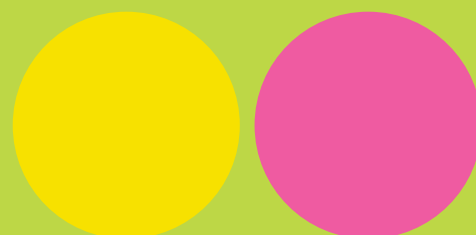




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THE ORCHID, SYMBOL OF CASINO'S SUSTAINABLE DEVELOPMENT COMMITMENT

Through the concept of Sustainable Development, our primary interest is in people and their behaviour with regard to the environment, their place in society, their responsibility to future generations and, in fact, their universal role. The orchid symbolises this universality for the following reasons:

- There are more than 30,000 species of orchids and over 100,000 hybrids around the world, with new species discovered every year.
- Orchids can be found in every region of the world, from the snowy expanses of Canada and the Siberian tundra to the Saharan desert, the savannah and tropical forests.
- Like all flowers, however, the orchid is fragile and requires constant attention.

Message from the Chairman – **Jean-Charles Naouri** Chairman and Chief Executive Officer



I am especially proud to present this fourth Sustainable Development Report, the recapitulation of a long-term commitment recently recognised by Casino's addition to the Ethibel Pioneer Investment Register, the European standard for responsible investing. Only nine companies in France, out of a total of 255 worldwide, have been selected to receive the Ethibel label.

This honour acknowledges the determined efforts undertaken each day by our operating teams to combine performance with a commitment to sustainable development. Moreover, it reflects the energy and hard work of our Sustainable Development Department, which has assumed a significant role in our organisation in the past four years.

Once again this year, within a difficult economic context, we have adhered to our values of quality, local service, social responsibility and respect for the individual in order to pursue continued growth while remaining true to Casino's traditional ethos as a responsible retailer.

In particular, our commitment to responsible retailing requires that we analyse our impact on the environment and do our utmost to manage the company's footprint in this area as effectively as possible. In this regard, the Group's Bilan Carbone® emissions assessment programme represents an extremely informative tool for identifying the primary sources of greenhouse gas emissions in our activities. It has prompted the development of an action plan for reducing emissions generated by the transport of goods, continuing our efforts in the realm of energy efficiency, and optimising our management of refrigeration facilities and waste products, notably by creating a channel for the recovery of scrap electrical and electronic equipment.

Given that the success of our policies depends first and foremost on the motivation and skills of our employees, since 2004 we have devoted considerable attention to a reform of our vocational training programme, culminating in the Group-wide agreement signed on March 11, 2005 by all employee representatives. This agreement highlights the value the Group has consistently attached to the development of expertise, and consequently furthers our pursuit of operational excellence.

We also seek to capitalize on another of our assets, the diversity of our teams. Consistent with our long-standing commitment on behalf of equal opportunity and the fight against discrimination, two major agreements were signed during the past year, one with the Group's employee representatives and the other with Mr Azouz Begag, French Minister for the Promotion of Equal Opportunities.

In addition, our diversity is rooted in the increasingly global dimension of our workforce, which we aim to encourage with our programmes to promote international mobility and exchanges among our subsidiaries. In helping to establish a rich and multifaceted Group culture, these exchanges constitute a major asset in fulfilling our objectives of international expansion.

Convinced more than ever that economic growth, social responsibility and respect for the environment can go hand in hand, we are continuing our efforts to improve our performance in these three areas of Sustainable Development.

Conscious of the task ahead of us, we welcome any suggestions that could aid our progress, and we invite our stakeholders to continue to lend their cooperation in pursuit of this objective.

An International Group



Since its founding in 1898, Casino has ranked among France's leading food retailers. At the close of 2005, Casino operated 344 hypermarkets, 2,396 supermarkets, 1,130 discount stores, 5,038 convenience stores and 247 restaurants—a total of 9,265 outlets in 14 countries.

The Group continued its international expansion in 2005 with the opening of 68 new stores. Twenty-five percent of sales now come from outside France, compared with 21% in 2004, and the Group's international scope was widened in 2005 with its acquisition of a controlling stake in CBD (Brazil) and Vindémia (Indian Ocean).

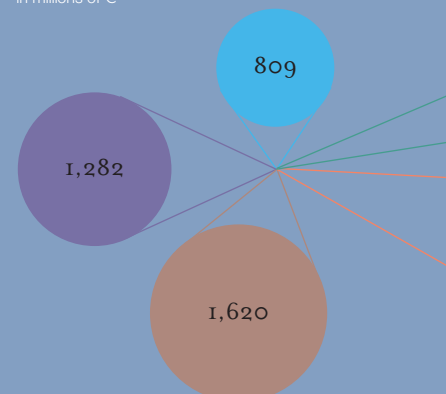
As of December 31, 2005, the Group employed 208,403 people⁽¹⁾ worldwide.

Total Casino banner sales⁽²⁾ excluding tax amounted to €36.1 billion, of which 58% was generated in France. Consolidated net sales came to €22.8 billion, with France accounting for 75%. Net income stood at €344 million.

(1) Full time equivalent including 100% of companies proportionally consolidated or accounted for by the equity method, notably CBD in Brazil, Exito in Colombia and Laurus in the Netherlands.

(2) Casino banner sales include 100% of the sales by companies included in the scope of consolidation, notably companies accounted for by the equity method, such as Exito in Colombia and Laurus in the Netherlands, together with all banner sales generated under franchise.

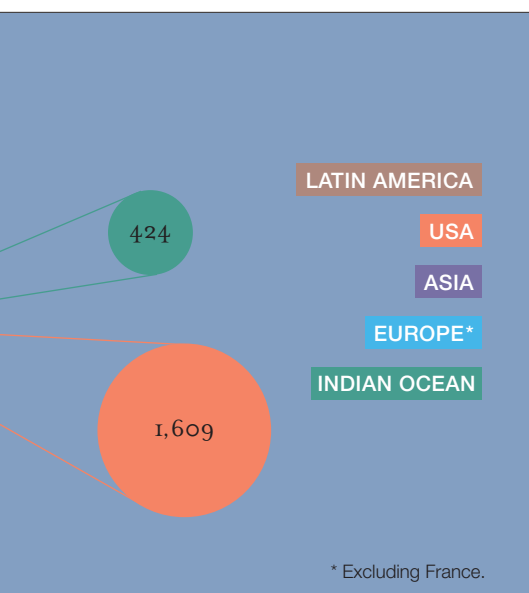
Breakdown of 2005 consolidated net sales by major region
in millions of €





* FTE: Full time equivalent, including companies accounted for by the equity method.

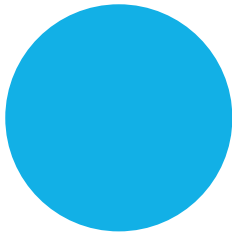
** Net sales on a 100% basis.



Key Figures

	2004	2005
Average number of employees	117,422	145,081
Sales (€ millions), excluding tax	21,186	22,806
Sales generated outside France (%)	21	25
Net income (in millions of €)	547	344
Group investments (in millions of €)	713	848
Cash flow (in millions of €)	1,136	1,263

An Overview of Our Primary Sustainable



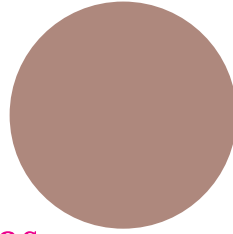
Europe

France

- As part of the launch of our Nutrition project, a Nutrition and Balance guide was made available at the Group's Web site, www.groupe-casino.fr, and specific labelling was created for Casino-brand products (see pages 36-38).
- Two major agreements were signed on equal opportunity, diversity and combating discrimination (see pages 29 and 42).
- On January 26, 2005 the Group signed the first childcare/workplace contract in France's Rhône-Alpes region, to create an intercompany day nursery open to employees at the Group's headquarters in Saint Étienne as well as neighbourhood residents. The contract reflects the Group's desire to promote equal opportunities for the men and women in its workforce and to aid employees with young children in balancing their personal and professional lives.
- A pilot project for sorting fermentable waste was conducted at three supermarkets in the Saint Étienne region (see page 17).
- The Group continued to monitor greenhouse-gas emissions generated by its activities, with the scope of its evaluations expanded to include the Group's headquarters in France (see pages 13 and 15).

Poland

- Géant Polska launched a work/study training programme named DISTECH, offering a diploma course for students who have completed two to three years of university study and are envisioning a career in retail management. In 2005, 12 candidates were selected from among 600 applicants to take part in a one-year training course that combines classroom instruction with in-store internships, with training costs borne by Géant Polska. The programme provides these students, who are offered positions as trainee department managers at full-time salaries, an opportunity to extend their knowledge regarding various aspects of mass retailing.



The Americas

Brazil

- Through the efforts of Mr Abilio Diniz, Chairman and Chief Executive Officer of Casino's Brazilian subsidiary, Pão de Açúcar, the SuperBola programme has been created to provide talented young footballers with a chance to receive professional training and a general, civic-minded education. Among some 72,000 participants in the SuperCopa CombresBem competition, held in 19 cities throughout the State of São Paulo, 272 young boys were selected to take part in the programme. Housed at the Pão de Açúcar training centre, they receive medical care and schooling as well as basic instruction in health and hygiene, proper eating and good citizenship, along with lessons in art, music and theatre provided by the Pão de Açúcar Institute for Human Development. Seventy-two participants are already training intensively with an eye towards a professional football career. The programme is sponsored by the Brazilian football champion Cafu, whose foundation in São Paulo provides support for several humanitarian projects in the city.
- Pão de Açúcar and Casino joined forces to organise a number of concert events in France intended to raise awareness of Brazil's cultural diversity, with the Brazilian president, Luis Inácio Lula da Silva, in attendance at a performance held on July 13th. The events were designed to coincide with a campaign to promote Brazilian products in Casino stores in France.



Development Activities in 2005

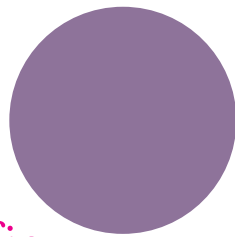
Venezuela

- The Timotes programme, launched in 2002 as a way of boosting local agriculture and promoting fair and profitable trade, continued its initiatives. Under the programme, the Casino Group's Cativen subsidiary works directly with local producers, helping them organise into cooperatives and improve their production methods in a partnership that benefits everyone concerned. From its beginnings at the Timotes platform in the state of Merida, the programme has expanded to include 32 cooperatives with an average of 25 growers each, and a new distribution platform opened in January 2005 in Maturin, in western Venezuela. In addition, Cativen has signed an agreement with Holcim, the cement manufacturer, to expand opportunities for fishing in the coastal area of Puerto Cumarebo, in the state of Falcón, using the Timotes experience as a model.
- Cativen initially established the Niños del Sol Foundation with the goal of providing an education to disadvantaged children.

But the need for an appropriate diet quickly became apparent: despite the schools' best efforts, the children were unable to make the most of their schooling because they were inadequately fed and therefore couldn't concentrate in the classroom. As a result, the Foundation now focuses its efforts on providing aid to the most disadvantaged youths from infancy to age 14 by meeting both their dietary and educational needs. The Foundation's projects include the Community Classroom Programme in Petare, Venezuela's largest shantytown, which each day provides breakfast to 250 children. La Esperanza, a school located near Santa Cruz del Este in Caracas, has been offering a daily breakfast and lunch to 300 children for the past two years. Niños del Sol is also providing help to abused youths through its children's legal aid programme: attorneys with specialised expertise handled a total of 2,081 cases involving children, with the Foundation assuming responsibility for legal fees and administrative equipment.

Colombia

- The Exitó Foundation has made a firm commitment to building an equitable country in which all residents have the opportunity to develop their potential. In 2005 the foundation provided backing for several initiatives, including the Antioche Alliance for Justice, the first International Conference on Food Safety and Nutrition organised by the Colombian Institute of Family Welfare, and the Antioche Departmental Forum on Food Safety/Nutrition and Social Responsibility.
- The foundation currently provides joint financing for several food safety programmes that target small children from disadvantaged communities. The infant nutrition programmes primarily help to fund the creation and operation of community dining halls, where underage children and their families receive meals that provide 50% of the daily caloric and protein intake they need for healthy growth. In 2005 these dining halls provided meals to 2,528 children.



Asia and the Pacific

Thailand

- In the wake of the December 2004 tsunami in Southeast Asia, Big C, the Group's subsidiary in Thailand, continued the campaign it launched the day after the catastrophe to provide help to those affected. In addition to donating food and clothing, the Big C Foundation has embarked on an ambitious programme to reconstruct schools, playgrounds and homes for children, the tsunami's primary victims.



Our Main Sustainable Development Challenges

Production

Principal stakeholders

Suppliers (SMEs, agriculture industry, manufacturers)

NGO partners (EcoWood, Amnesty International)



Environmental challenges

Monitor manufacturing conditions for Casino products, including compliance with environmental regulations and best practices.

Promote products and packaging that are friendlier to the environment.

Social challenges

Ensure that producers comply with workplace health and safety standards.

Ensure that suppliers comply with international agreements regarding labour conditions and human rights principles.

Economic challenges

Develop a relationship with suppliers that is based on trust, by ensuring fair compensation and supporting their economic development.

Guarantee product quality, safety and traceability.

Improve the nutritional quality of food products.

62
social audits

1,589
audits of sites where own-brand products are manufactured

58%
of buyers taking part in immersion sessions in small and medium-size enterprises (SMEs) as of the end of 2005

Logistics and transport

Principal stakeholders

Carriers

Nearby residents

Local elected officials



Environmental challenges

Reduce the impact of deliveries (emissions, noise, urban congestion).

Ensure optimal environmental management of warehouses (water and energy efficiency, reductions in refrigerant leakage, waste sorting).

Social challenges

Provide for continuous improvement in employee workplace safety.

Monitor working conditions among carriers.

Economic challenges

Reduce delivery times.

Optimise transportation costs.

Ensure compliance with cold-chain standards.

174
drivers trained in good quality and safety practices

589
vehicles equipped with tracking systems by year's end

4,014
metric tons of CO₂ avoided through optimised logistics

61.98
workplace accident frequency rate at Easydis

Retailing and restaurants

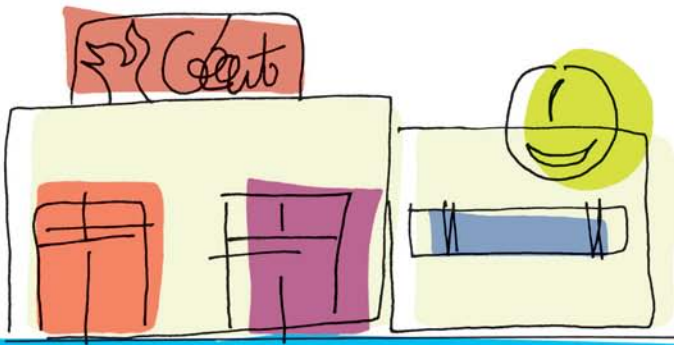
Principal stakeholders

Employees
Customers
Local communities

Consumption

Principal stakeholders

Customers
Consumer groups
Government authorities



Environmental challenges

Reduce the environmental impact of stores and restaurants by identifying equipment risks, controlling energy and water consumption, managing waste from operations, reducing refrigerant leakage, etc.

Raise employee awareness of the need to respect the environment.

Social challenges

Motivate employees through working conditions and career advancement opportunities.

Expand and capitalise on the diversity of our teams.

Ensure the safety and security of customers and employees in stores and restaurants.

Help stores integrate into the local urban community through initiatives such as local hiring and support for centre-city revitalisation programmes.

Support sponsorship and philanthropic projects.

Economic challenges

Monitor product quality in stores and restaurants.

Help develop the local economy by giving priority to local job seekers and suppliers.

Reduce product losses in stores and cafeterias.

1,215
GWh of electricity used by Casino France

2,120
quality audits in Casino France stores

44.91
workplace accident frequency rate at Distribution Casino France

Environmental challenges

Help customers manage waste through the recovery of batteries and scrap electrical and electronic equipment.

Promote "eco-responsibility" among customers and consumers using labelling, awareness programmes, suggestions for use and reduced reliance on non-reusable shopping bags.

Social challenges

Encourage customers and consumers to become more socially responsible, by providing information about merchandise manufacturing conditions.

Improve product nutritional information and offer services to help steer consumers towards better dietary habits.

Economic challenges

Focus on listening more closely to customer needs and improving their satisfaction.

Anticipate future consumer trends.

Assess consumer satisfaction and expectations, with the goal of constantly enhancing product offerings and restaurant services.

274
metric tons of batteries collected in Casino France stores

41%
reduction in tons of disposable bags distributed (yielding a savings of 2,263 tons of plastic bags)

29,825
files handled by the consumer service department

A Long-Term Undertaking

A dedicated organisation with dedicated resources

Casino is continuing to implement the sustainable development policy it first established in 2002, underpinned by a taskforce specifically created for this purpose, the Sustainable Development Committee (SDC). The SDC is comprised of 42 experts drawn from the Group's various functional and operational divisions as well as 10 correspondents from its international subsidiaries.

With the goal of continuous improvement, the SDC has adopted a Sustainable Development Action Plan (SDAP) that formally outlines concrete steps taken to fulfil the 10 commitments contained in the Sustainable Development Charter and is used to monitor the status of each project. A summary of the SDAP is provided at the outset of each section in this report (pages 10, 22 and 32). The investment entailed by the SDAP is incorporated into the Group Plan, which is approved each year by senior management.

The Group's social and environmental performance is measured annually by a battery of indicators. A sustainable development reporting protocol, updated annually since 2003 and available in three languages, ensures that each of our subsidiaries adheres to uniform methods of calculation. It provides benchmark data for the audit conducted each year by both internal auditors and outside experts (see pages 63 and 64). The creation of a dedicated reporting tool in 2006, previously deferred for budgetary reasons, is expected to help the Group fulfil its ongoing commitment to greater data reliability.

Continuously mobilising our employees

The Group uses a range of consciousness-raising tools to mobilise employee support for the sustainable development policy and its day-to-day application.

- All incoming employees are made aware of sustainable development issues as part of their orientation training.
- Our quarterly internal magazine, "Regard", delivered to all French employees, has published several articles devoted to sustainable development in each issue since 2002. A reader survey conducted in 2005 found that sponsorship and sustainable development were the magazine's most popular topics.
- The Group's intranet and Web site each include pages devoted specifically to sustainable development.
- Since its first edition, the Sustainable Development Report has been distributed to the Group's entire workforce in France and to supervisory managers at the Group's subsidiaries outside France. Since 2004, a customised version of the report, emphasising the accomplishments of each division, has been distributed as well.
- About 10 seminars are held each year, involving some 300 to 400 Group managers, to raise awareness of sustainable development. A number of these seminars are devoted to specific topics, such as the environment, respect for human rights, ethical treatment of suppliers and nutritional health.

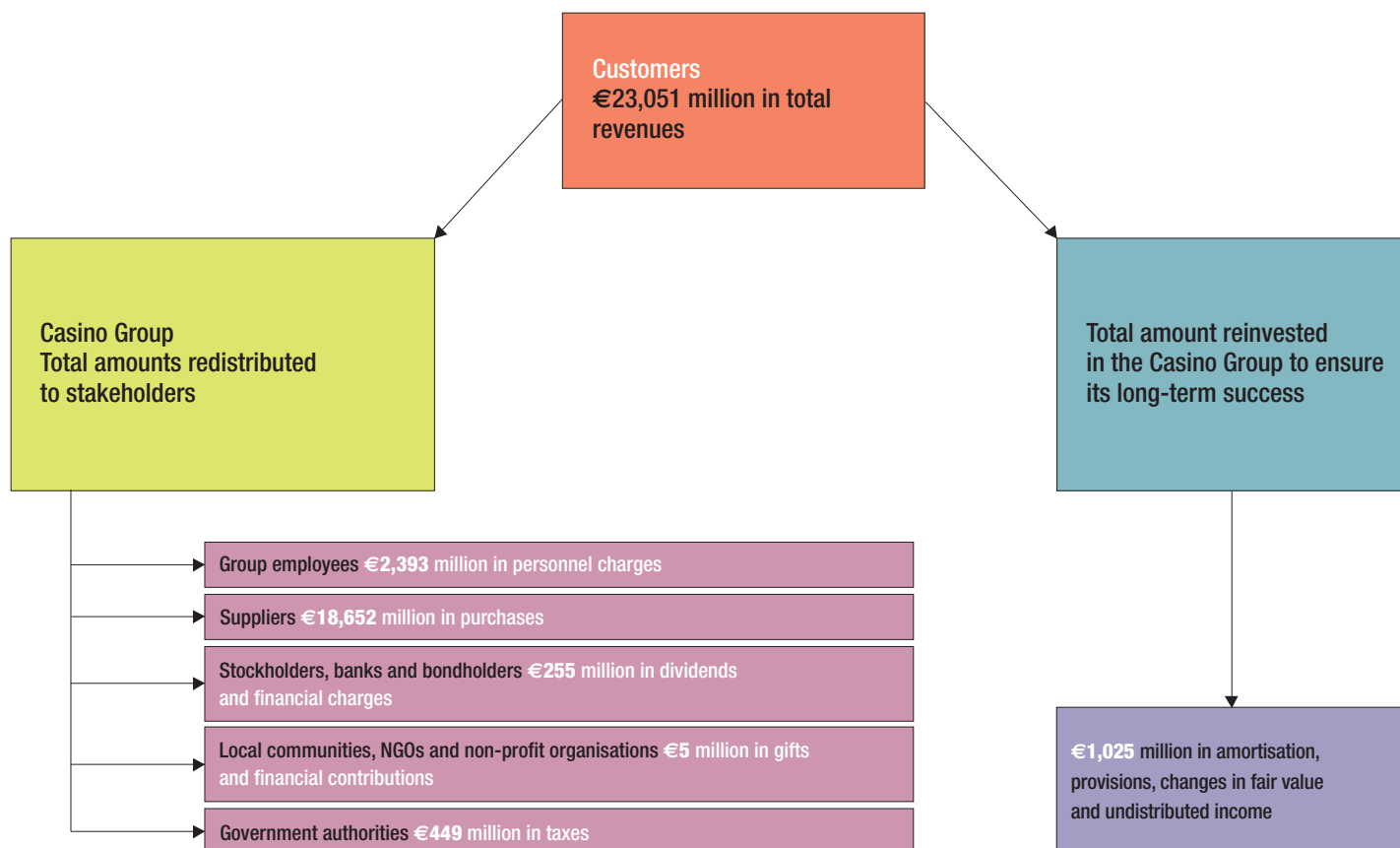
To learn more about the basic principles and procedures governing our sustainable development policy, visit the Sustainable Development section of our Web site: www.groupe-casino.com

Improvement objectives

Create a sustainable development training module.

Identify and test a computerised solution for collecting and consolidating sustainable development indicators, custom-designed for our activities.

An Ongoing Dialogue with Our Stakeholders



Our dialogue with stakeholders in the larger community—an essential means of enhancing our sustainable development commitment—is based on a long-standing practice of acting in partnership with the community and remaining attentive to its concerns.

Casino is a member of several years' standing in numerous groups that reflect on the challenges posed by sustainable development. In 2005 the Group reaffirmed its commitment to the WBCSD⁽¹⁾, CSR Europe⁽²⁾, IMS⁽³⁾, Admical⁽⁴⁾, Amnesty International's Business Club and the ORSE⁽⁵⁾. We have participated in the Social Clause Initiative working group, which brings together 14 French retailers, since its founding, and are also members of the environmental working group established by France's Retail Trades Federation (FCD)⁽⁶⁾.

The Group's central purchasing agency, EMC Distribution, in addition, has continued its participation in AFOIT⁽⁷⁾.

In 2003 we signed a protocol agreement with the French Section of Amnesty International in order to form a working partnership in which Amnesty provides its expertise and recommendations with regard to human rights and ethical issues (see page 41). In 2004 Casino became the first private company to serve as a member of France's National Towns Council, where it is represented by the Group's Director of Urban Policy (see page 42).

Each year, members of the Sustainable Development Committee take part in numerous conferences where they present the Group's policy and exchange ideas on good practices in social and environmental responsibility.

Our Sustainable Development Report is distributed to over 60,000 stakeholders annually.

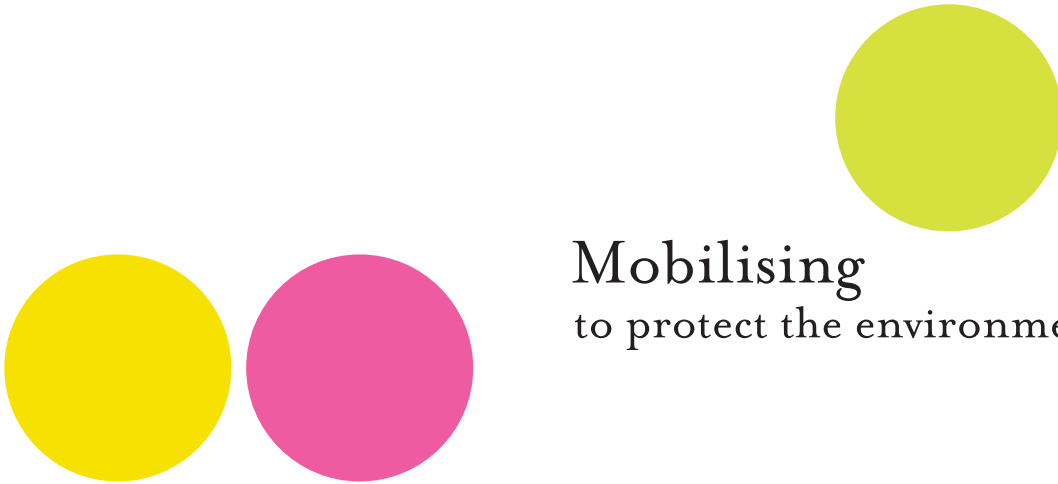
A supplement to the report was prepared in late 2005, detailing our efforts to promote diversity and combat climate change; about 13,000 copies were distributed in early 2006.

To learn more about our dialogue with stakeholders, visit the Sustainable Development section of our Web site: www.groupe-casino.com

- (1) World Business Council for Sustainable Development: www.wbcsd.org
- (2) Corporate Social Responsibility Europe: www.csreurope.org
- (3) Institut du Mécénat et de la Solidarité: www.social.gouv.fr/html/pointsur/discrimination/accords/ims/050504.htm
- (4) Admical: www.admical.org
- (5) Observatoire sur la Responsabilité Sociétale des Entreprises: www.orse.org
- (6) Fédération des Entreprises du Commerce et de la Distribution: www.fcd.asso.fr
- (7) Association Française pour l'Organisation Internationale du Travail: www.afoit.org

Sharing good practices in social responsibility

On March 3-4, 2005, Casino took part in a meeting organised by CSR Europe in Brussels, where participating companies had the opportunity to share their experiences in the area of social responsibility. The Group presented two major components of its sustainable development policy: the integration of young people from sensitive neighbourhoods into its workforce, and the Handipacte programme to promote employment for the disabled.



Mobilising to protect the environment

2005 objectives	Status	Primary accomplishments in 2005
Environmental Management		
Disseminate the Environmental Policy and each division's objectives to all Group employees in France	●	The Environmental Policy and a brochure detailing division activities and objectives sent to all Group employees in France.
Combating Climate Change		
Consolidate the assessment of our emissions in France by including activities conducted at corporate headquarters	●	Corporate headquarters integrated into the Bilan Carbone® assessment (see page 12)
Prepare an action plan for reducing our greenhouse-gas emissions	●	Action plan developed (see pages 14-15)
Adapt low-power lighting technology for use in convenience stores and test its effectiveness	●	Pilot testing conducted at three convenience stores
Test the use of CNG-powered vans for urban delivery	●	Impact study conducted in Nice (see page 15)
Logistics Optimization		
Install the tracking system in non-contract vehicles	●	144 non-contract vehicles equipped with the tracking system
Train all drivers from participating partner carriers in Casino's transportation safety and service quality standards by end-2005.	◐	174 drivers from 19 partner carriers trained
Waste Management		
Extend the scope of waste collection contracts to include 100% of stores by 2010	◐	Underway (see page 16)
Adapt waste collection contracts to the needs of convenience stores	●	Cardboard collection and recovery contract developed and signed for 180 convenience stores in Lyon
Continue experiments in fermentable waste sorting during peak periods	●	Fermentable-waste sorting campaign introduced at three supermarkets in the Saint Étienne region
Promote our procedures for returning used batteries among our franchised service providers	●	Programme established at 2,500 franchised stores
Continue efforts to replace free shopping bags with a single model that complies with France's NF-Environnement standard	●	All free shopping bags now comply with the NF-Environnement standard
Complete preliminary cross-industry efforts to create an organisation to handle recyclable scrap electrical and electronic equipment on behalf of manufacturers and retailers	●	The Group participated in the creation of Eco-Systèmes (see page 19)
Environmental Risk Prevention		
Retest five tanks, reinforce six tanks and replace 12 single-walled tanks with double-walled tanks	◐	Nine tanks retested, two reinforced and three single-walled tanks replaced with double-walled tanks
Replace 18 PCB-insulated transformers	●	Thirty transformers replaced
Outfit the last service station with a vapour recovery nozzle	●	All stations that sell more than 3,000 cubic metres of petrol a year have been equipped with vapour recovery nozzles



Helping to combat climate change

Mindful of the major challenge posed by the need to combat climate change for the sake of the planet and future generations, Casino has pledged to reduce its greenhouse-gas emissions. The Group is not a major source of these emissions but is seeking to do its part in meeting international objectives and is striving to promote good environmental practices among its employees and suppliers alike.

Greenhouse gas: A consolidated assessment

Although Casino is not involved in emissions quotas programmes, the Group decided in 2004 to join in the fight against climate change by conducting an initial assessment of the effect of its operations on greenhouse-gas emissions using the Bilan Carbone®. This method, developed by ADEME⁽¹⁾, allows companies to evaluate greenhouse-gas emissions directly caused by their activities on the basis of readily available data. To date, about a dozen French companies, including Casino, have conducted a Bilan Carbone® assessment.

The 2004 evaluation was based on a sampling of 23 stores and warehouses deemed the most representative of the Group's French sites, from which data could be extrapolated for all of Casino's facilities in France. This initial assessment yielded an emissions level of approximately 1.3 million metric tons of CO₂ equivalent, representing about 0.2% of France's estimated total emissions. An analysis of our emissions profile reveals the significant impact of customer travel to our stores, highlighting the advantages of neighbourhood retailing. In 2005, our assessment included a study of how the Group's headquarters and employee travel contribute to the Group's total emissions. This research evaluated these two components as responsible for a total of 23,129 metric tons in CO₂-equivalent emissions, representing 1.7% of the Group's emissions in France.

On the basis of this study, we have defined a number of priorities and launched several action plans designed to reduce our greenhouse-gas emissions.

Our policy draws on the need to consult with emissions experts on a regular basis and to ensure compliance with good practices by our service providers.

(1) French Environment and Energy Management Agency (www.ademe.fr).

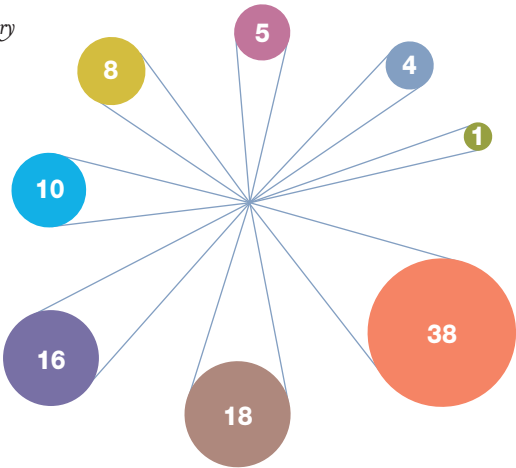


Greenhouse-gas emissions by division
in relation to sales
in grams of CO₂/€



Breakdown of Casino France
greenhouse-gas emissions, by category
%

- Customer travel
- Refrigerant emissions
- Goods transport
- Energy consumption
- Other
- End-of-life direct waste
- Cushioning materials for equipment, buildings and vehicles
- Employee travel



Our plan for reducing greenhouse-gas emissions

Reducing emissions generated by the transport of goods

According to our estimates provided by the Bilan Carbone®, goods transport accounts for about 16% of the Casino Group's total greenhouse-gas emissions in France.

Our actions

With the help of a tracking system implemented in 2000, our logistics subsidiary Easydis and our service providers have

taken steps to improve every aspect of goods transport with the aim of ensuring that each vehicle travels at optimal weight. As a result, the Group's vehicles travelled over 4.3 million fewer kilometres in 2005, thereby reducing the volume of CO₂ discharged into the air by 4,014 metric tons. A total of 589 vehicles—63% of our dedicated fleet—have now been equipped with this tracking system.

Incentives to modernise fleets and test the use of new types of fuel are also helping to reduce the impact of goods transport. For example, over the past year Easydis has been researching the feasibility of using a natural gas-powered vehicle for transport in the metropolitan Nice area; onsite testing will begin in 2006.

Moreover, a study of very fine adjustments in engine configuration, first launched in 2004, remains underway and has revealed a number of potential sources of significant energy savings (4-6 litres at 100 km) and consequent reductions in CO₂ emissions.

Maintaining our efforts in generating energy savings

Our policy of reducing energy consumption poses both economic and environmental challenges. Energy consumption at our French sites accounts for approximately 10% of our greenhouse-gas emissions and generates costs of over €70 million annually.



What is the greenhouse effect?

A natural physical phenomenon that is essential to the development of life on earth, the greenhouse effect ensures that the earth's surface maintains an average temperature of 15°C, thanks to the presence of gases in the atmosphere that block a portion of the sun's rays.

However, over the past two centuries, human activities have led to a sharp increase in the concentration of certain greenhouse gases in the atmosphere, including carbon dioxide (CO₂) and methane (CH₄), which has contributed to changes in the earth's climate. Since the start of the 20th century, the earth's surface temperature has risen by 0.6°C and, in the opinion of experts, may rise an additional 1.4° - 5.8°C over the course of the 21st century.

International agreements

During the 1992 Rio Earth Summit, 156 industrialised nations signed the UN Framework Agreement on Climate Change to signal their commitment to cap their greenhouse-gas emissions at 1990 levels by the year 2000.

The 1997 Kyoto Protocol to the Framework Agreement established a quantitative objective of reducing emissions by an average of 5.2% over 1990 levels between 2008 and 2012. The European Union adopted a target reduction of 8%.

Where France stands

France is estimated to generate some 560 million metric tons of CO₂ equivalent annually. A national plan for combating climate change was established in 2000 with the goal of stabilising emissions at their 1990 levels.

In addition to France's national quota allocation plan, which establishes annual quotas of 156 million metric tons of CO₂ equivalent for 1,126 sites⁽¹⁾, the Climate Plan, adopted in July 2004, is designed to expand the country's measures for reducing greenhouse-gas emissions to include every sector of the French economy as well as day-to-day French life.

To learn more about steps that can be taken on a daily basis to reduce greenhouse-gas emissions, visit the ADEME's Web site (www.ademe.fr; in French).

(1) Facilities that produce energy, minerals, paper or ferrous metals or combustion facilities having a rated thermal input greater than 20 MW.



YVES BRISSON, Operations Supervisor,
Maintenance/Energy/Environment

"Under the Containment Charter drafted in 2005, our refrigeration service providers are obligated to propose their best practices for making refrigeration facilities as airtight as possible and for increasing their use of coolants that are less damaging to the environment. We therefore developed a plan for replacing HCFC coolants, which are harmful to the ozone layer, with HFC coolants, which are ozone-neutral, over a three-year period. Plus, we select HFCs that have the least impact on global warming. The problem we face is finding coolants that are both effective and friendly to the environment."

Our actions

Our primary initiative involves reducing the volume of energy used to light our stores. The Group is constantly seeking out new opportunities for saving energy through the use of appropriate technology, including low-power lighting, reflectors and load-shedding devices. Thanks to regular audits of in-store consumption levels and campaigns to raise awareness of our energy use, Group employees maintain a watchful eye over energy consumption. Launched in 2002, the Green Light programme continued in 2005 with the renovation of 11 hypermarkets—representing 87,000 sq.m of sales space—to comply with the programme's recommendations. In all, sites totalling 298,000 sq.m of retail space have received Green Light certification to date. By the end of 2006, 56 Géant stores will have lighting systems that meet Green Light specifications, far outstripping our initial target of 25 stores by the close of 2008. Moreover, efforts to improve the energy efficiency of our warehouse refrigeration equipment yielded savings of approximately 850 MWh in 2005.



Reducing refrigerant emissions

Some of the fluids used in cooling systems are powerful greenhouse gases. As a result, according to our most recent Bilan Carbone®, refrigerant leakages make up about 18% of the greenhouse gases generated directly by our sites in France.

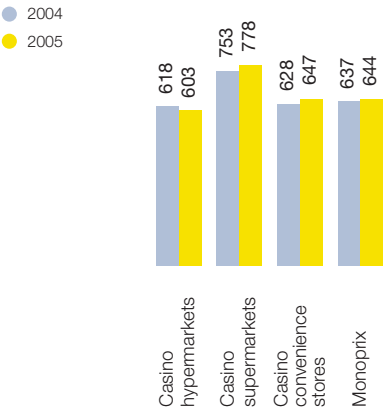
Our actions

A reduction in our leakage rate will come primarily with technological innovations in coolants and refrigeration facilities. At our sites, we emphasise the use of new-generation coolants that contribute less significantly to global warming. In addition, we encourage our technical partners to reduce the amount of leakage attributable to equipment maintenance by strictly monitoring their maintenance logs. A review conducted jointly in 2005 by the Group's hypermarkets and their refrigeration service providers sought to identify the best methods for reducing the number and volume of refrigerant leaks. With these activities in mind, a Containment Charter has been prepared and incorporated into our maintenance contracts with service providers. Easydis, our logistics subsidiary, has also taken steps to raise awareness of the issue among maintenance technicians and has intensified its monitoring of supplemental and back-up systems.

Change in CO₂ emissions from goods transport vehicles
in metric tons of CO₂ equivalent



Average electricity consumption per sq.m of retail space
in kWh per sq.m



The increase in kWh per square metre for supermarkets results from wider offerings of fresh foods, entailing the need for new electrical and refrigeration equipment that performs to the appropriate standard. For convenience stores, this increase is also due to more widespread use of ovens to promote sales of fresh foods, notably store-baked bread.



MARIE-LINE LORET, Administrative Purchasing Agent

From paying the electricity bill to managing our energy use

"Back in the late 1980s, the European Union created an internal electricity market with the ultimate goal of ensuring that, by 2007, any customer anywhere in the EU could select from a range of competing suppliers. Since 2003, for a limited number of our stores, we have been purchasing electricity on this EU market, committing to a given price and consumption level over several months or years.

In the process, we realised that low levels of production capacity and increased consumption in Europe have been driving up costs per kWh ever since this market was created. Since we don't know how this inflationary trend will affect the rates offered by Electricité de France beyond 2008, we have an even greater incentive to bring our energy purchases and consumption under control. Our goals are to prepare for 2007 by investing in low-consumption equipment as appropriate at each of our facilities and to gain a better understanding of our projected energy needs so as to make our energy purchases more wisely."



PASCAL BEYRAND, Logistics Coordinator, Easydis

"There's no doubt that our use of natural gas-powered vehicles to deliver goods in urban areas has benefits for the environment: we reduce our emissions of carbon dioxide (by approximately 15% compared to diesel fuel⁽¹⁾), nitrogen oxide (by 50-90%) and particulates (90%); we generate lower levels of noise pollution, and so on. One of the main drawbacks to the use of natural gas is that there aren't yet enough supply sites, given that trucks powered by natural gas can go no further than 400 km on a single tank. Thanks to the feasibility study conducted in Greater Nice during 2005, we have been able to identify potential delivery routes that take advantage of existing facilities. We plan to begin actual testing in 2006."

(1) Source: Safeway data, 2004, cited by ARENE (Agence Régionale de l'Environnement et des Nouvelles Énergies) in its publication "Poids lourds au gaz naturel : atouts et impacts au regard du Développement Durable".



Objectives for 2006

Continue testing of natural gas-powered vehicles in the Nice region

Continue renovations of lighting systems to meet our goal of 56 hypermarkets in compliance with Green Light requirements by the end of 2006

Pursue other opportunities for energy savings (through more efficient energy consumption)

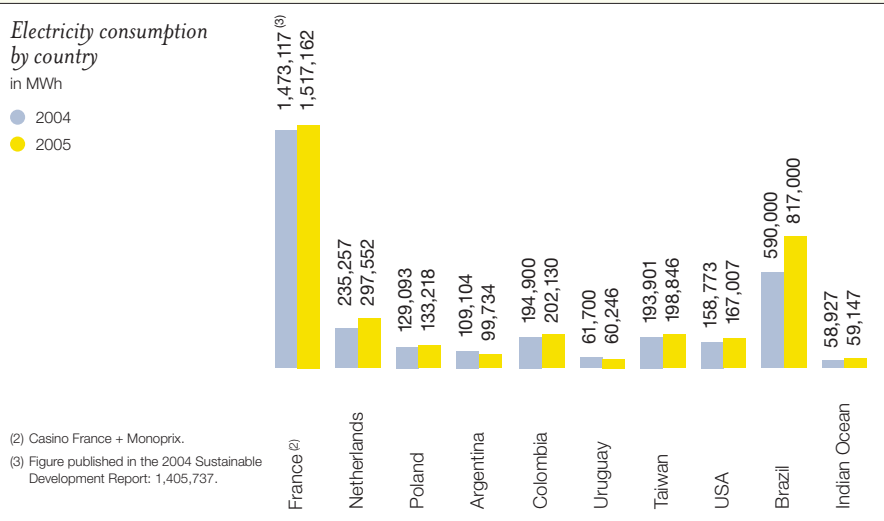
Establish procedures for monitoring refrigerant leakage rates in collaboration with our service providers in each of our divisions

Achieve annual reductions of 3% between now and 2010 in emissions generated by the loss of refrigerants as a result of containment failures

Electricity consumption by country

in MWh

● 2004
● 2005



(2) Casino France + Monoprix.

(3) Figure published in the 2004 Sustainable Development Report: 1,405,737.



Managing waste more effectively

Expanding sorting practices and waste recovery at our stores

Most waste products generated by Casino Group activities are so-called common waste products: sorted wastes (cardboard, plastics) and mixed waste products (spoiled foods, soiled food packaging). Sorted waste products are channelled to recycling facilities, where they are converted for subsequent reuse. Mixed waste products are destroyed, often with energy recovery, at incineration or sub-surface containment centres with biogas recovery.

Group sites also generate waste products containing hazardous substances (such as fluorescent tubes and printing consumables), but in much lower quantities. To manage their waste products of this type, these sites rely on accredited service providers who specialise in waste collection and treatment. These companies provide support to Group stores by proposing an increasingly rigorous approach to waste management, from simply displaying their certification credentials and identifying outlets clearly to providing

periodic reports that track changes in the quantity of waste products collected, all backed by core commitments coupled with performance guarantees and penalties. The Casino Group fulfils its waste management needs by signing national contracts with prominent members of France's waste management industry as well as individual contracts that increasingly adhere to a standard format at each store, regardless of the service provider chosen. These contracts provide assurance that service providers will comply with environmental laws and good practices. Following the lead of its hypermarkets and supermarkets, the Group's warehouses signed a framework agreement in April 2005 with a waste processing firm for the collection of cardboard, plastics and common industrial waste. At year's end, 44% of the Group's warehouses were covered by the agreement, with a target of 100% established for the end of 2006.



Objectives for 2006-2010

Extend the scope of the Group's waste management contracts to include all French outlets between now and 2010

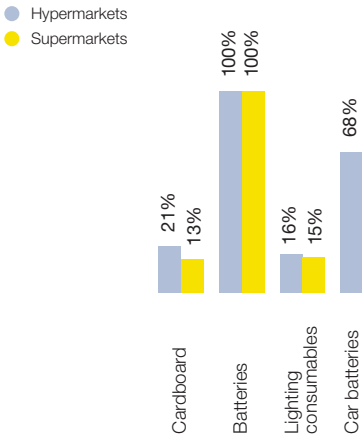
Enhance the tools used to analyse store performance in the area of waste management



EMMANUEL REYNAUD, Waste Management Purchasing Agent

"One of the more recent services offered by waste management professionals is to provide periodic data on the quantities of waste products collected at the customer's various sites. In the past, these providers held back from analysing and managing the customer's waste sorting procedures and confined their services to simply collecting and processing waste. Recent regulatory changes and the costs associated with each recycling method demand that we gradually ensure enhanced traceability and a more effective accounting of our various waste flows. So it's essential that we monitor the reliability of the data we collect from service providers or individual stores. To do this, we have developed a rigorous statistical methodology that relies on an analysis of data sets in order to detect any aberrations. As a result, managers from each operating division are alerted to the need to monitor more closely the collection data they receive from their service providers. This process is also aimed at controlling costs and ensuring that each contract partner complies with good practices with regard to waste collection and recycling."

Percentage of consolidated French stores governed by the agreement



Sorting of fermentable waste:

environmental and economic benefits

Fermentable waste refers to all waste products that contain biodegradable organic matter, such as plant waste, paper and cardboard, wood, nonsynthetic sanitary products, etc. In the mass retailing sector, the major sources of fermentable waste (apart from paper and cardboard, which are collected separately) are unsold products such as fruits and vegetables, flowers, breads and baked goods, dairy products and prepared foods, as well as any wood waste that is not subject to a specific recovery process.

Composting represents a significant recovery option for waste products of this type. It involves the conversion of fermentable matter by means of microorganisms in the presence of oxygen and water. This mixture gives off gases, water vapour and carbon dioxide, leaving a residue composed of stabilised organic matter and minerals and known as compost or organic manure. This compost can then be applied to farmland, gardens and green spaces, degraded soil or areas to be replanted.

Several Casino supermarkets and hypermarkets have launched initiatives to sort their fermentable waste. These programmes bring environmental benefits, by reducing the volume of land-fill waste generated, as well as economic benefits, by reducing the quantity of mixed waste and the associated cost of removing this waste.

Following in the path of Fréjus and Saint Raphaël in 2004, three supermarkets in the Saint Étienne region (Montbrison, Saint Galmier and Saint-Just-Saint-Rambert) have been sorting their fermentable waste from unsold fruits and vegetables as part of a pilot project in place since June 2005. Developed out of a model partnership agreement between Casino and the waste management operator, the campaign responds to a twofold objective: to make the stores more environmentally friendly, notably by reducing local pollution, and ensure maximum cost-effectiveness in waste management. In addition to the selecting sorting of fruits and vegetables, the entire waste management process has been upgraded, with the elimination of compactors (replaced by cold storage) and fewer collections: collection vehicles now visit only once a week to pick up waste products, compared with three or four service rounds weekly in the past. Results from the first few months of the project have been encouraging: waste management costs have been cut by 30-40%, the volume of mixed waste has been reduced by nearly 15%, noise and emissions pollution from vehicle traffic has decreased, odour pollution has been eliminated and the cleanliness of each site has improved. At the Saint-Just-Saint-Rambert store, nearly four metric tons of fermentable waste were collected between June 2005 and February 2006, with a gradual increase in capacity.

This success is due in large part to the active participation of the sales staff at each site and the training offered by the service provider, which played a major role in ensuring the enthusiastic support of employees. In the process, the campaign has helped to mobilise the workforce in its pursuit of operating excellence.

Volume of waste collected under a waste management agreement by stores conducting selective sorting (France)
in metric tons, 2005 (2004 figures)

	Hypermarkets	Supermarkets	Convenience stores	Cafeterias	Monoprix
Cardboard	26,536 (17,336)	8,808 (4,541)	nc ⁽¹⁾ (nc)	nc (6,400)	16,465 (19,048)
Batteries	88 (50)	84 (46)	19,8 (10)	0 (0)	104 (84)
Lighting consumables	12 (14)	1.3 (3)	0.1 (0)	35 (0)	815 (37,171)
Printing consumables	0.3 (4)	-	-	-	-
Cooking oils	-	-	-	419 (427.7)	-

(1) Not available.



Helping our customers improve their waste management

Taking part in nationwide initiatives to collect used batteries

Some 27,000 metric tons of batteries and 3,900 metric tons of portable accumulators are sold in France each year. About 27% of these batteries are recovered in collection bins made available to consumers at retail outlets. As a retailer, Casino is required to collect spent batteries returned by consumers and deliver them to recovery and recycling facilities. Since 2003, every Casino store in France has included a battery collection point; in all, these outlets (excluding Codim) collected 274 metric tons of batteries over the course of 2005. A similar programme is underway in Poland, where 116 metric tons of car batteries were collected during the year.

Further reducing the use of plastic shopping bags

Since 2003, Casino has been taking steps to reduce the number of plastic shopping bags distributed to its customers. As of 2004, free shopping bags have been available only as an option; a single bag model bearing the NF-Environnement label has been adopted at each of our divisions. The Group's hypermarkets, supermarkets and convenience stores have each separately developed an alternative solution appropriate to their clientele (see pages 42-48). We continued our implementation of these policies at all of our stores in 2005 while conducting informational campaigns among both customers and cashiers. As a result, we have reduced by 2,200 metric tons the number of free shopping bags provided to customers, an average 41% decrease on 2004.



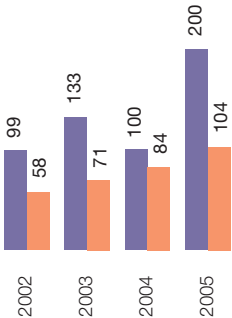
Objectives for 2006

Successfully implement a programme for the collection and recycling of waste electrical and electronic equipment in our stores.



Used batteries collected in Casino stores in metric tons

● Casino France
● Monoprix



A new programme for recycling waste electrical and electronic equipment (WEEE)



Each year, French businesses and households generate about 1.7 million metric tons of scrap electronics, and this figure is rising by 3-5% annually. These waste products, ranging from audiovisual equipment and household appliances to computers and battery-powered toys, include an array of separate components and require special procedures for their disposal.

European Union regulations governing scrap electronics (Directives 2002/95/CE and 2002/96/CE) establish a target of collecting four kilograms of household WEEE per inhabitant per year by December 31, 2006. These directives were adapted to French law in Decree 2005-829, adopted on July 20, 2005.

Specifically, these regulations require that:

- producers establish a means of financing programmes for the collection, selective processing, recycling and recovery of WEEE and create markings and identification for all products they place on the market as of August 13, 2005 (under the so-called polluter/payer principle);
- retailers ensure that used equipment can be returned with the purchase of a new product of the same type (the one-to-one principle).

Against this backdrop, since 2004 the Casino Group has been taking part in discussions to establish a formal body with responsibility for collecting and recycling scrap electronics. In July 2005 these discussions culminated in the creation of Éco-Systèmes, a consortium of 34 companies (including Casino) that manufacture or distribute electrical and electronic equipment, to allow producers to meet their obligations with regard to the collection and recycling of WEEE through a financial contribution. Éco-Systèmes is expected to gain final approval by the French government in 2006. Casino has already begun the task of placing WEEE collection points in its French stores; in 2005 we collected 3,192 pieces of electrical or electronic equipment for recycling purposes.



Enhancing environmental management at our facilities

Preventing environmental and health risks

With property assets of more than 3,500,000 square metres, the Casino Group is keenly aware of the strategic importance of minimising environmental and health risks at its facilities. Immobilière Groupe Casino (IGC) offers expertise in environmental technology for the benefit of the Group's networks. In 2004 IGC established a new department whose role is to ensure that environmental and health concerns at Group facilities are managed more effectively (see pages 58 and 59 for a detailed look at IGC activities).

Upgrades to service stations

Since 2004, all service stations at our Géant hypermarkets that sell more than 3,000 cubic metres of petrol a year have been equipped with nozzles that capture Volatile Organic Compounds (VOCs), to ensure that evaporation of these compounds into the atmosphere is kept to a minimum.

Moreover, in order to prevent contamination of soil and water tables, underground fuel tanks are regularly retested and, if necessary, reinforced with a double wall, or bedding. In 2005, nine tanks were retested and three single-walled tanks were replaced with double-walled tanks.

Replacement of transformers that use pyralene

Pyralene is the most common name for polychlorobiphenyls, or PCBs, which are used primarily in transformers and capacitors. Largely non-biodegradable, PCBs accumulate in the food chain; they are classified as potentially carcinogenic and are considered one of the ten most persistent organic pollutants by the United Nations Environment Programme. In France, a national plan to phase out the use of PCBs calls for the destruction of all devices that contain PCBs or the replacement of their component products, in accordance with a timetable that, depending on the manufacturing date, extends until the end of 2010. A plan for replacing PCB products was defined several years ago at the Casino Group, where all PCB transformers are scheduled to be replaced by 2009. Thirty PCB transformers⁽¹⁾ were replaced in 2005, with 34 remaining.

Auditing of air-cooling towers

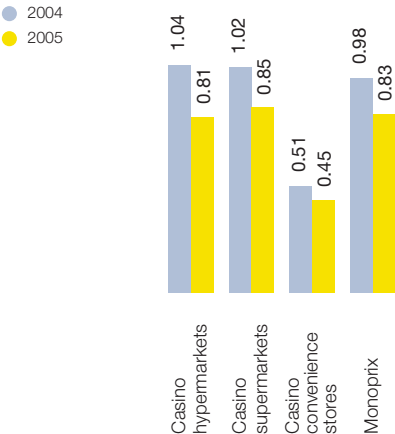
The air-cooling towers used in certain stores and warehouses for air conditioning and food storage purposes are closely monitored for the risk of Legionnaires' Disease. To comply with recent legislation, procedures for inspecting the Group's air-cooling towers have been tightened to include:

- the posting of a certificate that includes an analysis of the risk of bacterial proliferation;
- ongoing contractual maintenance from a specialised provider;
- monthly water sampling, conducted by accredited laboratories;
- a procedure for issuing immediate alerts if the presence of Legionella bacteria is suspected;
- notification of local authorities if substantial quantities of Legionella bacteria are found;
- logging of all historical data for each tower as part of a dedicated extranet site;
- an annual report, delivered to local authorities.

All of these procedures are coordinated and monitored within the Group by a dedicated unit that includes a specialist for each of the networks in question.

(1) 17 in hypermarkets and 13 in supermarkets.

Average water consumption in cu.m per sq.m of store sales area in France



The Group continued its efforts to raise employee awareness of water conservation in 2005. Our stores have responded overwhelmingly to requests to provide bimonthly water meter statements, which give a more accurate picture of water consumption at each site and can be used to identify irregularities at specific locations.



Preserving our water resources

The Casino Group's water consumption is not sizeable enough to have a major impact on the environment. Nonetheless, in light of increasingly scarce water supplies and deteriorating water quality, the Group believes it has a responsibility to encourage careful management of water use. Water conservation campaigns are organised on a regular basis throughout the Group, and water consumption levels are routinely monitored to identify aberrations and reduce waste.

Forging ahead with our environmental management programme

When it comes to the environment, the goal of the Casino Group's organisation is to implement the most appropriate solutions for each business area. With the help of its network of 20 environmental liaisons, the Group's Department of Environmental Affairs ensures that each division and support function is fully cognizant of the challenges we face.

Developed in 2003 and distributed to all Group employees, the Casino Environmental Policy identifies general guidelines applicable to all Group disciplines at each stage of operations.

Compliance with this policy in the field is assessed each year as part of a review of the environmental action plan. Upon completion of the 2002-2005 plan, a summary report was prepared with help from the relevant staff members and a new plan was developed for the period of 2006-2008.

For the past four years, the environmental liaisons from each operating division and support function have been meeting annually to share their experiences, discuss available solutions for improving the Group's environmental performance and analyse regulatory and industry developments. The Environment Seminar held on December 8, 2005, attracted over 35 participants.

To learn more about our environmental policy, visit the Sustainable Development section of our Web site: www.groupe-casino.com

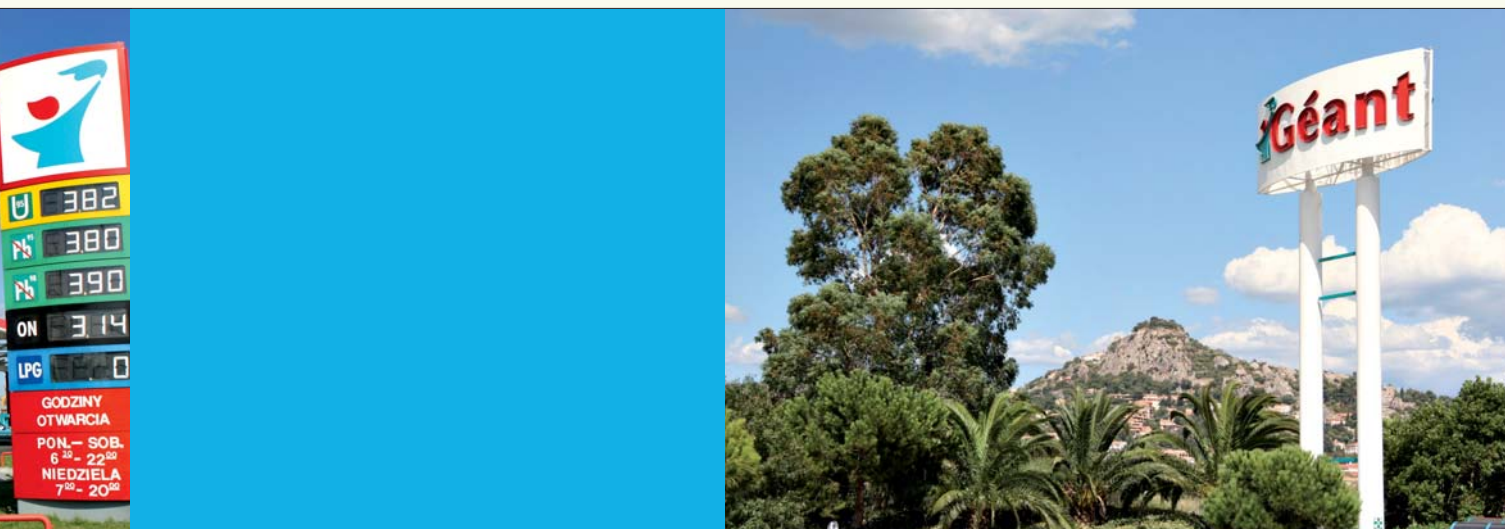


Objectives for 2006

Replace nine single-walled tanks with double-walled tanks

Replace 34 PCB transformers

Begin migrating our documentation system for environmental management of each facility and piece of equipment to a database that can be used to consolidate our audits and inspections, in order to assess each facility's level of compliance and refine our action plans



Fostering high-quality employee relations

2005 objectives	Status	Primary accomplishments in 2005
Career Management		
Continue negotiations regarding job classifications in order to take into account changes in retail job-skills requirements	●	Negotiations remain in progress; an agreement is expected in 2006
Incorporate a support structure for employees participating in the Validation of Acquired Expertise (VAE) programme into the Group-wide agreement on professional training	●	The agreement is being finalised and is expected to be signed in 2006
Prepare an action plan in 2005 for managing the careers of older employees	●	Negotiations began in 2005 and should be completed by early 2007
Diversity and Equal Opportunity		
Test the self-evaluation tool for corporate diversity at a representative sampling of Group sites in France in 2005	●	Testing of the self-evaluation tool was deferred as part of the EQUAL AVERROES project for creating a diversity evaluation tool. A study of family names was conducted at four sites in France
Sign a Group-wide agreement on gender equality in 2005	●	Agreement signed on September 8, 2005, by Distribution Casino France
Finalise the Group-wide agreement on diversity and equal opportunity in 2005	●	The Group-wide agreement was signed on October 14, 2005
Integration of Disabled Employees		
Analyse existing law regarding disabled employees and its relevance to our operations in countries where our subsidiaries are present	○	Objective deferred to 2007 in light of the complexity of existing law
Raise awareness among managers in support areas (information services and purchasing) of the commitments contained in the Handipacte Casino agreement and changes in legislation	●	Two meetings were organised in the information services department and five in the purchasing departments
Health and Safety		
Achieve an accident frequency rate below 45 by 2006	●	Frequency rate of 48.11 in 2005 (a drop of 2.09 points from 2004)
Lower the accident severity rate by 0.30 points by 2006	●	Severity rate of 2.31 in 2005 (unchanged from 2004)
Analyse the causes of workplace accidents by means of a sample at sites that are representative of Group activities	○	Objective deferred to 2006
For each division, establish a risk prevention policy that defines the role and function of unit directors and managerial staff in the areas of sales, operations and safety, in order to assess how risks to employee health and safety are handled	●	A guide to hazardous products was developed and sent to all divisions in March 2006



Reaffirming our focus on quality employment and workplace dialogue

Preserving quality, long-term employment

France's mass retailing sector has been operating in a difficult economic environment over the past three years, leading to job cutbacks in a sector that has traditionally driven employment growth.

In this environment, the Casino Group's priority is to preserve quality, long-term employment, notably through internal mobility. In 2005 we continued our efforts to protect the quality of jobs within the Group, with an emphasis on permanent employment contracts. Ninety-three per cent of our employees in France enjoy a permanent contract.

As in the two previous years, however, we have been forced to slow the pace at which we hire new employees, with the result that the total number of workers has been reduced by 405 over the past year.

Nonetheless, this represents less than 1% of our total workforce.



By providing employees with gateways from one banner to another, we have been able to mitigate the impact of difficult economic conditions in 2005 through the encouragement of internal reassignments within the Group.

Nurturing employee unity and loyalty

In the conviction that employee loyalty is a strength, the Group has maintained its policy of emphasising the value of retail professions and instilling loyalty among its personnel.

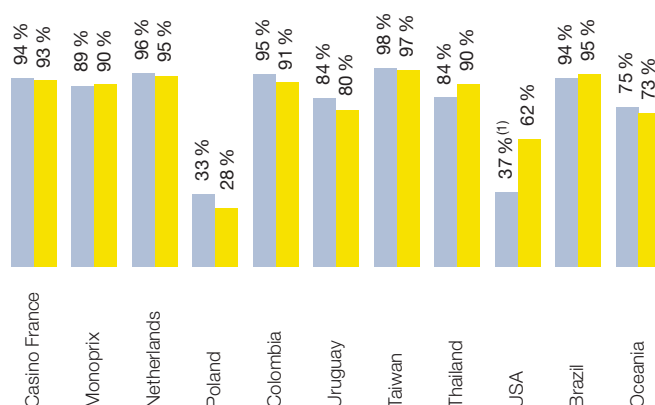
In line with the incentive-bonus and profit-sharing policies implemented since 1987, an employee shareholding plan known as Emily was introduced in France in October 2005. The plan reflects Casino's desire to give its workforce a stake in the Group's

capital as a means of mobilising support around a common objective, by linking employees more closely to the Group's future growth and performance. Open to employees and store managers who have been with the Group for at least three months, this corporate mutual fund guarantees the amount invested, which is capitalised at 2.8% yearly. Participants are protected from market fluctuations through a system based on average share price gains that guarantees a minimum share value. To date, 13,618 employees and store managers have signed up for the Emily plan, representing 26% of the workforce in France. The plan's success is the result of a highly effective internal communication campaign created for the initiative, combined with efforts to mobilise management and employees through a network of liaisons providing information on the project.

Incentive-bonus and profit-sharing programmes have also been set up in Colombia, Taiwan, Thailand, Uruguay and Venezuela.

Percentage of employees with permanent contracts, by country

● 2004
● 2005



(1) Figure published in 2004: 100%.



Continuing our efforts to improve working conditions

In accordance with the objective announced in 2005, we continued our negotiations with trade unions on reclassifications to reflect changes in job-skills requirements in the retail sector. The agreement is currently being finalised and is expected to be signed in 2006.

Promoting international careers

The Casino Group offers its employees career opportunities worldwide, through its subsidiaries in North and South America, Asia, Europe and the Indian Ocean and its affiliated partners in North Africa, the Middle East and France's overseas territories. A wide range of positions is available in fields such as purchasing, hypermarket and supermarket management, administration and finance, and logistics and supply chain management.



Over 100 French employees have already taken advantage of these opportunities. The various stages of the expatriation process, from the initial departure to the eventual return, are coordinated by International Human Resources.

During the past 18 months, the Group has been promoting opportunities for employees at Casino's international subsidiaries to visit France and gain added experience as a member of Casino's French workforce. The programme is aimed at giving participants a better understanding of the Group's culture and fostering exchanges on good practices between France and subsidiaries elsewhere in the world.

Maintaining a quality dialogue in the workplace

Since its founding, Casino has been committed to maintaining an ongoing, constructive dialogue with its employees and their representatives. This desire is reflected in four agreements that were signed in 2005:

- the Group-wide agreement signed on March 11, 2005, on professional training (see page 26);
- the Group-wide agreement signed on April 29, 2005, on arrangements for the day of solidarity;
- the agreement on gender equity signed at Distribution France Casino on September 8, 2005;
- the Group-wide agreement signed on October 14, 2005, on promoting equal opportunity and diversity and combating discrimination by furthering social cohesion within the Group and its subsidiaries (see page 29).



Objectives for 2006

Finalise the agreement at Distribution Casino France (DCF) regarding job classifications in order to take into account changes in retail job-skills requirements

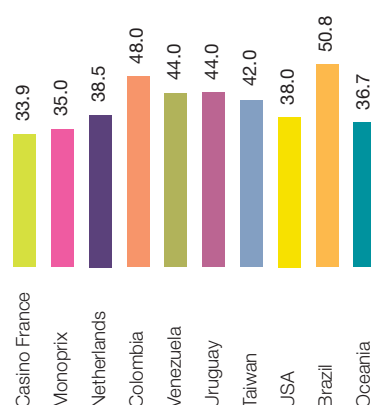
Conclude an agreement regarding the support structure for DCF employees participating in the Validation of Acquired Expertise (VAE) programme

Enhance the charter governing management mobility

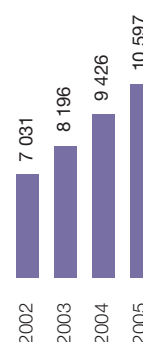
Conclude a new company-wide agreement for Distribution Casino France



Average weekly hours worked for full-time employees, by country (2005)
in number of hours



Number of meetings with employee representatives
Casino France



Meeting the important challenge of skills development

Providing our workforce with the tools to advance

Casino has always been committed to the professional development of its workforce. From the time they join the Group, employees enjoy access to flexible training opportunities throughout their careers. The Training Department established in 2004 coordinates training activities undertaken by Casino's various divisions. With this decentralised approach, customised training programmes can be created for each position while maintaining a coherent policy overall.

The Pierre Guichard Training Institute, founded in 1989, provides employees with an array of training resources, including skills enhancement programmes, seminars and e-learning modules.

In addition, employees can use Campus, an intranet-based training management platform, to view the catalogue of training courses and online e-learning programmes. Combined work/study training represents a major component of the Group's policy as well, and in 2005 we hosted 478 apprentices. The success rate for these programmes is high: the Group hires 80% of its apprentices once their training is completed.

Meeting the challenge of professional training reform

The Group-wide agreement on professional training, signed by all employee representatives on March 11, 2005, incorporates every aspect of France's recent reforms in this area⁽¹⁾. It establishes wider opportunities for individual employees to participate in training programmes adapted to their specific needs.

- The annual career interview—the linchpin of the policy—is meant to provide employees with an opportunity to voice their wishes with regard to training and define a career plan in consultation with supervisors for their mutual benefit.
- Under the Individual Right to Training programme, employees receive annual credit for 20 training hours, enabling them to take the initiative in developing a training programme jointly with their managers.
- Employees can use the Validation of Acquired Experience (VAE) policy to earn recognition for experience they have gained during at least three years in a single function, by obtaining the equivalent of a diploma.
- The training passport helps interested employees shape their training and career paths using a standard career template available on the Group intranet.

The signing of this agreement marks the final step in a process that began in late 2004, when employee representatives and the Group's human resources and training personnel came together with a twofold objective: to respond to employee needs for individualised training while taking into account the Group's growth priorities. The project that arose out of this shared objective provides employees and the Group alike with the opportunity to invest jointly in the employee's future as part of a mutual career plan, with the employee investing his or her annual training credit for which Casino assumes financial responsibility.

To learn more about projects currently underway in this area, see the description of initiatives at each of our divisions on pages 46-59.

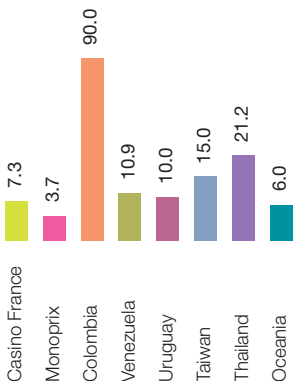
(1) Law 2004-391 of May 4, 2004, on lifelong professional training and workplace dialogue.



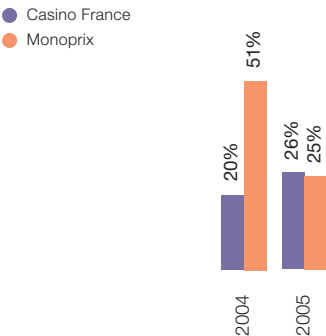
Objectives for 2006

Complete work on the tool for tracking career assessments

Average number of hours of training per employee, by country (2005)



Percentage of employees in France taking part in at least one training programme during 2004-2005





GUY BOUDAREL, Director of Training

"As an engine of social progress and economic performance, the Casino Group's training policy is consistent with the objectives of its sustainable development policy. Enhancing the skills of our workforce over time, in order to help employees build rewarding and wide-ranging career paths, has been one of the Group's major workplace commitments from the start. And since it provides an additional way to expand our expertise, training is also a key factor in our future success.

By establishing a training policy that sets us apart from our competitors, the Group-wide agreement that we signed on March 11, 2005, reaffirms the importance that Casino has always attached to training. This process, designed to establish a consistent Group-wide policy for administering the new individual right to training and other programmes, provided an excellent opportunity to pool our experiences."

Continued efforts to ensure workplace health and safety

Enhancing protection from workplace accidents

In a desire to improve its performance regarding workplace safety, Casino created a steering committee in 2004 comprised of safety training directors from each division. Its goal is to promote the exchange of good practices and to consolidate existing safety training modules. The committee also ensures that all relevant employees take part in mandatory safety training programmes.



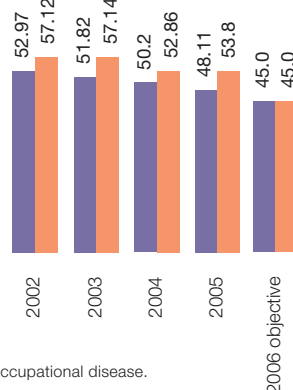
Despite these efforts, the Group's accident frequency rate and severity rate remain unacceptably high, especially in the restaurant and logistics fields. An analysis of the primary causes of accidents will be conducted in 2006 at a sampling of representative sites within the Group in order to identify steps that can be taken to improve these results.

Casino's supermarket division, working in partnership with the Regional Sickness Insurance Fund for Provence/Alpes/Côte d'Azur, launched a pilot project in 2005 on reducing the number of workplace accidents in the mass-retailing industry. As part of the project, which was tested at three stores during the year, individual interviews are conducted with each employee to assess the level of professional risk. As a result, the entire workforce gains a better understanding of the risks inherent in each position.



Lost-time accident frequency rate (2002-2005)
in number of accidents per million hours worked⁽¹⁾

● Casino France
● Monoprix



(1) These figures include occupational disease.

The overall frequency rate reveals a slight drop in the number of workplace accidents, which was down 6% from 2004. The largest number of accidents continue to occur in the cafeteria and logistics divisions, where the frequency rate is 78.05 and 61.98 respectively. Foodservice operations at our R2C subsidiary also show a frequency rate higher than 60. However, our logistics subsidiary Easydis reduced its accident frequency by five points between 2004 and 2005. In addition, the frequency rate for workplace accidents fell by 11 points in the hypermarket division.

Continuing a policy
of psychological support

Since 2001, Casino has arranged for outside professionals to provide psychological support services to employees who are the victims of workplace violence, through its collaboration with the Violence, Work, Environment (VTE) association. In 2005, with help from Casino, which acquired a financial stake in the organisation, VTE converted to a cooperative association in which the employees serve as the majority shareholders. As a result, VTE's six salaried employees, who were left vulnerable by the withdrawal of a financial partner from the banking industry, have gained greater stability.

The psychological support unit intervened in 48 separate cases in 2005 and provided services to 254 employees.

In the wake of an assessment of our psychological support services conducted in 2004, a number of steps were taken over the past year to improve the programme:

- a dedicated intranet site providing help with the decision-making process is now available to all store managers and supervisory personnel within the Group;



- the support evaluation, which in the past was conducted six months after the event, is now performed after three months for better monitoring;
- store managers who are subjected to acts of violence can now receive immediate telephone counselling from members of the psychological support unit without waiting for onsite intervention.



Objectives for 2006

Achieve an accident frequency rate of 45 or less

Achieve an accident severity rate of 2 or less

Perform an analysis of the causes of workplace accidents using a sample at sites that are representative of Group activities

Lost-time accident severity rate (2002-2005)

Lost-time accident severity rate (2002-2005)⁽¹⁾

- Casino France
- Monoprix



(1) These figures include occupational disease.

Despite our efforts, we were unable to reduce the overall severity of workplace accidents, which remained unchanged from 2004. As might be expected, given the work responsibilities involved, the activities that showed the highest severity rates were cafeterias and foodservice operations, followed by logistics and after-sales service.



A renewed commitment to diversity

In the firm belief that a diverse workforce is an asset for future growth, the Casino Group has been taking steps to improve equal opportunity and combat discrimination, both in the workplace and in local communities, since 1993 (see page 42). In 2002 this long record of involvement was formally incorporated into the 10 commitments contained in Casino's Sustainable Development Charter.

Identifying inequities within the Group

Casino has been a partner in the European Social Fund's EQUAL Initiative since 2002. The programme is aimed at promoting new approaches to fighting discrimination and inequality in the workplace.

In 2005 the Group provided backing for France's first study of family names, in order to improve our understanding of how discrimination operates on the job.

Researchers visited a Group supermarket, hypermarket, cafeteria and warehouse to conduct this statistical and qualitative analysis of employee family names, which was authorised by France's Commission Nationale Informatique et Libertés (CNIL) on an experimental basis.

Fifty-six individual interviews were conducted in complete anonymity to yield an initial assessment of discriminatory behaviour in the workplace. Researchers analysed 5,000 employment contracts and the career tracks of 608 employees, using criteria such as hiring circumstances, employment status and position in the organisation, to demonstrate that workers of non-European background were at the greatest disadvantage in terms of obtaining initial employment with the Group and retaining their jobs over time. These results were used as a basis for the Group-wide agreement that was drafted in collaboration with employee representatives and signed on October 14, 2005.



ANISSA SAÏDANI, Director of Foreign-Language Training at the Pierre Guichard Institute, born in Algiers to an Algerian father and British mother.

"In 1994 we decided to leave Algeria, which was becoming increasingly unsafe, and move to Saint-Étienne, where my husband has family. In France I encountered a kind of love/hate attitude that was very strange, changing from one minute to the next. We met archetypal French people who were afraid of anything different and young people shouting in the street for no apparent reason. They said I was from a sheltered environment. I think I would have had more problems if my skin had been darker. At the Pierre Guichard Institute I feel completely at ease: with 350 trainees each year from every Casino subsidiary plus outside firms, it's a true multicultural melting pot there, with people from Chile, Singapore, Algeria, Poland—all over the world."

Major new agreements to promote diversity

On October 14, 2005, all of the Casino Group's employee representatives and executive directors signed the Group-wide agreement on "promoting equal opportunity and diversity and combating discrimination by furthering social cohesion within the Group and its subsidiaries"—the culmination of a long-term process that began in late 2004.

The agreement defines objectives in seven areas:

- Capitalising on the diversity of the workforce.
- Acting to promote social cohesion.
- Contributing to the revitalisation of city centres and neighbourhoods.
- Ensuring equal access to employment.
- Removing obstacles to

employment for high-school graduates from visible minority populations.

- Providing support for the hiring of unskilled workers from priority neighbourhoods.
- Participating in government measures to fight discrimination.

In addition, the Group is committed to hosting 500 trainees from disadvantaged

backgrounds each year (see page 42). Executives and employee representatives at Distribution Casino France also signed an agreement on September 8, 2005, to promote gender equity in the workplace.

To learn more, read our agreements for promoting diversity at the Group's Web site: www.groupe-casino.com

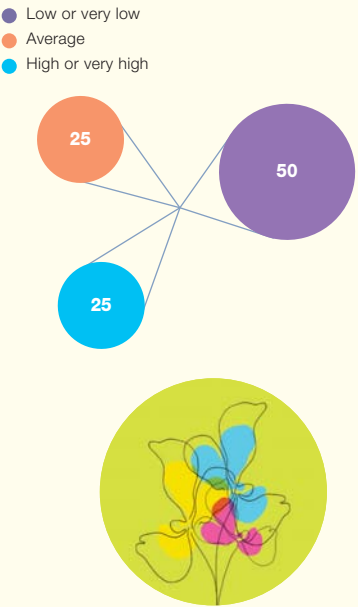
Tools for moving forward

To fine-tune its analysis of the situation, Casino has pledged its participation in the EQUAL AVERROES project (Action for employment and service equality without regard to race, religion or place of origin) in order to establish a tool for measuring progress in achieving diversity.

To further its efforts in widening access to employment among minority groups, particularly with regard to temporary work contracts, the Group's diversity policy and requirements have been incorporated into the terms and conditions it presents to temporary agencies and recruiting firms during negotiations.

The Group's best practices guide to hiring, orientation and retention, developed in 2004, provides an additional useful resource for encouraging equal access to employment through non-discriminatory job titles, objective hiring criteria and proper monitoring of procedures.

Results of the family-name study: percentage of employees interviewed who feel that the level of discrimination within the Group is:



Objectives for 2006

- Create a Group Diversity Committee
- Establish a diversity management training programme for executives
- Assist in developing a tool for measuring progress in achieving diversity as part of the EQUAL AVERROES project

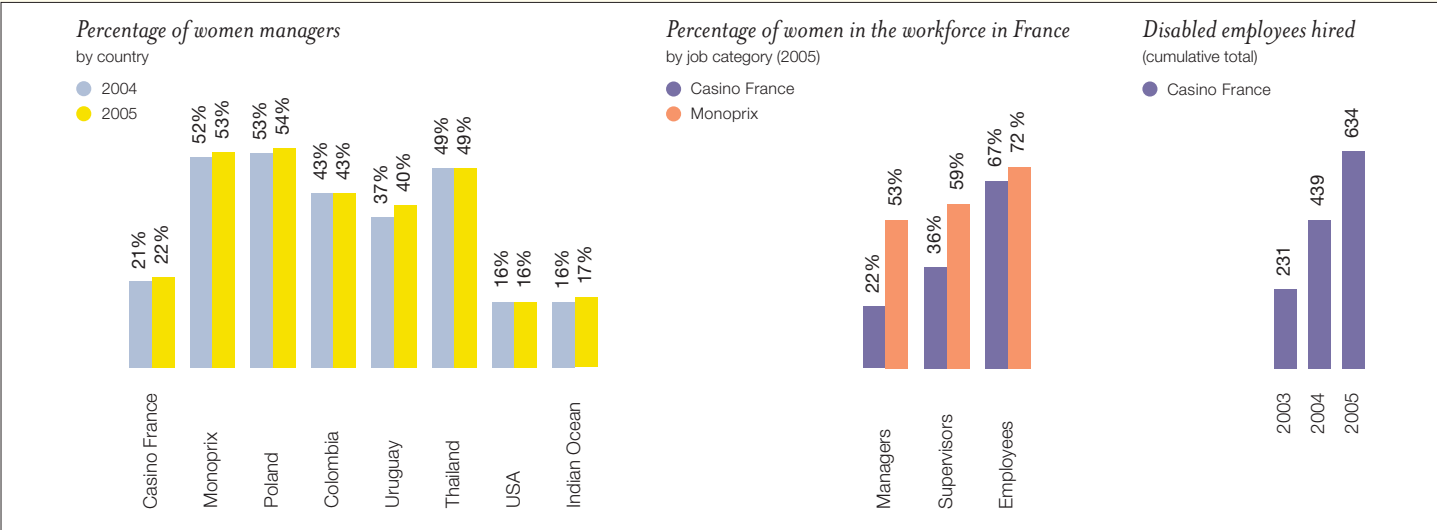
An ongoing initiative to employ the disabled

Maintaining our commitment to the Handipacte agreement

In the years since it first signed an agreement to encourage the hiring of the disabled in 1995, Casino has been continuously building on its commitment by broadening its efforts to raise awareness of the issue both inside and outside the Group.

The most recent Handipacte Casino agreement, covering the period 2003-2005, applies to all French subsidiaries with the exception of Leader Price, Franprix and Monoprix. The agreement calls for each company to maintain a minimum quota of disabled employees of at least 6% as required by law (although very few firms meet this quota), with a focus on the following areas:

- Hiring: The agreement called for the hiring of 300 disabled persons; as of the close of 2005, the Group had hired 634 disabled persons.



- Transition to the workplace and training: Casino made a commitment to take on 100 disabled interns before the end of 2005; 247 have taken part in various internships within the Group.
- Maintenance of employment levels: The Group has continued its practice of providing facilities with ergonomists who can analyse working conditions for a disabled employee and propose changes to reflect his or her specific needs.
- A plan for employee communication and awareness-raising: the Group's intranet has been updated and a page devoted to Handipacte created on the Group's Web site, www.groupe-casino.fr. Five sessions were held among purchasing departments in 2005 to raise awareness of the issue.



Upon the expiration of the Handipacte agreement at the end of 2005, a comprehensive report was presented to the employee representative bodies. Negotiations for a new agreement will begin in 2006.

For more information about this subject, visit the Sustainable Development or Handipacte sections of our Web site: www.groupe-casino.fr

Casino takes part in the Verticale wheelchair rally

Verticale is an organisation founded in 1991 to promote research into spinal cord injuries by raising funds through a range of events. Its 15th annual wheelchair rally was held in 2005 along a five-day, 270-km course stretching from Louhans to Dijon. On June 3, 2005, the race made a stop at the Géant outlet in Chenôve, a partner in the event along with Casino Cafétéria. Several Casino hypermarkets have joined in this campaign to help gather donations needed for further research.

Looking ahead to regulatory changes

France's law of February 11, 2005, on "Equal rights and opportunities, participation and citizenship of disabled persons" came into effect on January 1, 2006.

Under the new legislation, disabled employees must still comprise 6% of each company's total workforce, but the methods used to tally this figure will change, with the result that the quota will be significantly reduced. Pending the publication of more detailed information, our current understanding of the law suggests that the Group's quota is likely to decrease by about 2% at the end of 2006, which will entail a larger payment to the Association pour l'Emploi des Travailleurs Handicapés⁽¹⁾.

(1) AGEFIPH (www.agefiph.asso.fr).



Objectives for 2006

Formalise the new Handipacte Casino agreement for the period 2006-2008

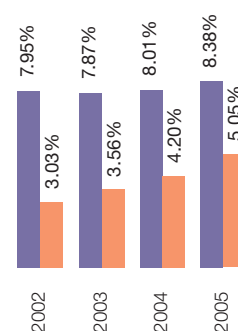
Casino sponsors the Association Bibliothèque Braille Enfantine (A.B.B.E.)

Founded in 1986 and staffed entirely by volunteers, the A.B.B.E.⁽²⁾ creates reading materials for blind and visually-impaired children, including books of universal appeal that feature large-print type, braille characters on transparent sheets and in some cases raised drawings. The association's library currently extends to 1,850 books, many of which are available in computerised versions to enable text enlargement for partially-sighted children.

(2) <http://bibli.braille.enfant.free.fr>

Disabled employees in France expressed as a percentage

● Casino France
● Monoprix



Responsible, community-minded retailing

2005 objectives	Status	Primary accomplishments in 2005
Product Quality and Safety		
Obtain the participation of 80% of own-brand food product suppliers in the Trace One system	●	Eighty-three percent of own-brand food suppliers were participating in the system by the end of 2005
Products that Respect People and the Environment		
Develop a second teak reforestation plan in Indonesia and Vietnam totalling 19.7 hectares	◐	Forty hectares have been replanted since 2003 (including 9.7 in 2005)
Introduce 19 new gardening and garden furniture products bearing the Forest Stewardship Council (FSC) label	●	Twenty new FSC-certified products were introduced
Supplier Relations		
Continue the SME immersion programme for buyers so as to reach the target of 80% of all buyers between now and 2006	●	Fifty-eight percent of relevant buyers have taken part in an immersion programme
Social and Ethical Affairs		
Increase awareness of the principles contained in the ethical charter among Chinese suppliers	●	Meetings were held with eight suppliers in the course of a two-week visit to Zhejiang province
Continue discussions regarding methods of ensuring long-term supplier relationships and of conducting audits on a broader scale	◐	Follow-up audits were conducted in 2005 at 21% of the factories that were audited in 2004
Conduct 60 to 70 social audits among our suppliers in 2005	●	Sixty-two social audits were conducted among suppliers
Urban and Community Affairs		
Continue efforts to recruit young high-school graduates from disadvantaged neighbourhoods	◐	Hiring of recent high-school graduates has continued in accordance with objectives
Take part in new programmes designed to encourage economic development	○	No new programmes for economic development were implemented in 2005
Develop new partnerships on behalf of disadvantaged children	●	A new partnership was signed between <i>Écoles du Soleil</i> and the apfÉE Foundation



An unwavering commitment to meeting our customers' needs

An ongoing concern for product quality and safety

Ensuring product safety and protecting consumers have always been key Casino concerns. With the help of a comprehensive network of resources, Casino can guarantee that the products it sells are healthy and safe, even if risks can never be completely eliminated.

A risk prevention committee meets every other month to assess ongoing and emerging dangers. This scientific monitoring, conducted with the help of an outside service provider, allows the Group to anticipate and manage risks to our business more effectively.

All manufacturers of Casino-brand products are subjected to a rigorous, objective evaluation. Inspectors systematically verify quality assurance and safety procedures by means of sensory testing and compliance analyses as well as audits of production sites. Thanks to a new system of auditing benchmarks in place at several French and German retailers, we can be ensured of a high level of supplier safety. Before receiving the Casino label, food products are evaluated on their sensory characteristics, while non-food products are tested on their performance.

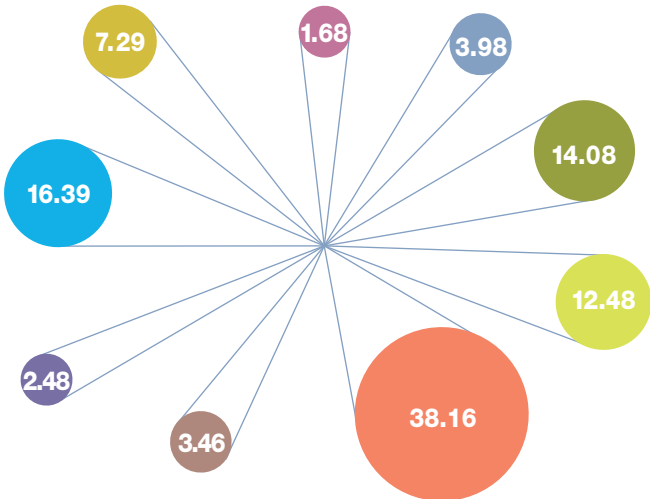
Since the taste of each product remains a key criterion for customer satisfaction, Casino has for the past 15 years drawn on the services of its sensory evaluation laboratory. All Casino, *Terre et Saveur* and value-brand products are subjected to an array of physico-chemical and microbiological testing.

Our resources for handling product recalls and withdrawals were recently enhanced by the implementation of a system that in 2006 will enable us to respond more quickly and with greater precision when product anomalies are identified.



Breakdown of service requests handled by the Consumer Information Centre in 2005, by origin as a percentage

- Casino products
- Value-brand products
- National-brand products
- Hypermarkets
- Supermarkets
- Convenience stores
- After-sales service
- C-Disc service
- Miscellaneous

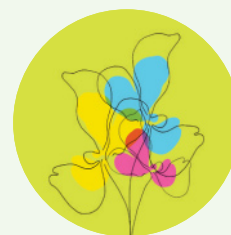


Implementation of the Trace One system, a collaborative, computerised management tool for use by both Casino and its producers, has accelerated. By the end of 2005, over 83% of our suppliers were participating in the system and more than 1,200 specifications had been added to its database, which identifies every ingredient used in Casino products. If an alert is issued regarding a specific ingredient potentially found in several different products, appropriate queries can be submitted to the database. The resulting time savings ensures quicker problem resolution, which means enhanced consumer safety. Audits are also conducted in stores and warehouses in order to verify compliance with established procedures and good practices. Key inspection criteria relating to site and employee hygiene and adherence to cold-chain standards are measured and tracked as part of a commitment to continuous improvement. In compliance with European Union regulations, our stores and warehouses have implemented plans for Hazard Analysis and Critical Control Points (HACCP).

In addition, in the face of rising obesity rates and related health issues, Casino has reaffirmed its commitment to promoting good nutrition (see pages 36-38).

Devoting our attention to customers in order to ensure their satisfaction

Our Consumer Information Centre, established in 1991, handles customer complaints and processes requests for information, thereby playing an essential role in our system for continuous product improvement. Customers can contact the centre free of charge via telephone (in France: 0800133016), e-mail (sceconso@groupe-casino.fr), post or the Internet. In 2005 the Consumer Information Centre received 51,150 communications and handled 29,825 service requests.



Objectives for 2006

Upgrade the software used to process customer comments in order to improve the Consumer Information Centre's handling of service issues by 2007

Conduct a satisfaction survey among customers who contacted the Consumer Information Centre



*Number of audits of Casino product
manufacturing facilities*



Number of in-store quality audits

Casino France (excluding convenience stores)



The rapid rise in obesity and excess weight poses a true public health challenge throughout the developed world. In France, recent studies have shown that 16% of all children are overweight or obese, compared with 5% in 1980. In addition, the problem affects 30% of adults ages 20 to 64. The effects of obesity on health are now widely known and include increased risk for heart disease, diabetes and cancer. Public health experts estimate that obesity reduces life expectancy by thirteen years.

Nutritional health: a major challenge



The Nutritional Cursor[®], a consumer buying guide developed by nutritional physicians Jean-Michel Cohen and Patrick Serog



The Casino Group's nutrition policy

Dietary habits and increasingly sedentary lifestyles are major factors in the rise of obesity. Bearing in mind its responsibility as a retail group, Casino has launched an ambitious nutritional health campaign designed to encourage healthier eating habits among both its customers and its employees.

Enhancing the nutritional quality of our products

As a part of an ongoing objective to improve the nutritional value of its own-brand products, Casino has created a product selection tool, used to evaluate tenders from potential producers for the Group, that incorporates criteria on nutritional quality. The Group has also established a methodology for limiting the amount of sugar, fat and salt found in Casino-brand products.

Since it is not always easy for consumers to obtain clear and reliable information on product ingredients, Casino has developed a special product label that includes a table of nutritional values per 100 g and per serving, accompanied by practical nutritional advice and guidelines to help inform consumers. By the end of 2005, nearly 600 products had been redesigned to feature the new label.

As a result, the sugar content of four cereal-based baby food products was reduced by an average of 22% in 2005, while the salt content was reduced in 55 different products.

Providing consumers with better information about product nutrition

In order to go one step further on behalf of our customers and fully meet their expectations regarding nutritional information, the Casino Group will be the first to display, on all Casino products, the Nutritional Cursor®, a simple and innovative new nutritional information tool created and developed by two nutritional physicians, Jean-Michel Cohen and Patrick Serog.



ISABELLE BARILLÉ, Nutrition Project Coordinator

"With the rise in obesity in France, nutrition has become a major public health challenge. At the Casino Group, we have incorporated this broader community concern into our thoughts and actions. For example, as part of the Casino brand's new visual identity, we have developed special nutrition inserts for our food products that offer nutritional advice and guidelines. In addition, we have adopted the Nutritional Cursor®, which is a truly helpful guide to purchasing products. We also provide customers with a "Balanced Nutrition" guide that includes food recommendations and advice as well as tips for preparing meals. We're currently working on creating a special nutritional call centre staffed by experts who can respond to general questions about nutrition or concerns about a specific Casino product. And we're looking at ways to provide a coaching service to consumers via the Internet over the course of several weeks, to help them adopt more balanced eating habits. It's an ambitious programme but an important one, since we all know that our diet has a direct effect on our health!"



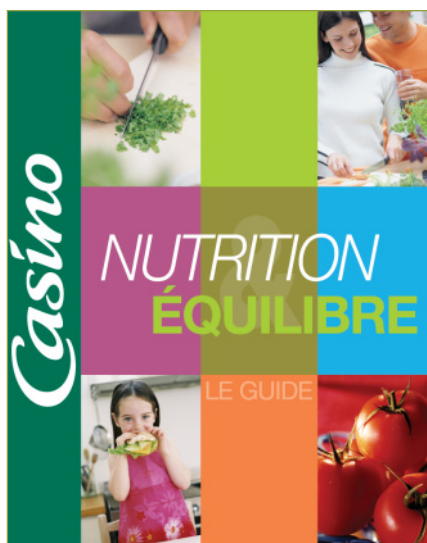
Consumers can use this tool as a general buying guide that rates every product from a given food group according to three criteria, based on the product's specific nutritional data:

- Nutritional Enjoyment: these products have nutritional value and should play a prominent role in any diet;
- Traditional Enjoyment: in nutritional terms, these products are considered average for their food group;
- Gourmet Enjoyment: these products have higher levels of fat, sugar, salt, etc., than average for their food group.

First, the products are rated using an objective statistical analysis (based on the PCA⁽¹⁾ and HAC⁽²⁾ methods); then these ratings are verified by the experts on the Group's Scientific Committee, whose members include Professor Ambroise Martin, Professor of Nutrition and Biochemistry at the Faculté de Médecine de Lyon; Professor André Vacheron, cardiologist and former president of France's Académie de Médecine; experts from the French National Institute for Agricultural Research (INRA) and the French national Institute for Health and Medical Research (INSERM); and Christophe Casamayou, statistical expert with SPAD.

Educating our product teams about the challenges of nutritional health

The Group's buyers, product managers, researchers, purchasing agents, quality managers, customer service teams and staffers at our culinary and sensory analysis centre all play a key role in implementing our nutrition policy.



At three training sessions held in June and September 2005, 76 employees had an opportunity to learn more about nutritional health issues from a qualified nutritionist.

Expanding our efforts to raise customer awareness

In addition to the specific nutritional information available on each of our own-brand products, Casino has developed a simple, instructional guide to balanced nutrition that is targeted to the general public. The guide has been available for downloading from the Casino products Web site since June 2005 and will be distributed in all of the Group's French stores as part of the "For Your Well-Being" campaign launching in April 2006. The Group's entire French workforce has received a copy of the guide as well, along with a quick-reference card that summarises guidelines for a balanced diet.

(1) Principal Component Analysis.

(2) Hierarchical Ascending Classification.



Objectives for 2006-2008

Provide consumers with access to a call centre, staffed by a team of dieticians, that can answer their questions on nutrition

Create a nutritional coaching service adapted to a range of dietary profiles at the Casino brand and Group banner Web sites, as a means of guiding consumers towards improved eating habits

Establish an annual event to raise awareness of nutritional health as part of the "For Your Well-Being" campaign held on April 19-29, 2006

Products that respect people and the environment

Terre et Saveur: respecting taste and nature

The *Terre et Saveur* brand, the result of a close collaborative effort between the Casino Group and its suppliers, has two objectives: respect for taste and respect for nature. Its pledge is to offer fresh, flavourful products every day at an excellent value. The product range was modified in 2005, notably in the area of fruits and vegetables, in order to eliminate certain products that, by their nature or because of production conditions, were unsuited to meeting all of the brand's requirements.

Also in 2005, we introduced *Terre et Saveur* salmon. Raised in the fjords of Norway's Froya and Hitra islands, this salmon reflects a commitment by its producers to comply with good production practices and show respect for the environment.

To raise customer awareness of the benefits of sustainable agriculture, the Group's chains regularly explain our policy in brochures provided to customers. In addition, *Terre et Saveur* is now present on the Internet. Incorporated into various Group Web sites (geant.fr, supercasino.fr, casino-proximité.fr, produits-casino.fr), the brand's site provides a monthly listing of seasonal products and provides simple, unique recipes, all while highlighting the

Terre et Saveur approach. This site has helped to raise the brand's profile, and its increasing popularity reflects our customers' interest in these products.

To learn more, visit the *Terre et Saveur* Web site

Casino Bio: a recognised line of organic produce

Created in 1999, the *Casino Bio* product line responds to the need of consumers who are increasingly concerned about the quality of their food. All of the range's 67 items in grocery products, fresh produce and fruit juices meet official organic farming standards, providing a guarantee that they were produced according to environmentally-friendly methods. In addition, at least 95% of the ingredients used in *Casino Bio* products are organically produced, as stipulated by law.

To learn more, visit the "Nos Marques [Our Brands]: Casino Bio" page of our product Web site: www.produits-casino.fr

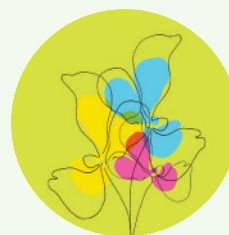
Exotic wood: promoting sustainable forest management

As a retailer of both indoor and outdoor furniture that contains exotic wood species, the Casino Group bears a responsibility to promote the use of wood from sustainably managed forests. Products certified by the Forest Stewardship Council (FSC) comply

with this obligation. A product cannot receive the FSC label until the traceability chain has been verified by an independent certification body.

Casino began selling FSC-certified products in 2004 and added 20 new home and garden-furniture products in 2005.

In a desire to do its utmost on behalf of sustainable forest management, the Group has also been taking part in teak planting programmes in Indonesia and Vietnam since 2002, pledging to plant four new trees for each tree that is cut. A teak reforestation campaign was carried out in these two countries in 2005, covering a total of 9.7 hectares. In all, 40 hectares have been replanted since 2003.



Objectives for 2006

Market 24 FSC-certified products in our stores



Sharing our results with suppliers

Our suppliers are essential partners in our expansion and make a substantial contribution to the Group's success. Our goal is to provide them in return with conditions conducive to long-term growth by adhering to four major principles:

- Providing suppliers with maximum visibility concerning our organisation as well as changes in economic and market conditions and the constraints we face as a result, by offering targeted informational tools (such as our central purchasing agency Web site at www.emc.groupe-casino.fr, our Casino Connect platform for dialogue and interaction, and annual supplier conventions);
- Promoting a quality dialogue, specifically with the help of services provided by our EMC Distribution central purchasing agency;

- Supporting suppliers in their efforts to expand both in France and in the international marketplace, with assistance from International Retail & Trade Services (IRTS) and the Partenariat France association;
- Sharing our expertise by organising regular meetings on specific current topics or major areas of concern such as food safety.

Promoting growth among small and medium-sized enterprises (SMEs)

Most of the suppliers certified by our central purchasing agency are small and medium-size enterprises (SMEs). These firms are critical partners in our quest for growth and help us meet our objective of differentiating our in-store offering. SMEs produce 75% of all Casino-brand products.

A preferred contact person: In 1998 the Group created the position of SME coordinator, whose role is to enhance relations between SMEs and Casino personnel on an ongoing basis. The coordinator also helps SMEs gain access to the Group's markets, by meeting with non-certified SMEs to explain Casino's policies and, when appropriate, put them in contact with the relevant buyer.

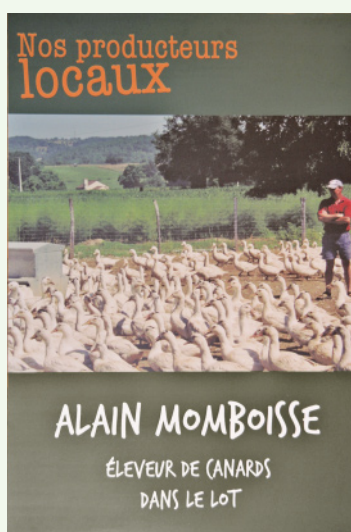
Immersion sessions for Group buyers: For several years, Casino has been organising daylong immersion sessions to give its buyers an opportunity to learn more about SME operations and concerns. SMEs among our certified suppliers hosted immersion sessions for 13 buyers in 2005.

Worldwide support: Casino provides support to SMEs looking to expand internationally in three ways:

- Through the Casino brand in France, the Netherlands and Poland, or via direct certification at Géant Polska (Poland) and Laurus (Netherlands);
- Through the services of IRTS, a joint subsidiary of Casino and Auchan that advises SMEs seeking to expand into the international market by helping them identify potential markets and develop a business plan;
- By hosting SME employees in areas where the Group has a presence, as part of the Partenariat France network. This allows SMEs to build a list of contacts and test the market.

Business development contracts hampered by a sluggish economy

Created in 2001, the business development contract is a two-year commitment between Casino and an SME with the objective of generating 20% growth in sales over the period. The renewal rate for these contracts, initially projected at 80%, has slowed considerably since 2004 as a result of economic conditions and consequently no new contracts were signed. Ninety-one SMEs have received this commitment from the Group since 2001.



NICOLAS RISSELIN, Paint and Technical Buyer for Casino's central purchasing agency, hosted in 2005 by Tismail, a sock manufacturer in Troyes

"The day I spent with Tismail gave me an understanding of the modularity, flexibility and capacity to respond quickly that characterises SMEs, which I hadn't worked much with in the past. An experience like this is essential for staying attuned to the economic and social realities of the world around us."

Closely monitoring producer ethical practices and working conditions

During 2005, Casino increased the amount of space on its store shelves devoted to non-food products from countries outside the European Union, but the Group has remained as vigilant as ever in verifying that these products comply with the Ethical Charter adopted at our central purchasing agency, EMC Distribution.

The Group has taken two types of initiatives to ensure that the principles contained in the Ethical Charter are properly reflected in the manufacturing process.

- During a 15-day visit to Zhejiang province, Chinese manufacturers were found to be receptive to the Group's arguments once they understood that our concerns were shared by the customers in Casino Group stores where their products would be sold.
- In addition, 62 social audits were conducted in 2005, involving 40,761 employees and their supervisors in the countries indicated in the table below. An analysis of the year's audits prompts a number of comments.

From a quantitative perspective:

- The large number of audits in China and Bangladesh reflects economic reality;
- The percentage of follow-up audits (21%) conducted after an initial audit in 2004 indicates a trend towards long-term reliance on an established group of suppliers.

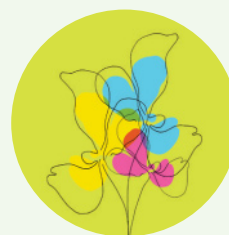
From a qualitative perspective:

- In addition to certain recurring instances of non-compliance with the Ethical Charter involving the "compensation", "working hours" and "workplace health and safety" criteria, we discovered that some social auditors had difficulty relating workplace conditions to more specific human-rights criteria (forced labour, discrimination, harassment, excessive disciplinary measures, etc.).
- Over 30% of the failings we encountered (excluding freedom of association in China) arose not from any proof of non-compliance but rather from a lack of evidence of compliance, which, if intentional causes are eliminated, could be attributed merely to inadequate organisation.
- This latter finding gives rise to another: in order to properly address the question of how labour conditions in production facilities located in emerging countries can be improved, we cannot simply increase the number of audits performed.

With regard to both the methodology of these social audits and the risks inherent in the Group's international expansion, our ongoing partnership with Amnesty International has helped us understand more effectively how the issue of human rights affects our areas of business.

Thus, Casino supports the Kimberley Process by providing a guarantee to its customers that the diamonds sold in its Or boutiques have not been used to finance armed conflict in the countries where they were mined.

Similarly, it is for this reason that Casino, alongside Amnesty International, has begun to reflect on the conditions governing the applicability of the "Draft standards on the responsibilities of transnational corporations and other business enterprises with regard to human rights" issued by the United Nations.



Objectives for 2006

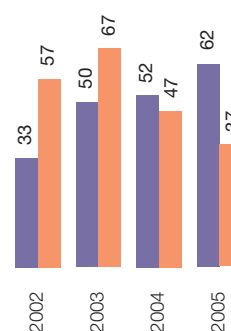
Continue to perform social audits at a rate of 60 to 70 per year

Breakdown of social audits

	Initial	Follow-up	Total
China	15	7	22
Vietnam	3	0	3
Thailand	2	0	2
Bangladesh	21	0	21
India	0	1	1
Pakistan	3	0	3
Turkey	5	0	5
Morocco	2	2	4
Madagascar	1	0	1
Total	52	10	62

Total number of social audits of suppliers

● Casino
● Monoprix



Aiding local social and economic development

For over 10 years, the Casino Group has been actively involved in the fight against racial, sexual and religious discrimination by forcefully asserting its policy for urban affairs and solidarity.

Casino's long-standing commitment on behalf of urban policy was reaffirmed in 2005 with the signing of two major agreements:

- On October 20, 2005, in the presence of Mr Azouz Begag, France's Minister for the Promotion of Equal Opportunities, the Group pledged its commitment to offer 500 internships yearly to young people from disadvantaged neighbourhoods. Casino was the first French company to sign this pledge, which is part of the "Objectif Stages" programme undertaken by the Ministry for the Promotion of Equal Opportunities and the Ministry of National Education. This commitment complements



those made earlier as part of the second agreement with the Ministry of Urban Affairs, in which the Group agreed to recruit 250 recent school graduates from priority neighbourhoods by the end of 2006 and to ensure that local residents make up 20-30% of new hires when the Group opens new stores.

- The Group-wide agreement signed on October 14, 2005, on "promoting equal opportunity and diversity and combating discrimination by furthering social cohesion within the Group and its subsidiaries" also incorporates these urban policy objectives into the Group's social platform.

In 2005 Casino once again took part in the Talents des Cités programme, which each year highlights projects to create businesses and associations in priority neighbourhoods. The programme is sponsored by the French Senate and the Ministry for Employment, Social Cohesion and Housing.



Casino also provided assistance to the Fauroux parliamentary commission on combating ethnic discrimination in the workplace. The commission issued its report in September 2005.

A model commitment to integration and diversity

In honour of its success in creating 360 permanent positions at its hypermarket in Roubaix, Casino was awarded a top prize in the 2005 competition sponsored by Entreprise et Progrès, an organisation whose goal is to encourage corporate initiative. The awards are designed to give public recognition to the year's most notable efforts in providing professional opportunities for young people.

On December 13, 2005, Thierry Bourgeron, the Group's Director of Human Resources and Communications, alongside representatives from 21 major French firms, met with France's Prime Minister, Dominique de Villepin, accompanied by Jean-Louis Borloo,

Five key dates in the Group's record of commitment

1993 First agreement with the Ministry of Urban Affairs

1997 Creation of the Urban Policy and Solidarity Department

2003 Membership in the European Union's EQUAL initiative

2004 Signing of the Corporate Diversity Charter

2005 Signing of the Group-wide agreement on "promoting equal opportunity and diversity and combating discrimination by furthering social cohesion within the Group and its subsidiaries" and of the "Objectif Stages" charter promoting internships in disadvantaged neighbourhoods.

To learn more, visit the Sustainable Development, Equal Opportunity and Urban Policy pages of our Web site:
www.groupe-casino.com

Minister of Employment, Social Cohesion and Housing, and Azouz Begag, Minister for the Promotion of Equal Opportunities. The Prime Minister expressed his thanks to the assembled executives for their efforts to promote equal opportunity and mobilise the workforce on behalf of this objective. Mr de Villepin had previously hailed Casino's efforts in the realm of integration and equal opportunity during a visit to the Casino supermarket in Vaulx-en-Velin on February 14, 2005.



Objectives for 2006

Hire 500 interns from sensitive urban areas as defined in the "Objectif Stages" programme

A community-minded business

Casino's commitment to be a community-minded retailer is rooted in a long tradition of humanitarian initiatives and philanthropy at the local, national and international level. Created by Casino in 2001 to provide support services for disadvantaged children, the *Écoles du Soleil* association receives an annual grant that is distributed among foundations operated by Group subsidiaries in Colombia (Exito Foundation), Venezuela (Niños del Sol, Cativen Foundation), Thailand (Big C Foundation) and their partner association in France. In the Philippines, Casino is providing financial support to the Little Bamboo Foundation in its plans to build a shelter for children from the Cebu shantytown.

The Group's various chains are also active in their local communities, either on their own or under the aegis of *Écoles du Soleil*. In accordance with a poll of Group employees in 1998, sponsorship of cultural and sporting events is increasingly giving way to humanitarian philanthropy targeted primarily to children.

In France, after providing funding to SOS Villages d'Enfants for three consecutive years, *Écoles du Soleil* has recently signed a partnership with apfÉE, an organisation chaired by Jean-Jacques Moine whose goal is to promote effective schooling. The partnership calls for the Group to provide an annual grant of €100,000, logistical support and a forum for reaching a wider segment of the public through our stores. In 1994 apfÉE, founded by four teachers, developed a programme known as *Coup de Pouce CLÉ* designed to prevent young children from falling behind in their ability to read. Each year, over 100,000 children begin their schooling with one major handicap: they lack the necessary support at home to help them succeed in learning to read. *Coup de Pouce CLÉ* provides coaching to children and their parents alike. In school classrooms, after the school day is over, instructors help children in the CP programme discover the joys of reading, while parents discover that they have the skills to help their children. In addition, through its work with IMS⁽¹⁾, ADMICAL and CSR Europe, the Group is active in promoting corporate social responsibility throughout society at large.

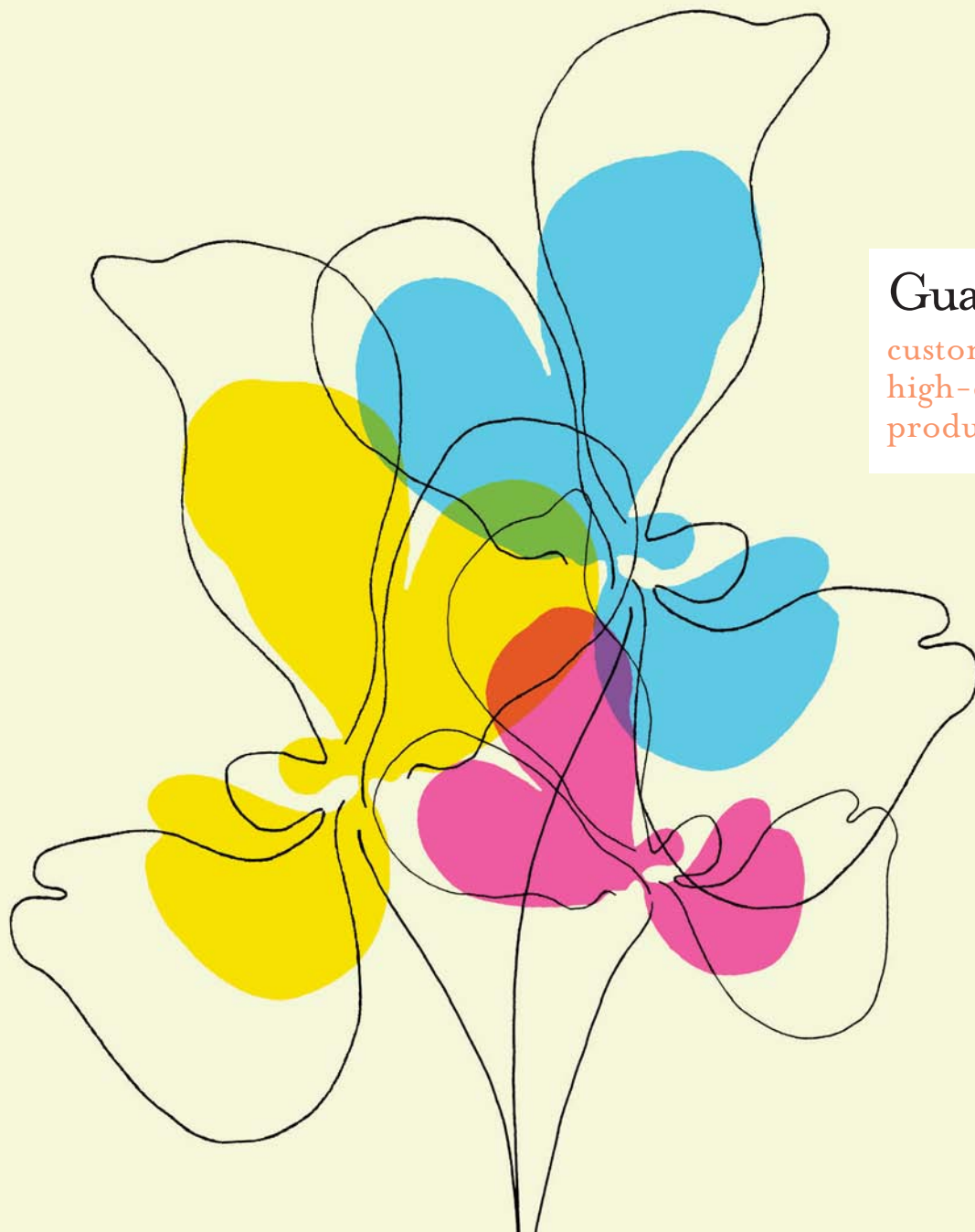
To learn more, visit the Sustainable Development or Sponsorship pages of our Web site: www.groupe-casino.com

(1) Institut du mécénat et de la solidarité – Entreprendre pour la Cité.



Sustainable Development in our divisions

Since the success of our Sustainable Development Policy rests first and foremost on the men and women in each division whose day-to-day activities embody the Group's commitments, we felt it was appropriate to let them speak for themselves. The following pages offer a summary, necessarily incomplete, of the primary initiatives and projects our divisions have undertaken in the area of Sustainable Development.



Guarantee

customers safe,
high-quality
products.

Offer

our employees working conditions based on social dialogue, fairness and recognition of achievements.

Develop

equitable relations with suppliers, based on the principle of shared growth, partnering with SMEs to improve their products and services.

The ten commitments in Casino's Sustainable Development Charter reflect the values that have guided the Group since its founding: quality, local service, social responsibility and respect.

Promote

equal opportunity by eliminating discrimination and providing job opportunities for the disadvantaged.

Promote

production channels that are safer for people and the environment by ensuring that our suppliers comply with international agreements on working conditions and human rights.

Support

the development of the local economy by ensuring that our businesses are integrated into the local community.

Interact

open and transparently with all stakeholders.

Integrate

respect for the environment into all our activities, from goods purchasing and transport to store design and management.

Raise

awareness among customers of responsible consumer attitudes and behaviour.

Encourage

employee involvement in local partnerships that support humanitarian aid, employment opportunities and environmental protection.

Hypermarkets

2005 key figures

FTE employees **24,424**
Sales (in millions of euros) **6,253.3**
% of the Group's total sales **36%**
Electricity costs (in millions of euros) **22.4**
Lost-time injury frequency rate **45.79**

Our hypermarkets boast a complete line of products and services built on deep-rooted food expertise, as well as non-food products and an array of related services. Located primarily in urban areas, they are built to a human scale that our customers appreciate, with a surface area that is generally less than 7,000 square metres. As of December 31, 2005, the Casino Group operated 344 hypermarkets, mostly in France (126 Géant stores) as well as in Poland, South America and Asia.



Jacques-Édouard Charret
Executive Deputy Managing Director,
responsible for French Operations
and Group Marketing

"The motivation and professionalism of our employees are undeniable assets for ensuring customer satisfaction and business success. We have therefore invested considerable effort in upgrading our professional training, and we will continue to give priority attention to developing employee expertise. Our approach to environmental concerns is a wholly practical one: when it comes to saving energy and managing waste, the actions taken by our employees in the field demonstrate that solutions can be found which combine respect for the environment with true cost-effectiveness. Our efforts are focused on these solutions. Our top priorities for the 2006-2008 period reflect the major environmental challenges that face our business:

- combating climate change, by ensuring that our cooling systems are airtight and continuing our efforts to reduce energy consumption;*
- maximising our waste management, by increasing our use of selective sorting and helping to establish waste recovery networks, specifically for Waste Electrical and Electronic Equipment (WEEE)."*



	Number of stores	Banners
FRANCE	126	Géant
ARGENTINA	13	Libertad
BRAZIL	79	Extra
COLOMBIA	29	Exito, Optimo
POLAND	18	Géant
TAIWAN	14	Aimai Géant
THAILAND	45	Big C
INDIAN OCEAN	13	Jumbo/Big C
URUGUAY	1	Géant
VENEZUELA	6	Exito
TOTAL	344	

MONITORING OUR ACTION PLAN

2005 objectives

Status

Primary accomplishments in 2005

Next steps

Reduce leakage of refrigerant gases in cooling systems	●	A framework agreement was signed with refrigeration service providers (100% of sites are under contract)	Establish a system for monitoring leakage rates of refrigerants in our facilities
Reduce the number of shopping bags distributed to customers by 15% while encouraging the use of paid shopping bags	●	The volume in metric tons of free bags distributed was reduced by 52% on 2004	Prepare for the elimination of free bags in 2010
Increase the number of stores that have signed agreements governing waste disposal, as a means of ensuring optimal waste management to offset projected inflation for this type of expense	●	48% of stores have signed a cardboard agreement 21% have signed an agreement governing lighting consumables 100% have signed an agreement governing car batteries	Create a reporting system by type of waste and store
Lay the operational and commercial groundwork for mandatory collection and recycling of scrap electrical and electronic equipment	●	The Group participated in the creation of <i>Éco-Systèmes</i>	Deploy collection points at all hypermarkets in France
Service stations: Retest five tanks, reinforce six tanks and replace 12 single-walled tanks with double-walled tanks	●	Nine hypermarket tanks were retested and two were reinforced Three single-walled tanks were replaced with double-walled tanks	Replace nine single-walled tanks with double-walled tanks

OTHER ACCOMPLISHMENTS IN 2005 ON BEHALF OF SUSTAINABLE DEVELOPMENT

Colombia: The Exito Foundation provides aid to disadvantaged children

Since 1982, the Exito Foundation has been supporting and expanding programmes to aid disadvantaged children in two areas: education and nutrition. The company's donations are supplemented by contributions from store customers through the Gotica programme, which allows customers to purchase participation certificates to help disadvantaged children. Exito's efforts in the community also include food donations and the "Give Smiles" campaign to collect gifts for impoverished Colombian children.



The Group's environmental activities include the development of a recycling programme in 30 cities where Group stores are located; the programme has created jobs while enhancing respect for the environment.

Géant employees mobilise to support the fruit and vegetable industry

In an effort to boost support for growers and distributors of fruits and vegetables, Géant hypermarkets took part in a multistore challenge that ran from June to September 2005. The event involved four campaigns, each lasting one week and designed to promote seasonal fruit (peaches, apricots, grapes and pears), plus a superchallenge to recognise the three stores with the most consistent sales over the entire period. This challenge, which proved highly successful in rallying a team spirit among store employees, highlighted the model partnership implemented among growers, produce distributors and buyers.

The campaign generated significant sales volume for French producers, and Géant employees received numerous expressions of thanks from representatives of the country's fruit and vegetable industry.



Additional projects for 2006

Energy savings: Renovate the lighting in 11 stores to comply with the recommendations of the Green Light programme

Environmental risk prevention: Replace 17 PBC transformers

Workplace health and safety: Develop and distribute a guide to best practices for managing hazardous products



Supermarkets

2005 key figures

FTE employees **10,925**
Sales (in millions of euros) **4,527.1**
% of the Group's total sales **26.1%**
Electricity costs (in millions of euros) **16.4**
Waste management costs (in millions of euros) **5.395**
Lost-time injury frequency rate **48.91**

The Supermarket division includes 3,576 supermarkets and discount stores around the world, primarily offering a selection of foods designed to meet all our customers' requirements. The Casino, Monoprix, Franprix and Leader Price chains can be found throughout France, while the division's international expansion is continuing, with over 1,800 additional stores worldwide.



André Lucas
Director, Casino Supermarkets

"Our priorities for action in 2006-2008 reflect the values of excellence that drive our initiatives:

- maintain "customer spirit" by constantly improving service and product quality at a competitive price;*
- motivate and gain the loyalty of our employees and promote skills development by expanding our training programmes;*
- control the environmental impact of our activities, by maximising our waste management, helping to establish waste removal facilities for our customers, limiting our energy consumption and reducing greenhouse-gas emissions attributable to refrigerant leakages;*
- contribute to local development by playing an active role in the communities where our stores are located and promoting employment opportunities for young people."*



	Number of stores	Banners
FRANCE	1,706	Casino, Monoprix, Franprix, Leader Price
NETHERLANDS	701	Konmar, Super de Boer, Edah
POLAND	206	Leader Price
USA/MEXICO	249	Smart & Final, United Grocers, Cash & Carry
ARGENTINA	24	Leader Price
BRAZIL	477	Pão de Açúcar, Sendas, CompreBem, Barateiro, Eletro
COLOMBIA	70	Ley, Pomona, Q'Precios
URUGUAY	47	Disco, Devoto
VENEZUELA	61	Cada, Q'Precios
THAILAND	5	Leader Price
INDIAN OCEAN	30	Score/Jumbo, Cash & Carry, Spar
TOTAL	3,576	

MONITORING OUR ACTION PLAN

2005 objectives	Status	Primary accomplishments in 2005	Next steps
Reduce leakage of refrigerant gases in cooling systems	●	A framework agreement was signed with refrigeration service providers (100% of sites are under a framework contract)	Establish a system for monitoring leakage rates of refrigerant fluids in our facilities
Reduce the number of shopping bags distributed to customers by 15% while encouraging the use of paid shopping bags	●	The volume of free bags distributed was reduced by 33%	Prepare for the elimination of free bags in 2010
Increase the number of stores that have signed agreements governing waste disposal, as a means of ensuring optimal waste management to offset projected inflation for this type of expense	●	Thirty-six sites (27% of stores) have signed a cardboard agreement Forty-two sites (19%) have signed an agreement governing lighting consumables	Create a reporting system by type of waste and store
Lay the operational and commercial groundwork for mandatory collection and recycling of scrap electrical and electronic equipment	●	The Group participated in the creation of <i>Éco-Systèmes</i>	Deploy collection points at all supermarkets in France

OTHER ACCOMPLISHMENTS IN 2005 ON BEHALF OF SUSTAINABLE DEVELOPMENT



Training: A win-win strategy for the Group and its employees

For Casino supermarkets, reform of our professional training programme has provided an opportunity to make major training strides by adopting a new strategy that addresses two priorities: expanding our training offerings, particularly for team members, and promoting internal training by drawing on the skills of division employees.

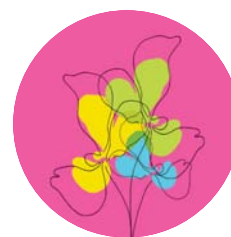
Three ambitious projects are underway:

- an expansion in our job training, with 30 programmes already up and running;

- trainer training, designed to improve the dissemination of knowledge and expertise (160 employees have received or are currently taking part in this training);
- a wide-ranging campaign to provide training in customer relations, which is expected to include nearly 6,000 people by the end of 2006.

Designer shopping bags... good for the environment too!

In 2005 Casino supermarkets created a design competition open to young graphic arts students to choose the best design, on the subject of protecting nature, for its line of reusable shopping bags. The four winners each received a cash award of €1,000, while the designs submitted by the first- and second-place prizewinners can now be seen on Casino's reusable bags.



Additional projects for 2006

Environmental risk prevention:

- Replace 17 PCB transformers
- Standardise all administrative documentation regarding classified installations for the protection of the environment (ICPE)
- Develop a regulatory reference for service stations

The fight against climate change:

- Encourage our refrigeration service providers to sign the Containment Charter for refrigeration facilities as part of a voluntary commitment
- Reintroduce energy efficiency campaigns at our stores

Convenience Stores

2005 key figures

- FTE employees 5,388
- Sales (in millions of euros) 1,528.9
- % of the Group's total sales 8.8%
- Electricity costs (in millions of euros) 14.4
- Waste management costs (in millions of euros) 0.5
- Lost-time injury frequency rate 11.77

The Convenience Stores division includes over 5,000 establishments in France grouped into four separate, complementary chains: Petit Casino (2,098 stores), Spar (787), Vival (1,348) and Eco Service (76). In addition, a number of new store concepts have recently been introduced to expand the Group's offering in this area, including €COservice and €COdiscount (28 stores), Casitalia (13) and C'Asia. This business, which operates solely in France, is built on a policy of neighbourhood convenience, offering a range of basic food items that varies with the chain and location.



François Duponchel
Director, Neighbourhood Stores and Supermarkets

"With over 5,000 stores, the Convenience Store division is asserting its leadership in neighbourhood retailing. We satisfy our customers' expectations by guaranteeing the quality and safety of the products and services offered by our retailers. Underpinned by our policy of continued growth, we can join forces with our partners to offer a neighbourhood service throughout France that's targeted to the needs of today's consumers. The integral role that our stores have come to play in their local communities and our agreements with partners such as the French postal network are a testament to the close relationship we maintain with customers and our desire to simplify their day-to-day lives. France's increasingly stringent laws regarding the environment and food safety offer an opportunity to demonstrate our professionalism by proposing industry solutions that are adapted to our stores. In 2006, our operating priorities in the area of Sustainable Development will be focused on waste management, energy efficiency and equipment maintenance, and on disseminating the best practices in our industry online, in order to ensure that they are accessible to all of our employees as quickly as possible, with the goal of improving store performance."



	Number of stores	Banners
FRANCE	5,038	Petit Casino, Spar, Vival, Eco Service, Corner, Service stations
TOTAL	5,038	



MONITORING OUR ACTION PLAN

2005 objectives

Status

Primary accomplishments in 2005

Next steps

Conduct a nationwide sales campaign, one that can be easily promoted in our stores, that includes an offer in which proceeds from the sale of a specific product are donated to a humanitarian organisation



A charity product campaign was conducted in conjunction with the Mother's Day holiday to benefit *Écoles du Soleil*

Continue this campaign as a 2006 sales event

Establish a programme to train all members of the franchise sales force in risk management and prevention with regard to in-store food safety



All sales directors who work with franchise partners attended a daylong training session on ways to address food safety management issues with their customers

Provide access to a database of good practices regarding hygiene, quality, safety and the environment

Provide our full range of reusable shopping bags in all of our integrated stores



All of our stores can now offer reusable bags to their customers
The Convenience Store division has reduced the volume in weight of free bags distributed by 25%

Eliminate non-biodegradable bags by 2010

Promote our procedures for returning used batteries among our franchised partners



All stores now offer this collection service to their customers
Twenty metric tons of batteries were collected in 2005, double the volume collected in 2004

Continue the programme

Test low-power lighting technology for use in convenience stores as part of our Green Light programme



Tests were conducted in four stores

Deploy low-power lighting in all new stores.

Adapt waste collection contracts to convenience stores



A framework contract was signed that will allow stores to use a collection service for their packaging waste if there is no fee-based service offered by their local authorities

Establish a waste reporting procedure for stores subject to the framework agreement

OTHER ACCOMPLISHMENTS IN 2005 ON BEHALF OF SUSTAINABLE DEVELOPMENT

Customer service: Casino and La Poste strike a partnership

The protocol agreement between La Poste and the Casino Group, signed in December 2004, is aimed at creating postal stations in selected convenience stores.

Given its extensive network of convenience stores across France, especially in rural areas, Casino offers La Poste an attractive opportunity to fulfil its mission of nationwide service coverage in areas where customer traffic is not sufficient to maintain a full-service post office. By the end of 2005, 62 postal stations had been opened in the division's convenience stores.

Skills development: focusing on preventive action

For the convenience store division, the reform of professional training provided an excellent opportunity to redefine its training approach by accelerating its adoption of innovative solutions, including coaching, tutoring, team management and e-learning. These training methods are incorporated into a curriculum that emphasises job-specific career development and clearly defined training paths. The division has made preventive action (occupational hazards, application of the HACCP system, environmental issues) one of its top two priorities.



Additional projects for 2006

Implement the Containment Charter upon obtaining a formal charter commitment by our refrigeration service provider.

Create the conditions for establishing energy management programmes at our stores in preparation for deregulation in France's electricity market



Restaurants

2005 key figures

FTE employees **5,289**

Sales (in millions of euros) **299.8**

% of the Group's total sales **1.7%**

Electricity costs (in millions of euros) **5.2**

Lost-time injury frequency rate **78.05 (cafeterias) / 67.6 (corporate restaurants)**

The Group's 247 Casino cafeterias aim to help as many people as possible rediscover the pleasures of eating well. Created in 1960, the cafeteria concept is based on offering a variety of affordable, innovative foods made with quality products. The division recently diversified into foodservice operations and delivery of prepared meals through its R2C subsidiary. Catering operations were also expanded in Argentina, Brazil and the Indian Ocean.



Daniel Jambon

Director, Restaurants Division

"In light of increasing public interest in nutritional health, our long-standing commitment to eating well is more relevant than ever. Providing our customers with a high-quality, healthy and balanced meal at an affordable price is, and will remain, our priority. To do this, we plan to continue our efforts to promote nutritionally balanced meals in our cafeterias and corporate restaurants, and at the same time maintain a programme of continuous improvement with regard to quality, cleanliness and work safety in order to comply with increasingly demanding regulatory standards and our own goals of excellence. With regard to the environment, we are focusing our attention on achieving optimal waste management, improving the cost-efficiency of our water and electricity consumption and limiting risks posed by equipment."



MONITORING OUR ACTION PLAN

2005 objectives

Status

Primary accomplishments in 2005

Next steps

Prepare a 'Restaurant Waste Guide' and identify pilot cafeterias where selective sorting procedures will be developed



A survey revealed 71 sites where selective sorting is being performed for cardboard
A 'Restaurant Waste Guide' was developed and implemented in two pilot regions (central and southwestern France)

Disseminate a uniform 'Restaurant Waste Guide' in every region for all restaurant formats

Conduct microbiological monitoring of drinking water at every site



Microbiological monitoring of drinking water is in place at all restaurants
239 microbiological analyses were performed
125 inspections for the Legionella bacteria were conducted in the course of audits and 49 self-inspections were performed at sites that were audited in 2002 and 2003

Expand microbiological monitoring at the largest restaurants
Conduct self-inspections for the Legionella bacteria at all sites audited between 2002 and 2004 (approximately 166 in all)

Extend our physico-chemical analyses of drinking water to our 40 largest cafeterias



Physico-chemical analyses were conducted at 43 cafeterias (the largest sites or sites subject to an agreement)

Expand physico-chemical monitoring to include 44 additional sites

OTHER ACCOMPLISHMENTS IN 2005 ON BEHALF OF SUSTAINABLE DEVELOPMENT

Continuing our commitment to nutritional health

Since its founding, Casino Cafétéria has maintained a commitment—formally enshrined in its Eat Right Pledge—to offering our customers a healthy, balanced menu.

This commitment, bolstered in 2004 by our hiring of a company dietician, continued in 2005 with numerous nutrition-related events and promotions. We are also forging links with specialised organisations such as the ADRA association of dieticians in the Rhône-Alpes region.

We carefully monitor the latest regulatory developments on behalf of our customers. A dynamic database enables us to maintain traceable data on the absence of genetically modified ingredients and on each product's nutritional values and allergens, even beyond the extent required under EU law. Physico-chemical and microbiological analysis of raw materials has been supplemented by a new supplier audit process with which, in addition to verifying compliance with standards governing product quality and process hygiene, we can evaluate each company's social and environmental performance and changes in quality certification.

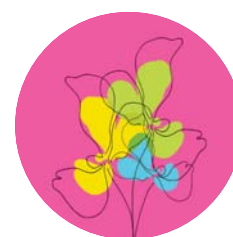
A constant focus on hygiene and safety

To assure a safe and healthy work environment for our employees and impeccably clean conditions for our customers, we constantly monitor water and air quality. In 2005 we conducted 37 structural audits, 174 tests for the Legionella bacteria, 247 microbiological analyses and 47 physico-chemical analyses of drinking water. Training plays an important role as well: over the past year, 1,580 employees were trained in restaurant hygiene and cleanliness. And thanks to the wider adoption of safety shoes, now worn by 90% of our workforce, we have reduced the number of fall-related accidents by 17% in four years.

Casino Cafétéria: showing respect for the environment

With the goal of improving our waste management, we conducted a survey of practices at our cafeterias in 2005 and identified 71 sites where a selective sorting programme is in place. A recently developed 'Restaurant Waste Guide', together with new contracts with waste reclaimers that set out formal service requirements, will boost the company's environmental record in this area. During 2005 our water consumption fell 3.23% and electricity consumption was

reduced by 2% over a constant number of sites, thanks to better tracking of our facilities and their consumption levels. Finally, devices that pollute the atmosphere, such as PCB transformers, are gradually being replaced. Of the sites for which the division has direct responsibility, only 10 are still using such equipment.



Additional projects for 2006

Quality of customer care and sanitary control:

- Develop a guide to 'Traceability for Restaurant Dining' in partnership with food producers and wholesalers
- Assist France's Directorate-General for Food in developing uniform microbiological standards for commercial restaurants, institutional caterers and distributors



Merchandise and Supply Chain

EMC Distribution

2005 key figures

FTE employees **646**

Number of certified products **137,614**

Number of certified suppliers **4,590**

Number of quality audits at production sites **1,590**

Number of in-store quality audits **2,123**

Established in September 2002, the Casino Group's purchasing and marketing division has a key ambition: to be recognised as the most effective, most motivated purchasing agency in the industry. EMC Distribution employees are committed to ensuring that this goal is reflected in their day-to-day activities: maintaining a relationship with suppliers that is founded on trust, establishing innovative marketing solutions, optimising the supply chain and ensuring continuous improvements in product quality, safety and traceability, all with one central objective: customer satisfaction.



Joël Mornet

Director, Non-Food Operations

"Above and beyond the quality and safety standards to which we give the utmost attention, non-food products must comply with an added set of requirements, notably with regard to the origin of raw materials and manufacturing conditions. The social audits that we regularly conduct at our

production sites and our renewed commitment to tropical reforestation programmes reflect our desire to act as a responsible retailer. Mindful of the need to maintain a trusting relationship with our suppliers, we are also continuing our efforts to provide support to small and medium-size enterprises (SMEs). Our immersion sessions for Group buyers at SME sites, which remain a central component of our activities in this area, reflect our desire to establish closer links with our suppliers by enhancing our understanding of the concerns faced by small businesses."



Jean-Michel Duhamel

Director, Merchandise and Supply Chain

"I want to be able to eat the foods I like in complete safety: that statement—a perfect expression of what consumers expect from us—should be indelibly printed in the minds of everyone who helps to develop the products we sell here at Casino. The past year saw the publication of several new European Union regulations designed to establish a high level of consumer health protection. However, Casino was already out in front on this issue: since the Group was founded, ensuring product safety and protecting the interests of consumers have always been at the core of our concerns. We continually take steps to improve the quality and safety of our products, with innovative tools like the Trace One system, which now has the participation of 80 % of our suppliers. Our IT office, Casino Information Technology, offers essential support in this regard by providing our employees with appropriate computerised solutions. In addition, in the face of rising obesity rates, we have undertaken an ambitious programme to help consumers learn about nutritional health."

MONITORING OUR ACTION PLAN

2005 objectives	Status	Primary accomplishments in 2005	Next steps
Obtain the participation of 80% of own-brand food product suppliers in the Trace One system	●	Eighty-three percent of own-brand food suppliers were participating in the system at the end of 2005	Obtain the participation of 90% of own-brand suppliers
Continue the SME immersion programme for buyers so as to reach the target of 80% of all buyers by 2006	●	Fifty-eight percent of relevant buyers have taken part in an immersion programme	Continue to conduct immersion programmes for 20 buyers each year
Develop a second teak reforestation plan in Indonesia and Vietnam totalling 19.7 hectaress	●	Forty hectares have been replanted since 2003 (including 9.7 hectares in 2005)	Continue the reforestation programme
Introduce 19 new gardening and garden furniture products bearing the Forest Stewardship Council (FSC) label	●	Twenty new FSC-certified products were introduced	Introduce 24 new FSC-certified products
Increase awareness of the principles contained in the Ethical Charter among Chinese suppliers	●	Meetings were held with eight suppliers in the course of a two-week visit to Zhejiang province	Invite a representative sampling of our Chinese suppliers to an organised event in China
Continue discussions regarding methods of ensuring long-term supplier relationships and of conducting follow-up audits on a broader scale	●	Follow-up audits were conducted in 2005 at 21% of the factories that were audited in 2004	Conduct follow-up audits at 35% of previously audited sites in 2006
Conduct 60 to 70 social audits in 2005	●	Sixty-two social audits were conducted among suppliers	Maintain an annual pace of 60 to 70 audits

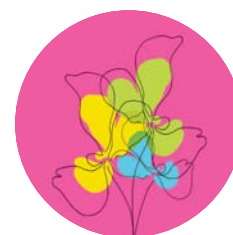
OTHER ACCOMPLISHMENTS IN 2005 ON BEHALF OF SUSTAINABLE DEVELOPMENT

Casino Connect: Creating more opportunities for dialogue with our suppliers

The newly created Casino Connect system offers a platform for Casino to exchange information with its suppliers, who now have access 24 hours a day via one Internet site to everything they need in order to be effective. The special virtue of Casino Connect is that it can be tailored to each supplier to provide the particular information that is relevant to its relationship with Casino (product type, family, etc.). The portal reflects the Casino Group's desire to maintain a quality relationship with its suppliers so as to better meet the needs of consumers. Currently, only suppliers of own-brand and value-brand products have access to the platform as a matter of priority, but it will gradually be expanded to include all suppliers who have even limited business dealings with Casino.

Helping to combat the traffic in conflict diamonds

Although so-called "conflict diamonds", which come primarily from Sierra Leone, Angola and the Democratic Republic of Congo, make up only a small percentage of the international diamond trade, they have major consequences for peace, security and sustainable development in the areas affected. In May 2000, the South African government created the Kimberley Process in the hopes of severing the link between trafficking in rough diamonds and armed conflicts in several African countries. Overseen by the United Nations, the Process includes 45 countries and multinational organisations, including the European Union, that together account for over 99% of the world's trade in rough diamonds. Casino is committed to supporting the Kimberley Process by guaranteeing the origin of the diamonds sold in its Or boutiques. Our suppliers are contractually bound to provide us only with diamonds from a country in compliance with United Nations resolutions, and our jewellery sales staff have received training in the issues involved. We now offer customers a certificate of guarantee as proof that they have purchased a "clean diamond".



Additional projects for 2006

Deploy product traceability tools developed in 2005.

Conduct a satisfaction survey among customers who contacted the Consumer Information Centre.

Create a nutritional coaching service adapted to a range of dietary profiles at the Group's Internet site.

Provide consumers with access to a cell centre, staffed by outside experts, that can answer their questions on nutrition.

Establish an annual event to raise awareness of nutritional health as part of the April "For Your Well-Being" campaign.



Merchandise and Supply Chain

Easydis

2005 key figures

FTE employees as of 12/31/05 **3,996**

Number of warehouses **38**

Number of lorries under contract (dedicated fleet) **451**

Electricity costs (in millions of euros) **4.1**

Waste management costs (in millions of euros) **1.242**

Lost-time injury frequency rate **61.98**

As the Casino Group's subsidiary for logistics and transport, Easydis operates 2,500 lorries travelling on French roadways each day to ensure that products are delivered on time. Boasting 875,000 square meters of warehouse space at 38 sites across France, Easydis offers fully integrated, cutting-edge logistics solutions.



Gilles Lebreux

Chairman and Chief Executive Officer, Easydis

"Thanks to our energised teams and their ability to respond quickly to the needs of our present and future customers, we have the means to fulfil our ambition of making Easydis a dominant force in multi-industry logistics services. This success is rooted primarily in the expertise and professionalism of our employees, so we make every effort to provide them with access to training and career management resources that match their needs. Our capacity to innovate is equally essential if we are to face up to the environmental challenges raised by our business and our customers and maintain our competitiveness. In the coming years, our priorities will be to work in partnership with our carriers to develop innovative technological solutions for reducing freight-related greenhouse-gas emissions (optimised logistics, testing of "green" fuels, very fine adjustments in engine configuration) and to make permanent improvements in environmental management at our warehouses (energy and water efficiency, reduced leakage of refrigerants, waste management and risk reduction)."

MONITORING OUR ACTION PLAN

2005 objectives	Status	Primary accomplishments in 2005	Next steps
Deploy the tracking systems on vehicles that are not under contract (chartered fleet)	●	The tracking system was deployed on 144 non-contract vehicles	Deploy the tracking system on 90% of all vehicles under contract Study ways of expanding the tracking system among vehicles that are not under contract
Establish a permanent programme for providing training to lorry drivers	●	174 drivers received training	Provide training to 126 drivers
Conduct tests on vehicles that run on clean fuel: natural gas or diester	●	A feasibility study was conducted in the Nice region regarding the use of natural gas-powered vehicles for deliveries	Begin actual testing with natural gas-powered vehicles
Continue engine configuration testing to reduce CO ₂ emissions	●	Easydis participated in a project to reduce CO ₂ emissions through finer engine adjustment, alongside the Fochesato company, ADEME and four carrier companies	Conduct additional testing to define variations in consumption in vehicles used on major motorways
Reduce paper consumption in the warehouses	●	Nine warehouses were equipped with voice picking (representing savings of 9,000,000 sheets of paper, equivalent to €100,000)	Deploy voice picking at all warehouses by the end of 2007



OTHER ACCOMPLISHMENTS IN 2005 ON BEHALF OF SUSTAINABLE DEVELOPMENT

CAP Clients: Training in customer respect and satisfaction

Introduced in April 2003, Oscar is a wide-ranging initiative designed to make each member of the workforce more attentive to customer satisfaction, by offering employees a better understanding of their company and by defining the tools needed for optimal service quality. Customer respect and satisfaction is one of the six values addressed in the project and will be a key focus of our efforts in 2006-2008. Special training sessions were offered to 3,300 Easydis employees between February 2005 and February 2006. Each session was made up of groups of 10 employees from different departments, to ensure that those taking part could learn more about the various functions within the warehouses. Participants were invited to select a "priority fundamental"—an area for personal improvement consistent with the overall goals for their site and formally recorded in writing for monitoring by their supervisors. Managers, meanwhile, received training from experts at the CAP Clients consulting firm on deploying the policy among their teams.

Creating optimally efficient refrigeration systems to help in the fight against climate change

Refrigerants are a major culprit in global warming, so reducing refrigerant leakage receives priority attention at our warehouses as part of our effort to cut greenhouse-gas emissions. In order to reduce the level of refrigerant leakage, the Casino Group signed a partnership agreement with our refrigeration service providers in 2005. We now monitor each of our supplemental and back-up systems to gain more detailed data. Maintenance technicians have been alerted to concerns about leakage, and fixed objectives have been defined. In addition, a valve monitoring programme has been introduced in which questionable valves are immediately replaced.



Additional projects for 2006

Optimal environmental management of warehouses:

- Reduce refrigerant leakages by 2% in 2006
- Continue our efforts to reduce water and electricity consumption

Social responsibility:

- Develop new training modules as part of our continuing efforts to inform employees about internal training opportunities and encourage participation

Immobilière Groupe Casino

2005 key figures

Employees as of 12/31/05 **157**

Property assets (in square metres) **2,500,000**

Immobilière Groupe Casino (IGC) provides support to the various divisions regarding the construction, technical management and development of the Group's property assets. It helps to manage relationships between owners and lessors and offers assistance to subsidiaries establishing a presence outside France. Since IGC is active at a very early stage of the retail process, it has numerous opportunities to reduce the Group's environmental impact and address health and safety concerns.



Jacques Ehrmann

Real Estate and Expansion Director

"Immobilière Groupe Casino's unique mission—stemming from its twofold responsibility as both a property owner and a service provider for Casino's other divisions as part of the Group's expansion of its property assets—requires that we consider environmental issues at every stage of a site's life. Any retail space, from the initial selection of a site up until the store's possible closure, undergoes numerous transformations along the way, and when stores are moved, expanded or upgraded, the interests of the owner and the operator may have to be reconciled. Audits, diagnostic testing, training, regulatory watch programmes—we conduct all of these and more in cooperation with the site operators who have direct knowledge of actual conditions at the store. Thus, our Environment office monitors each site for concerns relating to asbestos, Legionnaires' Disease, ground pollution, and other key parameters. The Enviroged project, designed to yield a computerised resource for managing environmental risks, offers a good example of our commitment to provide guaranteed protection for our customers and employees and to maintain our facilities in excellent operating condition."

MONITORING OUR ACTION PLAN

2005 objectives	Status	Primary accomplishments in 2005	Next steps
Prepare an internal guide to good environmental practices in IGC operations	●	Booklet 1: Guide to the proper management of runoff water at retail shopping centres - definition of methodology	Produce Booklet 1 in 2006
Implement the programme for monitoring wastewater discharge	●	A programme was defined for monitoring wastewater from air-cooling towers	Incorporate the programme for analysis of wastewater from air-cooling towers into the framework contracts
Strengthen the reporting requirements for Legionnaires' Disease contained in framework contracts	●	An accreditation procedure must be conducted for the laboratories conducting the analyses Laboratories are now required to issue an alert as soon as a problem is suspected Framework contracts now require monthly analysis for Legionella bacteria at air-cooling towers	Specify how water sampling points will be determined at air-cooling towers Improve the transmission of information between analytical laboratories and service providers responsible for tower maintenance
Create an extranet site that identifies all of the Group's air-cooling towers and provides a complete history of each facility	●	All air-cooling towers have been identified on a dedicated extranet site Our engineering departments now have access to the history of each tower	Define procedures for migrating the archiving system to a dynamic management tool

OTHER ACCOMPLISHMENTS IN 2005 ON BEHALF OF SUSTAINABLE DEVELOPMENT

Providing Group employees with a better understanding of the environment

In 2005, IGC introduced a programme to offer training in environmental risks, targeted both to its own personnel (operations supervisors, legal staff, etc.) and to managers from the various retail networks (operations supervisors, engineering departments, maintenance supervisors). The programme addresses two major developments in French law: the Water Law and legislation governing classified installations for the protection of the environment (ICPE). Twenty-six employees had taken part in the training by the end of 2005.



A tool for managing environmental risk at the Group's properties and facilities

In a reflection of the scope and diversity of the Group's property assets and the complexity of current legislation, the Group maintains a significant volume of technical and environmental data, compiled from extensive testing in compliance with regulations on asbestos, Legionnaire's Disease, ICPE, etc. In order to provide for more effective environmental and technical management of our facilities, a tool known as Enviroged was developed in 2005. This computerised resource will enable us to:

- offer access to a range of technical diagnostics procedures via an extranet site;
- schedule activities to be completed;
- issue alerts to identified users;
- prepare summary reports providing an overall assessment of environmental conditions at each site.

The tool will initially be used in the second half of 2006 to manage asbestos control projects, and will be expanded to include Legionella monitoring in early 2007.



Additional projects for 2006

Provide Group employees with a greater understanding of environmental risks, with the goal of doubling the number of personnel trained in issues relating to water and classified installations

Establish an HSE (health, safety and the environment) regulatory watch programme, including a hotline

Introduce the Enviroged computer tool for managing environmental risks at Group facilities, beginning with asbestos



INDICATORS	UNIT	FRANCE CASINO	FRANCE MONOPRIX	NETHERLANDS	POLAND
Energy consumption by source					
• Electricity	MWh	1,237,824	279,338	297,552	133,218
• Natural gas	MWh	123,614	28,505	–	113,893
Water consumption	cubic metres	2,009,708	313,991	535,313	201,850
Sorted waste collected for recovery (for fuel or reuse)	metric tons	37,672	16,465	11,174	5,397
Quality audits on supplier production sites	number	1,589	–	61	39
Quality audits in stores	number	2,120	–	212	–
Total workforce at December 31	number	49,206	17,714	9,100	9,175
Permanent contracts (annual average)	number	45,701	15,893	8,640	2,599
Limited-term contracts (annual average, excl. temporary staff)	number	4,981	1,773	460	5,911
Temporary staff (monthly average)	number	1,608	–	1,269	46
• Percentage of women managers	%	22	53	7	54
• Percentage of women supervisors	%	36	59	20	–
• Percentage of women employees	%	67	72	32	72
Turnover of employees with permanent contracts	%	15.2	19	–	4
Employees hired to permanent contracts	number	8,440	2,914	536	6
Employees hired to limited-term contracts	number	35,156	10,994	7,044	5,100
Redundancies for economic reasons	number	99	76	477	10
Redundancies for other reasons	number	2,069	920	156	4,862
Net increase (loss) in jobs with permanent contracts	number	(676)	(131)	(2,237)	(270)
Average workweek for part-time employees	hours	24.05	24.68	19.90	–
Average workweek for full-time employees	hours	33.93	35.00	38.50	–
Part-time employees in the total workforce	%	38	43	32	40
Total salary and wages paid during the fiscal year	thousands of €	949,282	327,284	–	32,015
Employees covered by an incentive-bonus agreement	%	100	–	–	–
Employees covered by a profit-sharing agreement	%	100	–	–	–
Disabled employees	%	8.38	5.05	2.10	–
Disabled employees hired during the year	number	195	66	–	–
Meetings with employee representatives	number	10,597	3,297	12	17
Work accident frequency rate in accidents per million hours worked	number	48.11	53.08	–	13.15
Work accident severity rate in number of days lost per thousand hours worked	number	2.31	1.14	–	–
Employees receiving safety training during the year	number	6,408	3,008	–	5,103
Average training per employee	hours	7.3	3.7	–	–
Employees promoted during the year	number	445	623	–	425
Internal promotion rate	%	1.0	3.5	–	–
Total payments to the works council	€	11,842,927	2,519,561	–	1,315,088
Total donations	€	4,986,589	–	–	–

ARGENTINA	COLOMBIA	VENEZUELA	URUGUAY	TAIWAN	THAILAND	USA	BRAZIL	INDIAN OCEAN
99,734	202,130	–	60,246	198,846	–	167,007	817,000	59,147
17,989	21,772	–	6,429	–	–	510,281	–	–
–	2,881,786	–	176,247	455,442	3,900,000	9,672,798	1,700,000	281,904
1,500	9,656	–	–	4,750	–	–	20,000	2,200
–	171	93	–	–	–	41	170	–
–	12,105	144	–	–	2	18	–	–
3,978	16,359	5,505	5926	–	–	5,748	71,012	2,929
3,502	14,860	–	4,754	3,166	11,662	3,583	67,123	2,136
476	1,499	–	169	97	1,269	3,583	3,899	662
–	–	–	–	176	1,236	–	–	–
–	43	37	40	1	49	16	–	17
24	47	–	29	6	60	23	–	30
42	52	–	47	41	55	37	–	52
2	6	14	–	19	48	39	32	–
549	522	1,100	507	917	8,425	2,629	–	98
55	5,172	(128)	–	2,112	14,834	–	–	1,234
–	253	279	–	–	–	37	–	–
–	324	248	165	–	–	2,292	–	54
(488)	305	(128)	–	403	1,704	300	21,180	–
–	30.00	29.00	28.50	–	–	24.47	28.00	32.30
–	48.00	44.00	44.00	42.00	–	37.97	50.8	36.70
54	51	65	26	41	–	62	8	23
20,637	98,918	33,064	–	29,823	34,616	123,618	18,321	78,680
–	–	100	–	–	–	0.25	0.30	87
–	26	66	–	40	90	26	–	99
0.93	–	–	0.54	1.60	0.10	–	3.17	–
36	–	–	–	55	12	–	431	10
50	21	104	14	6	–	–	200	246
43.11	3.10	21.55	–	–	–	11.83	–	–
–	25.41	11.10	–	–	–	–	–	–
–	586	138	–	783	14,787	7,622	28,800	526
11.40	90.00	10.87	10.00	15.00	21.24	–	–	6.0
78	371	361	–	349	1,567	252	5,167	800
–	2.3	7.0	–	17.00	13.6	4.4	11.0	28.6
–	98,918	98,600	–	–	–	–	–	323,783
–	2,604	101,408	154,253	–	340,000	332,700	–	–

REPORTING METHODOLOGY

Scope of reporting

Except when explicitly mentioned, data published in this document concern:

In France:

- All Casino Group entities, subsidiaries directly or indirectly held by Casino, Guichard-Perrachon, of which the most significant are Distribution Casino France and its subsidiaries (Accos, Casino Vacances, Codim 2, etc.), EMC Distribution, Immobilière Groupe Casino (IGC) and its subsidiaries (Sudéco, IGC Services, Mercialys, Mercialys Gestion, etc.), Casino Information Technology (CIT), Easydis, Casino Services, Casino Cafétéria and its R2C foodservice subsidiary.
- Monoprix (and its subsidiaries), in which the Casino Group holds a 50% stake and for which data are included on a 100% basis.

In international markets:

- All Casino Group subsidiaries and holdings in the following countries or geographical areas: Argentina, Brazil, Colombia, Indian Ocean, Netherlands, Poland, Taiwan, Thailand, United States, Uruguay, Venezuela.
- All data for these subsidiaries are included on a 100% basis and presented on pages 60-61 of this report. The list of all consolidated Group entities, which appears in the financial report, can be used to identify the general theoretical scope of reporting.

Exclusions:

Because of a lack of operational control, data for franchised properties (notably Franprix / Leader Price stores) have not been included in the 2005 scope of reporting.

Significant changes in the 2005 scope of reporting:

Data for Brazil (CBD Group) and the Indian Ocean (Vindémia), which were not included in 2004, have been included in the 2005 scope of reporting.

Reporting methodology

Procedures for collecting, calculating and consolidating Sustainable Development indicators were formalised in 2003 in a measurement and reporting protocol that was updated in 2004 and distributed in French, English and Spanish to everyone involved in the reporting process in France and in foreign subsidiaries.

The protocol defines:

- The organisation of the Sustainable Development data collection and consolidation process.
- The responsibilities of the different process levels.
- The scope of reporting and guidelines for integrating changes in the scope (disposals and acquisitions), except for the social indicators.
- Definitions to facilitate understanding of the data requested.
- Methods for calculating indicators, in line with applicable international or national standards.

Experts on the Sustainable Development Committee control data consistency as necessary in their respective areas. Consolidation is centralised by the Sustainable Development Department.

Reporting period

The Casino Sustainable Development Report is published once a year. The results mentioned in this report concern 2005.

The indicators are collected over a period extending from January 1 to December 31 of the reporting year. To facilitate comparison and analysis of the Group's performance, historical data for at least the immediate prior year is included for most indicators. The majority of the social indicators cover the period from December 1, 2004, to November 30, 2005.

Limitations

The methodologies described in the Sustainable Development measurement and reporting protocol may have certain limitations, specifically as a result of:

- the absence of internationally accepted definitions for the following indicators: disabled employees and the number of disabled employees hired, work accident frequency rate and severity rate, average hours of training per employee, quality audits;
- the use of estimated values, specifically for water consumption (average water consumption at hypermarkets and supermarkets is used for sites that do not have water meter statements) and energy consumption (which was extrapolated from a sampling);
- ongoing changes in the number of sites over the course of the year, which hinders precise monitoring of a given indicator's full scope.

Areas for improvement

The reporting protocol should specify in particular:

- that the average training per employee is obtained by dividing the total number of training hours by the average total workforce;
- that the work accident frequency and severity rates include lost days resulting from occupational diseases;
- the methodology used to calculate the percentage of women in each category; the definition of audits in stores for each division.

As part of a process of continuous improvement, the protocol should be updated annually and implemented more vigorously, specifically through the use of awareness-raising activities.

OPINION OF THE INTERNAL AUDITORS ON CASINO'S SUSTAINABLE DEVELOPMENT PROCESS AND REPORTING SYSTEM AND ITS MONITORING OF SUSTAINABLE DEVELOPMENT ACTION PLANS

Audit objectives

The 2006 internal audit is part of an annual, ongoing effort to solidify the Casino Group's Sustainable Development Policy and ensure the reliability of its data. It was therefore designed to:

- Verify the status of the action plans described in the 2004 Sustainable Development Report in light of the accomplishments achieved in 2005.
- Validate the effectiveness and proper deployment of Sustainable Development reporting procedures.
- Ensure that Casino deploys adequate resources to guarantee the long-term viability of its Sustainable Development commitment.

Nature and scope of the audit

The scope of the review extended to the following:

- in France: headquarters, divisions (Hypermarkets, Supermarkets, Convenience Stores) and Group subsidiaries (Immobilière Groupe Casino, Easydis, Codim, Casino Cafétéria);
- worldwide: the Group's holdings and subsidiaries in Argentina, Brazil, Colombia, the Indian Ocean, the Netherlands, Poland, Taiwan, Thailand, the United States, Uruguay and Venezuela.

Following is a detailed description of these activities.

Review of the action plans and indicators contained in the 2004 Sustainable Development Report

The Group's Internal Audit department verified the performance in 2005 of the 56 action plans cited in the 2004 report and provided its assessment of the relevant level of internal auditing performed. In addition, an analytical review was conducted by means of a consistency audit of the indicators provided by the international subsidiaries.

A follow-up look at the recommendations contained in the 2005 Internal Audit report (2004 Sustainable Development Report)

On the basis of the activities conducted, it was possible to measure the extent to which the 54 recommendations made by the Internal Audit department had been implemented. These recommendations pertained primarily to the Group's overall organisation of the Sustainable Development Policy and the tracking of environmental data (waste management) and social data (training).

Conclusions

Verification of 2005 accomplishments and assessment of internal auditing – Consistency of indicators

Based on our examination of the explanations and supporting evidence that were provided, we have verified the existence and materiality of 56 action plans reported to have been performed in this report. For 20 action plans, we requested a change in formulation and recommended additional work. These recommendations are reflected in this 2005 Sustainable Development Report. The scope of reporting did not change significantly within France for the 2005 report. However, it now encompasses all international subsidiaries. With regard to the indicators submitted by the international subsidiaries and presented in the report, the reporting protocol was used by all of the Group's international subsidiaries.

Nonetheless, given variations in local conditions, no systematic guarantee can be offered regarding the uniformity of the data. The level of recovery for the various indicators rose from 65% to 66% between 2004 and 2005.

General conclusions on the implementation of the recommendations made by Internal Audit

Based on the activities conducted, over 75% of the 54 recommendations formulated by the Internal Audit department have been or are currently being implemented. The general organisation of the Sustainable Development process did not change significantly within the Group in 2005; thanks to experience gained since 2003, when resources were first established to ensure the long-term continuity of the Sustainable Development Policy, it has now become possible to plan more effectively for the recovery and consolidation of the information that appears in the report.

In its report, the Group's Internal Audit department proposed the following recommendations in particular:

- Establish a computerised tool for collecting data relating to waste management, based on an existing, predefined set of specifications.
- With regard to the fight against climate change, prepare detailed action plans on previously defined topics (containment, energy efficiency, CO2 emissions generated during transport, etc.), specifically including the precise steps to be taken, responsible personnel, dates and necessary resources.
- Update the reporting protocol to reflect any developments observed as the 2005 report was being prepared.

Internal Audit Department

OUTSIDE OPINION ON THE PROCEDURES FOR COLLECTING CERTAIN SUSTAINABLE DEVELOPMENT INDICATORS



In response to its request and in our capacity as the Statutory Auditors for the accounts of Casino, Guichard-Perrachon, we have reviewed the reporting procedures for the Sustainable Development indicators for the 2005 fiscal year contained in the Group's Sustainable Development Report. These procedures, together with the social and environmental information that appears in the report, were prepared under the responsibility of Casino's executive management. It is our responsibility to present our findings following the activities described below.

Nature and scope of the activities

As agreed, we have carried out the following activities:

- We have familiarised ourselves with the procedures and reviewed their precision, clarity, objectivity, exhaustiveness and pertinence with regard to Casino's activities.
- We conducted 20 interviews with personnel involved in implementing the procedures for the collection and consolidation of indicators at the headquarters and in each division (Hypermarkets, Supermarkets, Convenience Stores, Restaurants, EMC Distribution, Logistics, Immobilière Group Casino) in order to gain a complete understanding of these procedures and test their application.
- With the use of surveys, we evaluated the application of the procedures and tested 14 indicators in France only, excluding Monoprix, in which we compared the indicator data with supporting documentation and verified the use of calculation formulas. To perform these activities, we called on the services of Ernst & Young personnel with a specialised knowledge of Sustainable Development.

In accordance with the auditing standards contained in the International Standard on Assurance Engagements, work of this nature does not include all controls appropriate to an audit designed to provide a guarantee of the data, but it does provide a basis on which to formulate findings with regard to the procedures.

Findings

- The data collection procedures have been formally defined in French and English and constitute appropriate guidelines.
- However, the verification activities revealed that certain procedures must be reviewed and modified to reflect changes in Casino's reporting practices.
- The findings obtained from our activities are consistent with the methodology described by Casino on page 62 and specifically with its limitations.
- Continued efforts to improve reporting reliability will involve more stringent internal auditing on the recovery of data from French and international entities, and will require a more precise definition of the method used to calculate indicators for energy and water consumption, quality audits in stores and work accident frequency and severity rates.

Lyon and Paris-La Défense, April 11, 2006

ERNST & YOUNG
Audit
Jean-Luc Desplat

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Environment and Sustainable Development
Eric Duvaud

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This report is intended as a tool to facilitate dialogue and continuous improvement. For additional information about the Casino Group and its sustainable development commitments or to share your observations and comments, please contact:

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