



GLOBAL COMPACT THOMSON 2008 COMMUNICATION ON PROGRESS

Message from Eric Bachellereau, Executive Vice President, WW Human Resources & Sustainability:

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 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 worldwide leader of services to content creators and provides a wide range of video and enabling technologies, systems, finished products and services to the Media & Entertainment industry to create, manage and deliver video content.

THOMSON VALUES & CODE OF ETHICS 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 working within the Group, the environment, integrity, and creativity. An Ethics Compliance Committee, is charged with the responsibility for all ethical matters related to the Company's activities.

In 2007, Thomson also created a Corporate Social Responsibility Committee, reporting directly to the Group'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 & CEO 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 is carrying out activities in Cambodia, India, Thailand, Middle-East, the United States, and France.

2008 ACTIONS AND RESULTS

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

In addition, Thomson undertook a number of initiatives in 2008 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 its footprint impact. The Group also continued a strong internal auditing process and utilizes a web-based reporting system for gathering and analyzing EHS-related information. Thomson launched in 2008 several Ethics training courses covering a variety of topics and involving more than 4,000 employees.

2008 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 (Electronic Manufacturing, finished good and commodities components suppliers) with highly labor-intensive processes and with facilities in China, Thailand, Philippines, Vietnam, Cambodia, Malaysia, and Indonesia and India. In 2008, all Thomson major suppliers within the defined scope were audited at least once. All audited suppliers must pass Thomson's ethics rating criteria to be eligible for selection.

During the audit process using SA8000 as a reference model, instances of child labor, prison labor or any work environment, process or equipments that could cause fatal injuries are classified as "critical" and warrant immediate stoppage of business. None were detected in 2008. Audits revealing employee discrimination, forced labor, safety violations are classified as "major" and warrant immediate corrective action by the supplier. Based on violations discovered during the audits and requesting immediate corrective actions, several suppliers were re-audited in 2008 to ensure the implementation of such corrections.

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).

2008 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 268,000 person-hours involving more than 13,000 trainees of a total headcount of 22,400 people..

More specifically, Thomson has developed seminars designed specifically to support the Group's transversal programs. In 2008, 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. 34 Thomson employees identified as high 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.

Thomson launched a Group-wide "People Performance Management" program with the objective of supporting managers in developing the necessary competencies to plan and establish goals, assess and review individual performance, coach and develop employees' competencies and reward results. More than 160 managers participated in this program in 2008.

On September 2008, Thomson set up a new governance body with respect to its diversity efforts mainly focused on gender and ethnic diversity. The HR Diversity Council is composed of HR heads across the Group and aims at identifying new opportunities for improvement, and at monitoring progress made in the Group's diversity strategy.

The HR Diversity Council has notably agreed on the components of best practices in diversity, such as leadership support, diversity strategy, governance support and education & training. Some pilot modules of dialogue with the employees, aiming at raising awareness and fine-tuning implementation of the strategy were also launched in 2008.

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.

2008 Ethic training program

In addition, the Ethics Compliance Committee launched several training initiatives in 2008. First, mid-year, it conducted a face-to-face training session for the Top 100 at many key sites worldwide. The program detailed the Code of Ethics and, specifically, four topics covered by the Code. The next Ethics training was launched to more than 450 top managers, also in mid 2008, to guide managers on the importance of establishing an ethical Tone at the Top and leading by example.

In October and November 2008, the Company's US population received either an online Ethics Best Practices course highlighting four sections of the Code of Ethics or a face-to-face training providing an overview of the Code of Ethics and highlighting several provisions. Finally, almost 1000 employees in the sales and marketing organizations completed one of two programs focused on antitrust and global competition.

Altogether, these training have reached more than 4000 people and the Group intends to continue these programs.

2008 EHS Programs

Injury Reductions

The Group's main business units remained focused on programs to reduce injuries. As a result, 2008 injuries totalled 466, compared to 593 in 2007 and 695 in 2006. Serious injuries were reduced at a faster pace, as indicated by an 18% reduction in lost time injury rate, from 0,77 in 2007 to 0,63 in 2008.

Fifty-one 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 Waste

Programs to reduce water use have taken place mostly within Thomson's worldwide film business, with total consumption dropping 28% in 2008. When normalized by revenue, consumption dropped from 485 cubic meters per million Euro to 404 cubic meters per million Euro.

Landfilled waste was reduced by 280 metric ton in 2008, compared to 2007. The percentage of waste determined to be hazardous continued to drop in 2008, from 5,4% in 2007 to 4,9% in 2008.

Internal Auditing

Internal auditing related to EHS has been very active within Thomson, following the "at least every third year" rule in corporate governance. Nine were conducted in 2008.

Web-Based Reporting System

Thomson continued to use and expand a global, web-based reporting system for injuries, energy consumption, water use, and waste generation, including for the first time an annual questionnaire about refrigerants as part of the Group Carbon Footprint Analysis. Questionnaires are managed on a monthly basis and are augmented with annual questionnaires on such topics as raw materials usage or effluent.

Carbon Disclosure Project

Thomson is rated as part of the Carbon Disclosure Leadership Index for France by 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.

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

See Thomson's responses to CDP 6 (2008) questions at:

http://www.cdproject.net/responses/public/Thomson_1119_Corporate_GHG_Emissions_Response_CDP6_2008.asp

Carbon footprint

Thomson launched in 2008 a global assessment of the carbon footprint impact of its activities, to get a first reference which will be available in 2009 to identify paths of improvement and to measure future progress. This initiative follows the completion of a first carbon footprint analysis of the production and delivery of a DVD in 2008. Life cycle assessment has been introduced in 2008 for a selected number of hardware products, as a trial phase, before general roll out scheduled for 2009-2010.

Other EHS Activities

- The Bangkok Film Lab installed additional air scrubbing equipment to further reduce sulphuric acid emissions to atmosphere. The new equipment eliminates 80% of the hazardous content of exhausted air volume coming from the developer stop baths used in film processing at the site.
- The Guadalajara Mexico HES site introduced new “silicapture” resin bed equipment to their well water processing facility, reducing the need for chemical pretreatments while also reducing their generation of hazardous waste. Additional mechanical filtering was also added to effluent processing, reducing nickel content to less than 1 ppm versus a limit of 5 ppm
- The Melbourne Australia HES site reduced water use 13% by working with their local water board and implementing a “waterMAP” program (water Management Action Plan), which led them to target their efforts on optimizing cooling tower blowdown, and further improvements are planned for 2009.
- The Manaus Brazil set-top box operation implemented a creative program targeting wellness and reduced ergonomic injury. Entitled “labor gym”, all workers, including operations, administrative, facilities, and management, are coached through stretching sessions in small groups, ten minutes per day.
- The Manaus Brazil set-top box team also launched a community education initiative, *“Improving Environmental Conscience in the Society through School Education,”* with a local elementary school, focusing on waste reduction, recycling, and preservation of the environment. Because of this and similar efforts, the Manaus team continues to be awarded the use of the Chico Mendes Institutional stamp for companies that increase environmental education.
- The Mexicali Mexico HES site planted 400 trees as part of a joint effort with their local environmental agency and a local trade association of like-minded commercial leaders.
- The North Hollywood California film lab reduced daytime and nighttime noise levels coming from rooftop mounted cooling tower fans by working with the fan supplier to invent a low velocity propeller design that achieves equivalent air flow while reducing maximum blade tip speed by more than 30%. Fan-generated noise is related to blade tip speed and the noise levels in nearby residential zones were reduced by an estimated 10 dbA.
- The Piaseczno Poland HES operation launched a multi-year energy reduction project for powerhouse services, reducing site energy needs by an estimated 288 000 KWh per year due to chilled water system modifications and with additional reductions in carbon emissions planned for 2009 as boiler equipment is converted from heavy oil to natural gas.

Summary: Thomson 2008 United Nations Global Compact Actions & Results

Thomson Program	2008 Actions	Results	Global Compact Principle
Supplier Ethics Program	On-site audits of suppliers with high labor-intensive processes	No child labor discovered “Unacceptable” and “unsatisfactory” violations fell 45% from 2007 through 2008, after a 66% reduction from 2006 to 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 268,000 person-hours involving more than 50 % of the employees	<u>Principle 6:</u> elimination of discrimination in respect to employment and occupation
Ethics training	Conducted several training session on various aspect of the Code of Ethics	Training reaching more than 4,000 employees worldwide	<u>Principle 6:</u> elimination of discrimination in respect to employment and occupation <u>Principle 10:</u> work against corruption in all its forms, including extortion and bribery <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

Transversal programs training	Targets more than 160 participants of the People performance management program to support managers development	<u>Principle 6:</u> elimination of discrimination in respect to employment and occupation
Strategy development and leadership training	Partnership with leading business school targets 34 potential Thomson managers	<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
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
HR Diversity council	Thomson has set up a council for diversity (gender and multicultural) to recommend initiatives to foster diversity at every business level.	<u>Principle 6:</u> elimination of discrimination in respect to employment and occupation

Injury reduction	Program to reduce injury incident rate worldwide	127 fewer injuries in 2008. Severe injuries managed with stronger focus, reducing lost time injury rate from 0,77 in 2007 to 0,63 in 2008.	<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	9 sites audited in 2008	<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 part of the Carbon Disclosure Leadership Index for France 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
Carbon Footprint	Thomson has launched the group carbon footprint of its activities		<u>Principle 7:</u> Businesses should support a precautionary approach to environmental challenges; <u>Principle 8:</u> undertake initiatives to promote greater environmental responsibility
Products Life Cycle Assessment & Ecodesign	Thomson has launched the ecodesign of selected products	Energy efficiency of ecodesigned products is above the market average	<u>Principle 9:</u> encourage the development and diffusion of environmentally friendly technologies

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>