination in respect to employment and occupation
Injury reduction	Program to reduce injury incident rate worldwide	Business unit injury rates declined by 17% during the first quarter	<u>Principle 1:</u> support and respect the protection of internationally proclaimed human rights; <u>Principle 2:</u> make sure to not be complicit in human rights abuses
Internal EHS auditing	Thomson follows the "at least every third year" rule	11 sites audited in 2007	<u>Principle 8:</u> undertake initiatives to promote greater environmental responsibility
Carbon Disclosure Project	Thomson is a participant in this organization concerned with climate change	Thomson is rated "best-in-class" in several areas of the Carbon Disclosure Project	<u>Principle 7:</u> Businesses should support a precautionary approach to environmental challenges; <u>Principle 8:</u> undertake initiatives to promote greater environmental responsibility

Our Values

<http://www.thomson.net/EN/Home/Group/Commitments/OurValues.htm>

Ethics Charter

http://www.thomson.net/EN/Home/Group/Commitments/ethics_charter.htm

Financial Ethics Charter

<http://www.thomson.net/EN/Home/Group/Commitments/thomson-financial-ethics-charter.htm>

Ethics and Human Rights

<http://www.thomson.net/EN/Home/Group/corporate-social-responsibility/ethics-human-rights.htm>

Sustainable Development / Environment, Health & Safety Charter

<http://www.thomson.net/EN/Home/Group/Commitments/thomson-financial-ethics-charter.htm>

Annual Reports

<http://www.thomson.net/EN/Home/Investor/AnnualReports.htm>