

GLOBAL COMPACT

THOMSON

COMMUNICATION ON PROGRESS

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's core values – high ethical standards, improved safety and environmental responsibility and initiatives, and fair business practices – meet or exceed the goals embodied in the values set out in the United Nations Global Compact initiative. Thomson joined the Global Compact, designed to encourage member companies to develop best practices in the areas of human rights, labor standards and environmental practices, in September 2003. As part of its membership obligations, Thomson communicates to the U.N. annually.

THOMSON VALUES

Thomson's values provide the framework for the way Thomson people work and interact with others on a daily basis.

Thomson people benefit from a solid foundation and strong convictions as the Group continues to develop the breadth and depth of its activities. They orient the way the Group interacts with all of its stakeholders: employees, customers, suppliers, partners, governments, and communities around the world.

In 2006, the Group re-evaluated its values to be reflective of its new position on the world stage. The refreshed values are:

- Respect
- Transparency
- Anticipation
- Accountability

Each of these values is actionable, measurable, and in accord with the broad scope of Thomson's business. Each represents the manner in which Thomson employees should conduct themselves in their daily work lives. Each is indicative of the behavior that should be exhibited by Thomson employees inside the company as well as in their external business relationships.

ETHICS CHARTER

Also in 2006, Thomson updated both its Ethics Charter and Code of Ethics.

The Ethics Charter lays out ethical and legal principles that guide employees worldwide. The charter is constructed on four key elements: respect for the people who work within the Group, for the environment, for integrity and for creativity.

Specifically, Thomson respects its employees and is committed to their health and safety. Thomson respects the environment through corporate citizenship and actions that benefit local communities. Thomson values integrity, upholding the highest standards in its relationships with internal and external clients, partners, suppliers, shareholders, markets and governments. Thomson values creativity and believes that respect for intellectual property is integral to continuing innovation in technology.

In parallel, Thomson has refreshed its policies regarding related subjects, including initiatives covering "whistle blowing" and information protection. In particular, a new code of conduct for

sourcing and an ethics charter specific to financial activities were introduced. An Ethics Compliance Committee ensures that rules and guidelines are universally applied.

ETHICS COMPLIANCE COMMITTEE

The Ethics Compliance Committee reports directly to the Audit Committee. The Ethics Compliance Committee comprises four members—a member of the United States Legal department, French Legal department, Human Resources, and Audit. The members are appointed, with their consent, by Thomson's Executive Committee. The Chairman and Chief Executive Officer appoints one of the members to serve as the Chairman of the Ethics Compliance Committee. The Executive Committee seeks members for the Ethics Compliance Committee who exemplify ethical behavior in executing their duties at Thomson.

Members of the Ethics Compliance Committee cannot delegate their functions to non-members of the committee. Each committee member is appointed for a term of four years, unless some other provision is made, to ensure a regular turnover of Committee members.

ENVIRONMENT, HEALTH AND SAFETY

With recent changes in its business model and client directions, high-volume manufacturing today counts less within Thomson's overall portfolio of activities. Nonetheless, the Group continues to place the highest priority on enhancing implementation of ongoing environmental, health and safety (EHS) policies company-wide.

EHS Charter

The Group's commitment to the establishment of consistent standards and to their universal application is formalized through the Corporate EHS Charter, the cornerstone of Thomson's EHS program. Revised and updated in 2005, the EHS Charter defines key management principles designed to protect human health and the environment, and thus helps the Group meet its legal and corporate responsibilities. In these areas the Group embraces standards for quality and management systems set by the International Standards Organization (ISO) – ISO 14001 in environmental matters.

Thomson's Environmental, Health and Safety Charter states that the Group is "dedicated to the principle of protecting human health and the environment" by:

- complying with regulations;
- protecting employees and providing them with a safe and healthy workplace;
- conserving natural resources and energy;
- preventing and minimizing negative impacts that could affect the environment, health and safety related to Thomson's facilities, products and services;
- requiring suppliers and subcontractors to actively report complete adherence to Thomson's EHS standards and principles;
- educating employees through environment, health and safety programs.

Signed by Thomson's Chairman and Chief Executive Officer and posted throughout Thomson sites worldwide, the EHS Charter pledges the Group's firm commitment to "continually improving facilities, services and products in the best interest of our employees, our communities, our customers, our company and the future."

Environmental, Health and Safety policies and guidelines have been developed to help Thomson conduct business in a safe and environmentally responsible manner and to provide guidance for the development, implementation and maintenance of EHS programs throughout the organization.

Each Thomson location is responsible for reviewing the Corporate EHS policies and guidelines and applicable laws and regulations, and customizing programs that ensure compliance and address site-specific issues, including using appropriate language(s). When laws and regulations are more stringent, the Thomson location complies with the necessary requirements and develops its programs accordingly.

Policies and guidelines include: Environment, Health & Safety; Auditing; Data Collection and Reporting; Significant Business Incidents; EHS Training; Emerging Disease, and Workplace Violence. The latter two guidelines were proactively added recently to denote Thomson safeguards and response procedures in the event of incidents pertaining to such issues that affect employee work environments.

SOURCING ETHICS AND CORE VALUES

A Sourcing Ethics & Core Values Guidebook and agreement were updated in 2006.

Thomson is continually being challenged to explore new markets, shorten its time to market, reduce product cycle times, and improve its competitiveness, while the global marketplace simultaneously demands higher productivity, lower costs, and a sustained commitment to quality. To compete and excel in this rapidly changing and growing world economy, a commitment to the highest ethical standards is essential.

Thomson's Sourcing organization – often the first group to meet with external suppliers – is charged with the responsibility of developing and implementing its ethical standards and core values. While Thomson is of course required to obey the law and abide by its agreements, basic ethical standards require more. Thomson must deal honestly with those whose interests its business dealings affects.

CODE OF ETHICS

Thomson's comprehensive Code of Ethics was reexamined, refreshed in 2006 and installed on the company's intranet (Thomnet). Its chapter and subchapter headings are:

- We Value our People
 - We are an equal opportunity employer and value diversity
 - We support employee growth and development
 - We value and encourage dialog and partnership in our employee relations
 - We are committed to employee health and safety
- We Value our Environment
 - We respect the environment as an integral part of Thomson's strategy
 - We aim at reducing the environmental impact of our operations to the lowest reasonable achievable level
 - We respect the communities we live in and value our role as a corporate citizen
- We Value Integrity
 - We uphold the highest standards in our relations with customers, suppliers, shareholders, markets, and governments
 - Fair Dealing / General Integrity
 - Compliance with Laws, Regulations, Policies, and Procedures
 - Insider Trading
 - Antitrust Laws
 - Records Retention
 - Disclosure and Reporting Obligations
 - Public Communications
 - External and Internal Auditing
 - Conflicts of Interest
 - Corporate Opportunities
 - Gifts, Meals, and Entertainment
 - Dealing with Suppliers
 - Government Investigations
 - Political Contributions

- Commitment to our Customers
 - Reporting Noncompliance, Illegal, or unethical behavior and protection against retaliation
- We uphold the highest standards in our relations with customers, suppliers, shareholders, markets, and governments
- We respect corporate governance principles that ensure the company is driven by value creation in the respect of all shareholders
- We Value Creativity
 - We believe that respect for intellectual property is integral to continuing innovation in technology
 - Protecting Confidential Information
 - Confidential Information from Others
 - Creation of Intellectual Property
 - Use of Thomson Assets
 - Respect for the Intellectual Property of Others

THOMSON FOUNDATION

Finally, in April 2006, the Group furthered its social outreach with the establishment of the Thomson Foundation for Film & TV Heritage. The organization's mission is to provide Thomson's expertise, equipment, technical and logistical support toward the preservation of cinema and TV archives, both key components of the world's cultural heritage.

The Thomson Foundation acts worldwide either alone or in partnership with national archive institutions, museums, private collections, companies, or any entity in charge of preserving film and TV archives. It supports these institutions by offering expertise to improve the preservation, management and access to both film and TV archives that reflect the history and culture of a country or region.

Working with an international network of experts, the Thomson Foundation currently is carrying out activities in the United States, Cambodia, India, Thailand and France.

Thomson has changed dramatically in recent years. Its previous values and ethics no longer reflected its current positioning as a worldwide digital technology company that serves the Media & Entertainment industries.

The changes the Group has experienced not only have impacted the scope and direction of its business, but also the make up of its increasingly diverse work force. Thomson's cultural diversity now includes thousands of people who have joined the company since 2000 from more than 35 different employers around the world.

It is important that employees, customers, suppliers, partners, governments, and communities globally are served through a sound model of ethical behavior and compliance that emphasizes speed and autonomy, best practices aligned to the vision of the company, as well as recognition and appreciation of Thomson's own diversity.

Global Compact – Thomson “Communication on Progress” - December 2006

GLOBAL COMPACT	PRINCIPLES	SUMMARY OF PROGRESS	REFERENCE IN THOMSON COMMUNICATIONS
HUMAN RIGHTS	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence; and	In a global economy, Thomson can contribute to the promotion of economic and social welfare, to the improvement of living standards and the satisfaction of basic needs, to evolving employment opportunities, and to the respect of human rights.	Thomson's Code of Ethics is posted on the company's [Thomnet] intranet site for employees. Additional external information is available at : www.Thomson.net (Please see page 9-10) <ul style="list-style-type: none"> ▪ Our Values ▪ Ethics Charter ▪ Thomson Foundation ▪ Annual reports
	Principle 2: make sure that they are not complicit in human rights abuses.	Its objective is to be a responsible social actor and ensure Thomson's compliance with a Code of Ethics, updated in 2006 and available to employees via the Group's intranet, and with applicable laws. All Thomson personnel, suppliers, and entities along the supply chain are expected to abide by the code as well as with all applicable laws.	

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LABOR STANDARDS	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Thomson believes that regular and constructive dialog with employees and, where appropriate, their elected representatives as well as labor institutional entities and shareholders are key factors for success. In Thomson's decentralized organization, this dialog begins at a local level.	Thomson's Code of Ethics is posted on the company's [Thomnet] intranet site for employees.
	Principle 4: the elimination of all forms of forced and compulsory labor;	Thomson is committed to respecting local laws and regulations wherever it has a presence. The company's development in a rapidly changing economic environment needs to be prepared for and supported by the appropriate plans to adapt organizations while respecting people and their rights, and ensuring a coherent, ethical approach across the whole of Thomson.	
	Principle 5: the effective abolition of child labor; and	Thomson strictly prohibits forced labor and continually monitors suppliers to ensure compliance.	
	Principle 6: eliminate discrimination in respect of employment and corruption.	Thomson will not permit work to be carried out by employees who do not meet the country's minimum legal age requirements. Exceptions to this rule apply to locations in developing countries operating under ILO convention 138, or government-authorized job training or apprenticeship programs that are clearly beneficial to the persons participating. Thomson's policy is to provide equal employment opportunity without regard to race, sex, religion, national origin, age, or disability status and to fully comply with all laws prohibiting discrimination in all phases of employment (including hiring of new employees, training, development, compensation, promotions, demotions, transfers, layoffs, terminations, use of facilities, and selection for special programs). All employees are obligated to understand and support Thomson's policy with respect to equal employment opportunity.	

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ENVIRONMENT	Principle 7: Businesses should support a precautionary approach to environmental challenges;	Thomson is committed to complying with all environmental, health, and safety laws and regulations applicable to its business activities. Thomson is equally committed to preventing deterioration of the environment and minimizing the impact of its operations on the land, air, and water. These commitments can be met only through the awareness and cooperation of all employees. All Thomson personnel have a responsibility to abide by safe operating procedures, to guard its own and fellow employees' health, to maintain and utilize pollution control systems, and to follow safe and sanitary procedures for the disposition of industrial and hazardous waste materials.	Thomson's Environment, Health & Safety Charter and Thomson's Code of Ethics are posted on the company's [Thomnet] intranet site for employees. Additional external information is available at : www.Thomson.net (Please see page 9-10) ▪ Sustainable Development ▪ Annual reports
	Principle 8: undertake initiatives to promote greater environmental responsibility;	Environmental, Health and Safety (EHS) Policies and Guidelines have been developed to help Thomson conduct its business in a safe and environmentally responsible manner and to provide guidance for the development, implementation, and maintenance of core EHS programs throughout Thomson. Those policies and guidelines are published and available on the company's intranet. It is the responsibility of each employee to become familiar with them and to comply with them.	
	Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Thomson is committed to implementing, maintaining, and improving an environmental management system. Thomson's environmental management system strives to effectively minimize the environmental impact of its operations; encourage reuse, recycling, and recovery of waste electrical and electronic equipment; minimize the use of chemicals; improve environmental performance of all operations involved in the lifecycle of electrical and electronic equipment; minimize waste; and ensure compliance with environmental laws and regulations.	

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ANTICORRUPTION	Principle 10: Businesses should support Anticorruption and Transparency policy.	<p>Thomson seeks to outperform its competition fairly and honestly. Thomson seeks competitive advantage through superior performance and never through unethical or illegal business practices. Each director, officer, and employee is expected to deal fairly with Thomson's customers, suppliers, competitors, officers, and employees. Thomson is prohibited from engaging in unfair methods of competition and unfair or deceptive acts and practices. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing.</p> <p>Thomson is committed to fully complying with the laws of the cities, states, and countries in which it operates. This includes, for example, those relating to antitrust and promoting fair competition; preventing bribery, illicit payments, and corruption; insider trading laws; and labor laws and practices.</p> <p>Thomson, as a listed company on Euronext Paris and the New York Stock Exchange, is subject to various disclosure obligations under French and US securities laws. To comply with these obligations, the company assures full, fair, accurate, timely, and understandable disclosure of material information in reports and documents that Thomson files with or submits to the US Securities and Exchange Commission and the Autorité des Marchés Financiers ("AMF") and in all other public communications made by Thomson.</p> <p>Thomson has a Disclosure Committee which meets regularly to consider whether appropriate disclosure is being made in the company's annual, semi-annual, and quarterly results/sales releases and filings. The Disclosure Committee may also meet on an ad hoc basis if it becomes</p>	<p>Thomson's Code of Ethics is posted on the company's [Thomnet] intranet site for employees. Additional external information is available at : www.Thomson.net (Please see page 9-10)</p> <ul style="list-style-type: none"> ▪ Financial Ethics Charter ▪ Nomination, Remuneration and Governance Committee ▪ Annual reports

		<p>aware of information which may be sufficiently material to require separate disclosure outside Thomson's normal reporting calendar.</p> <p>Thomson personnel who communicate with Thomson's external auditors and internal audit staff:</p> <ul style="list-style-type: none"> • must exhibit candor and forthrightness in all dealings with Thomson's external auditors or internal audit staff; • may not make false or misleading statements or fail to disclose material facts; and • may not take or direct any other person to take any action to fraudulently influence, coerce, manipulate, or mislead any auditor engaged in the performance of an audit of Thomson's financial statements. 	
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Our Values

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

http://www.thomson.net/NR/rdonlyres/10B7116F-70CE-4317-8F3F-75085055F0FE/0/RA_THOMSON_GB.pdf

Ethics Charter

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

http://www.thomson.net/NR/rdonlyres/10B7116F-70CE-4317-8F3F-75085055F0FE/0/RA_THOMSON_GB.pdf

Financial Ethics Charter

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

Sustainable Development / Environment, Health & Safety Charter

<http://www.thomson.net/EN/Home/Group/Commitments/thomson-sustainable-development.htm>

http://www.thomson.net/NR/rdonlyres/10B7116F-70CE-4317-8F3F-75085055F0FE/0/RA_THOMSON_GB.pdf

Nomination, Remuneration and Governance Committee

http://www.thomson.net/NR/rdonlyres/10B7116F-70CE-4317-8F3F-75085055F0FE/0/RA_THOMSON_GB.pdf

Thomson Foundation

<http://www.thomson.net/EN/Home/Group/thomson-foundation/>

Thomson annual reports

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

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