



**2003
SUSTAINABLE
DEVELOPMENT
REPORT**

GROUPE
Casino

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Despite a difficult economic environment, Casino's overall performance in 2003 was positive, led by the success of our neighbourhood and discount chains in France and a rebound in international markets. With more than 200,000 staff around the world, we are a major employer, and as a retailer we are in direct, day-to-day contact with several million customers and thousands of suppliers. While our social and environmental results are driven by our business performance, we are fully aware of our responsibilities in these areas and are renewing our commitment to making our retail practices more responsible and environmentally friendly.

Published in 2003, our first sustainable development report formalised the various initiatives undertaken by our chains over the years into a structured policy. It also enabled us to raise employee awareness about the importance of this active, results-oriented process.

Building on the encouragement we received for our first report, we've continued to deploy our initiative. Our sustainable development committee has played an active, effective role, especially in translating our commitments into operational action plans, setting objectives for the period 2004-2006, and defining resources for allocation.

We implemented a reliable system for reporting environmental and social data by integrating indicators for our subsidiaries around the world, beginning this year. We will pursue this process in the years ahead, with the goal of gradually extending the scope of reporting to all our majority-owned subsidiaries.

For all these reasons, I'm pleased to present you with our second sustainable development report. Reflecting the hard work of all our team members, it profiles our projects for 2003 and our goals for the years ahead and, in all sincerity, the problems we've encountered and improvements we need to make.

I hope that this report will promote dialogue with our stakeholders and that these discussions will strengthen our commitment to improving our performance in every aspect of our business.

Jean-Charles Naouri
Chairman of the Supervisory Board



A GLOBAL PRESENCE

1 FRANCE

Net sales **€18,287 million**
 Number of stores **6,689**
 Employees **79,467 FTE***
 Men/women **37% / 63%**
 Electricity consumed **1,077,340 MWh**

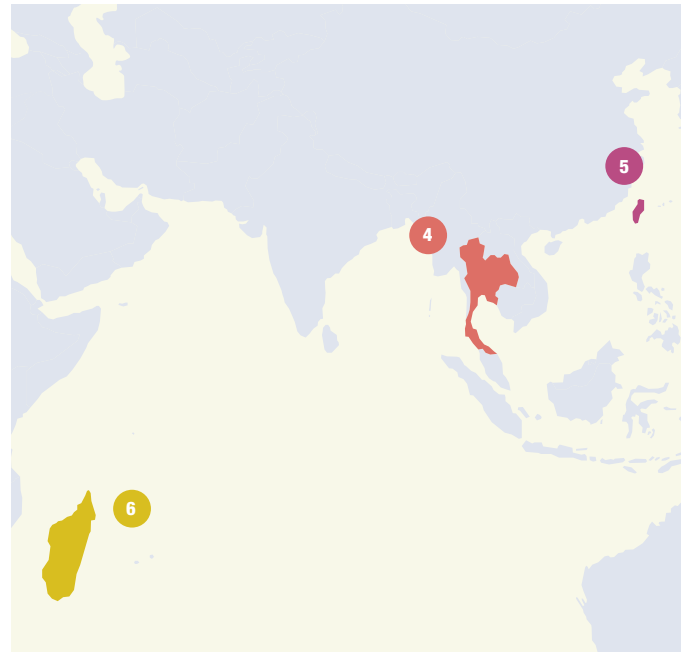
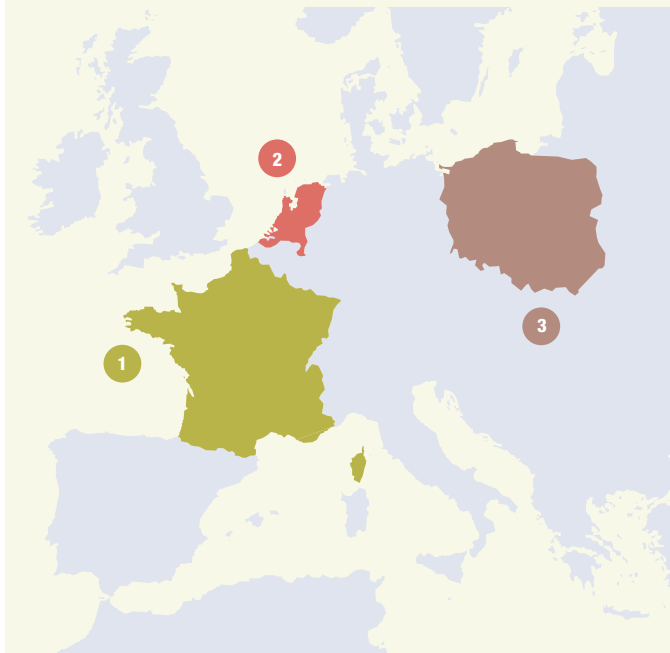
2 NETHERLANDS**

Net sales **€3,836 million**
 Number of stores **728**
 Employees **12,278 FTE**
 Electricity consumed **242,400 MWh (2002)**

3 POLAND

Net sales **€746 million**
 Number of stores **150**
 Employees **7,685 FTE**
 Men/women **36% / 64%**
 Electricity consumed **121,700 MWh**

EUROPE



ASIA-PACIFIC

4 THAILAND

Net sales **€993 million**
 Number of stores **40**
 Employees **11,675 FTE**
 Men/women **46% / 54%**

5 TAIWAN

Net sales **€221 million**
 Number of stores **13**
 Employees **2,722 FTE**
 Men/women **47% / 53%**
 Electricity consumed **68,400 MWh**

6 INDIAN OCEAN

Net sales **€285 million**
 Number of stores **43**
 Employees **5,091 FTE**
 Men/women **52% / 48%**

*FTE Full time equivalent, including companies accounted for by the equity method
 ** Net sales on a 100% basis



	2001	2002
Average number of employees	106,736	116,711
Sales (€ millions)	21,983.8	22,857.4
Net income (€ millions)	379.0	445.2
Group investments (€ millions)	1,144.8	1,414.3
Cash flow (€ millions)	887.6	1,074.9

BUSINESS HIGHLIGHTS AND KEY FIGURES

Founded in 1898, Casino is one of France's leading food retailers, with a multiformat store base⁽¹⁾ of more than 8,600 outlets at December 31, 2003, including 299 hypermarkets, 2,309 supermarkets, 958 discount stores, 4,568 convenience stores and 243 restaurants. At the year-end, it employed more than 209,000 people⁽¹⁾ worldwide.

In recent years, Casino has achieved impressive international growth. At the end of 2003, the Group operated 182 hypermarkets outside France, compared with only one, in Poland, at the end of 1996, having opened 181 hypermarkets in international markets over the last seven years.

Following the acquisition of a strategic interest in Laurus, the Netherlands' second-largest food retailer, Group operations now cover fifteen countries: France, the Netherlands, Poland, the United States, Mexico, Argentina, Uruguay, Venezuela, Brazil, Colombia, Thailand, Taiwan, Mauritius, Vietnam, and Madagascar.

In 2003, total Casino banner sales⁽²⁾ excluding tax amounted to €35.5 billion, of which 62% generated in France and 38% in international markets. Consolidated net sales came to €23.0 billion, with France accounting for 80% and international operations for 20%.

Net income rose by 10.6% in 2003 to €492.3 million.

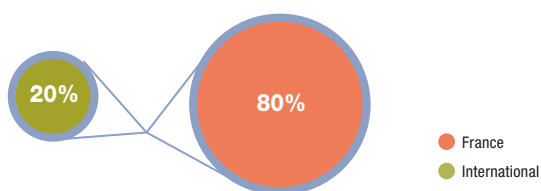
(1) Including 100% of companies proportionally consolidated or accounted for by the equity method, notably CBD in Brazil, Exito in Colombia and Laurus in the Netherlands.

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

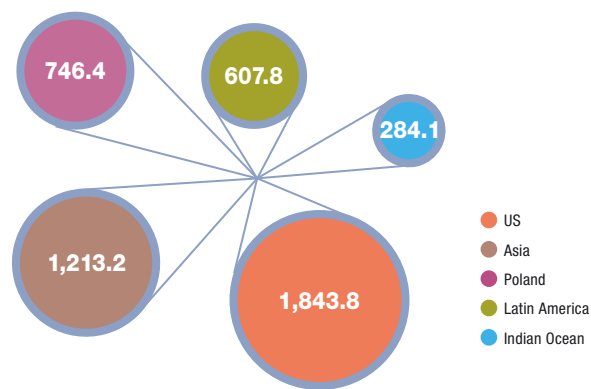


People-sized
hypermarkets,
close to the town
centre and
predominantly
food-based

2003
 117,742
 22,982.9
 492.3
 986.4
 1,080.1



Breakdown of 2003 consolidated net sales by region

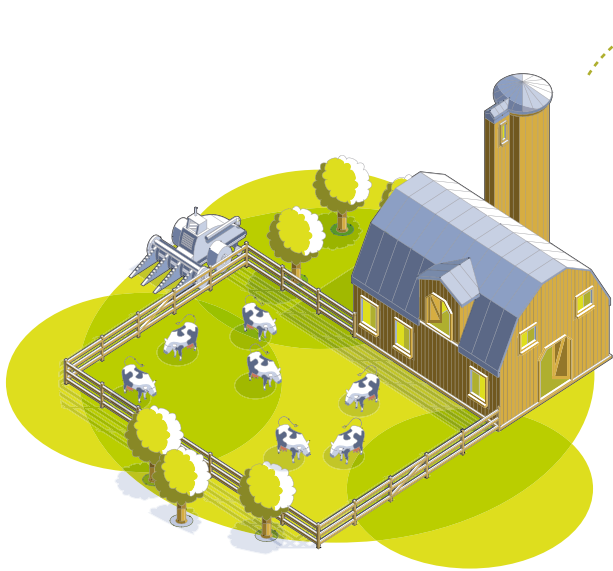


Breakdown of 2003 consolidated net sales in international markets in € millions

Formats tailored to consumer demand

Casino supermarchés	MONOPRIX	FRANPRIX	LEADER PRICE	Casino SPAR Vival ECO SERVICE
A now harmonised store base (outlets larger than 1,000 square metres) and a more competitive pricing policy	A high-quality concept on the leading edge of centre-city retailing	A Paris-based neighbourhood supermarket format with more than 30% of its range made up of Leader Price own-label products	A unique 100% own label discount chain	4,568 stores close to their two million daily customers

OUR MAIN SUSTAINABLE DEVELOPMENT CHALLENGES



production

- 
environmental challenges
 Control manufacturing conditions for Casino products (compliance with regulations and best practices).
 Promote environmentally friendlier products and packaging.
- 
social challenges
 Ensure that farm producers comply with workplace health and safety standards.
 Ensure that suppliers' production processes and labour conditions comply with human rights principles.
- 
economic challenges
 Ensure fair compensation and support suppliers' economic development.
 Guarantee product quality.

50 social audits of Casino product suppliers

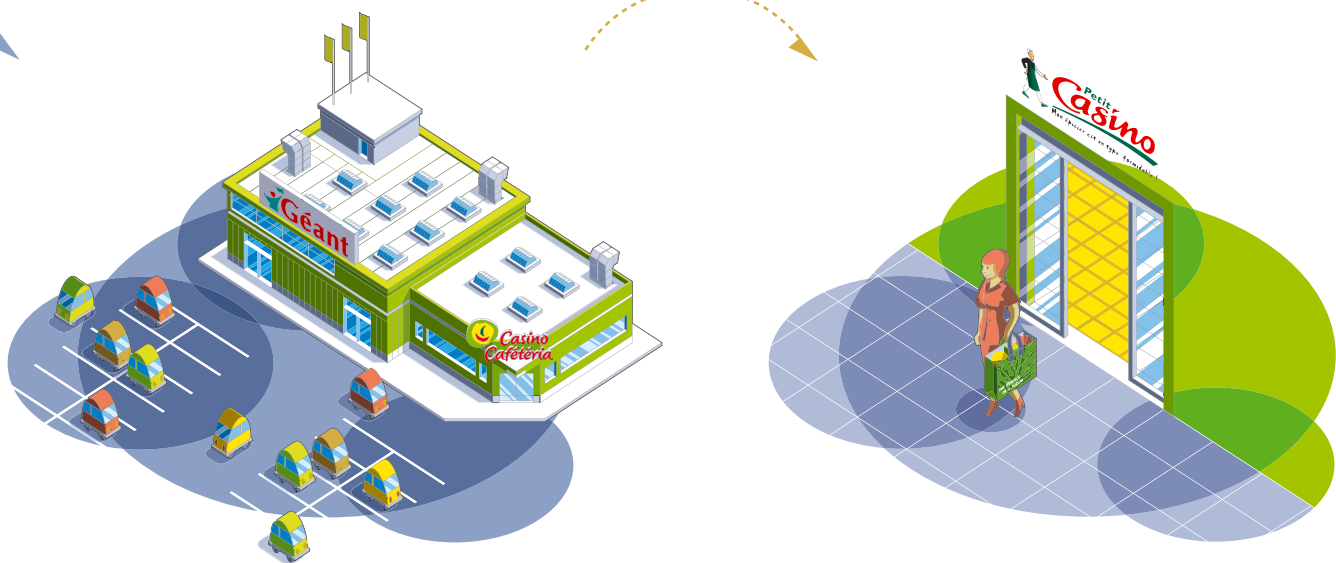
91 business development contracts with small and medium-size enterprises (SMEs)

logistics and transport

- 
environmental challenges
 Reduce the environmental impact of deliveries (emissions, noise, urban congestion).
- 
social challenges
 Develop long-term relations with transporters while ensuring their respect for driver working conditions.
- 
economic challenges
 Make sure that delivery deadlines are met.
 Optimise transportation costs.
 Ensure compliance with cold-chain standards.

119,832 metric tons of CO₂ equivalent emitted by Casino France goods transport

350 vehicles in France equipped with tracking systems



distribution and restaurants



environmental challenges

Reduce the environmental impact of stores and restaurants (integrated into surroundings, energy and water consumption, managing waste from operations).
Raise employee awareness of the need to respect the environment.



social challenges

Motivate employees through working conditions and career advancement opportunities.
Ensure the safety and security of customers and employees in stores and restaurants.
Help stores integrate into the local urban community through local hiring initiatives and support for centre-city renovation 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.

1,077 GWh of electricity used by Casino France

31% of employees for newly opened stores hired from priority population segments

1,994 quality audits in Casino France stores

retailing



environmental challenges

Help customers manage waste (recovery of batteries and end-of-life electrical and electronic equipment).
Promote “eco-responsibility” among customers and consumers using labelling, awareness programmes, suggestions for use and actions like eliminating shopping bags.



social challenges

Encourage customers and consumers to become more socially responsible, through information about how merchandise was manufactured.



economic challenges

Focus on listening more closely to customer needs and improving their satisfaction.
Provide recommendations for safe use of products sold.
Anticipate future consumer trends.
Assess satisfaction and expectations, with the goal of constantly enhancing the offer and the distribution network or restaurant service.

133 metric tons of batteries collected in Casino France stores

83,093 calls received from consumers

OUR VALUES AND COMMITMENTS

Since it was founded by Geoffroy Guichard, Casino has remained true to the core values which have underpinned its success and which guide its relations with employees, customers, stockholders and all its other stakeholders: quality, local service, social responsibility and respect.

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.
- Orchids come in a variety of colours, of which we have chosen four for our sustainable development programme, with blue as the generic colour, green for the environment, ochre for the business aspect, and light mauve for social issues.



THE TEN COMMITMENTS IN CASINO'S SUSTAINABLE DEVELOPMENT CHARTER

GUARANTEE

customers safe, high quality products

OFFER

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

PROMOTE

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

DEVELOP

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

SUPPORT

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

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

INTEGRATE

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

ENCOURAGE

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

RAISE AWARENESS

among customers of responsible consumer attitudes and behaviour

INTERACT

openly and transparently with all stakeholders

A PARTICIPATORY, RESULTS-ORIENTED APPROACH

Launched in 2002, our sustainable development approach has enabled us to strengthen and align existing initiatives in the areas of quality, ethics and social responsibility.

This approach is supported by a cross-functional sustainable development committee comprised of 34 experts from the various support functions (quality, human resources, purchasing, marketing, communications, urban policy, training, legal affairs, etc.) as well as the operating divisions (hypermarkets, supermarkets, neighbourhood stores, restaurants, central buying agency and logistics). Its mission is to discuss the Group's main sustainable development objectives and oversee the deployment of projects designed to meet those objectives. Its cross-functional composition makes it possible to integrate the constraints and needs of our different businesses, identify potential synergies, and ensure the alignment of corporate projects.

In 2003, our commitment earned the Group a citation from an association of French sales executives, which for sustainable development week chose as its theme "ethical companies perform sustainably better." On December 4, Casino also received a prize for the best first sustainable development report from France's Council of Chartered Accountants.

Building on these achievements, we are continuing to deploy our sustainable development process in line with two key principles:

- Involve all Group departments and businesses.
- Look for practical solutions supported by the expert capabilities of our operating divisions.

In line with its principle of empowerment, Casino respects the cultural identity of its subsidiaries and encourages them to develop action plans tailored to their needs and concerns, while ensuring consistency with the Group's overall strategy. In Venezuela, for example, our Cativen subsidiary's new strategic vision now integrates social responsibility concerns, with a programme developed and formalised by dedicated working groups in 2003. Awareness-raising sessions are organised for supervisors, who then share their newly acquired information with frontline staff.

For more than ten years, Monoprix has developed initiatives to make retailing fairer and more environmentally friendly. Its sustainable development report is posted (in French only) on the monoprix.fr website. In addition, our CBD subsidiary in Brazil publishes its own social report.

In 2003, our sustainable development commitments were translated into operational action plans, with objectives set and resources defined for the period 2004-2006. A summary of these action plans is presented on pages 10 to 13 of this report. In addition to defining action plans, other measures focused on:

- Making the sustainable development reporting process more reliable, by preparing a reporting protocol outlining definitions and methods for calculating indicators, creating a global network of sustainable development correspondents, expanding the scope of reporting and verifying procedures through an internal audit (see pages 54 and 55).
- Raising employee awareness of sustainable development challenges (see page 14).
- Formalising the Group's environmental policy (see page 42).
- Strengthening the social audit programme for production sites (see page 21).

CORPORATE GOVERNANCE: CASINO CHANGES ITS LEGAL STATUS TO A *SOCIÉTÉ ANONYME* WITH A BOARD OF DIRECTORS

At an extraordinary meeting on September 4, 2003, stockholders approved a change of the company's legal form to *société anonyme* with a Board of Directors.

Chairman of the Board of Directors: Jean-Charles NAOURI,

Vice Chairman of the Board of Directors: Christian COUVREUX,

Chief Executive Officer: Pierre BOUCHUT,

Honorary Chairman of the Board of Directors: Antoine GUICHARD.

The Group retained the Audit Committee and the Appointments and Compensation Committee, both created in 1994, as well as the International Development Committee introduced in 1998.

This organisation was extended in 2003 by a risk prevention department.

Additional information about the corporate governance system can be found in the Annual Report.



A CONTINUOUS IMPROVEMENT PROCESS

SUSTAINABLE DEVELOPMENT ACTION PLAN

Commitments	2002 objectives	STATUS	
GUARANTEE customers high quality, safe products	Strengthen product quality and safety upstream	●	
OFFER our employees working conditions based on social dialogue, fairness and recognition of achievements	Deploy the validation of acquired experience (VAE) system	●	
	Pursue a constructive social dialogue with the goal of improving conditions for part-time employees	●	
	Decrease the workplace accident frequency and severity rates	●	
	Prepare a hiring and orientation best practices guide	●	
PROMOTE equal opportunity by eliminating discrimination and providing job opportunities for the disadvantaged	Maintain the percentage of disabled employees over 6%	●	
	Communicate more extensively about initiatives to hire the disabled	●	
	Hire 250 high school graduates (with fewer than two years of college) from disadvantaged neighbourhoods for the period 2002-2006	●	
	When opening stores, keep 20 to 30% of jobs for local residents	●	
DEVELOP equitable relations with suppliers, based on the principle of shared growth, by partnering with SMEs to improve their products and services	Renew 80% of existing business development contracts and sign new contracts	●	
	Deploy IRTS ⁽¹⁾ resources to promote main supplier brands in international markets and promote the development of SMEs in new international markets	●	
	Organise immersion sessions on SMEs	●	
	Continue the social audit programme, with a target of 50 audits in 2003	●	

(1) IRTS: International Retail & Trade Services

● Objective achieved or exceeded

● Objective not yet achieved

Major 2003 results	Next steps
Trace One system introduced to enhance traceability and safety of own-brand products	Deploy the Trace One system with 65% of own-brand suppliers by year-end 2004
VAE system deployed, with several employees already benefiting	Introduce a specific employee support programme for the VAE process Continue discussions on managing older employees' careers
Agreement signed allowing part-time employees to increase their hours from 28 to 30 a week	Review job classifications to take into account changes in retail job skills
Accident frequency rate in France: 51.82, versus 52.97 in 2002 Accident severity rate in France: 2.30, versus 2.15 in 2002	Implement safety training programmes Provide all managers with workplace safety training tools Create a steering committee for mandatory safety training programmes
Preparation of the guide delayed for budget reasons	Guide to be prepared in 2004 and sent to store and warehouse managers
New Handipacte Casino agreement signed 231 disabled persons hired Rate of 7.87% in 2003	Maintain the objective Continue and develop relations with the disabled
Hiring the disabled video produced and awareness-raising poster sent to all sites in France Useful information posted on the intranet	Strengthen internal and external communication on hiring the disabled policy
76 young people hired from disadvantaged neighbourhoods	Maintain the objective
138 of 438 (31%) of people hired from priority population groups for the Nîmes and Fréjus Léotard store openings	Maintain the objective
Renewal objective not met because of changes in French regulatory environment 28 new business development contracts signed	Extend business development contracts to include suppliers of general supplies as well as regional and local suppliers
Meeting organised to raise SME awareness of services offered by IRTS	
Sessions suspended in 2003 due to the reorganisation of the central purchasing agency following Cora's withdrawal	Organise immersion sessions for 80% of buyers by 2006
50 audits conducted in Asia, Turkey, Morocco and Brazil	Pursue the objective (50 audits in 2004) Update EMC Distribution's Ethics Charter and renew awareness-raising sessions for the central purchasing agency, for headquarters and on production sites, including offices and suppliers outside France

Commitments	2002 objectives	STATUS	
INTEGRATE respect for the environment into all our activities, from good purchasing and transport to store design and management	Test energy-saving lighting solutions as part of the store renovation programme	●	
	Reduce packaging waste by using reusable packaging whenever possible	●	
	Improve processes for the collection and reuse of waste cardboard packaging	●	
	Ensure the collection and recycling of electrical and electronic waste from lighting systems through a framework agreement with reliable, responsible operators	●	
	Ensure the collection and recycling of printer consumables through a framework agreement with reliable, responsible operators	●	
	Test and develop channels for improving waste recovery in our stores	●	
	Encourage stores to collect and recycle at least 100 metric tons of batteries at their own expense	●	
	Reduce transportation mileage and time through the development of tracking systems	●	
	Test clean vehicles for city deliveries	●	
	Protect natural forests by using fewer forest products and introducing rational forest product systems	●	
ENCOURAGE employee involvement in local partnerships that support humanitarian aid, employment opportunities and environmental protection	Develop travelling shows for SOS Children's Villages	●	
	Implement local partnerships with the SOS Children's Villages near our stores	●	
	Develop marketing operations in our stores to support Ecoles du Soleil, a Casino initiative to support educational initiatives for disadvantaged children	●	
RAISE AWARENESS among customers of responsible consumer attitudes and behaviour	Develop in-store actions to raise customer awareness ("green habits," waste sorting, etc.)	●	
INTERACT openly and transparently with all stakeholders	Report on the Group's environmental, social and societal performance	●	
	Extend the scope of reporting to including international businesses and the Franprix/Leader Price and Monoprix subsidiaries	●	
	Improve and enhance accuracy of reporting methodology in France and other countries	●	
	Develop relations with civil society and NGOs to validate our ethical commitments and increase transparency	●	

Major 2003 results	Next steps
Through the Green Light programme, 25 hypermarkets and seven supermarkets were upgraded Green Light Trophy received	Continue to upgrade electrical equipment and systems in line with the recommendations of the Green Light programme
An impact study identified meat transported in plastic bins as the least wasteful packaging solution (except for fruit and vegetables)	With stakeholders, plan to deploy a reusable bin to transport meat in small quantities
A framework agreement with collection services implemented by all Casino France units Agreement adopted by 43% of hypermarkets and supermarkets 22,000 metric tons of waste collected	Extend the agreement on cardboard to 60% of hypermarkets and supermarkets by 2005 Study the impact of the reduction in lost cardboard packaging on recycled tonnage
Agreement adopted by 34% of hypermarkets and supermarkets 13 metric tons of lighting equipment collected	Extend the agreement on lighting consumables to 40% of hypermarkets and supermarkets in 2004
Framework agreement with collection services made available to all Casino France establishments	Deploy the printer consumables agreement to 30% of hypermarkets and supermarkets in 2004
Waste sorting introduced in stores or in sorting centres, with stores taking the initiative in contacting local channels, in line with defined agreements	Focus on conditions for implementing electrical and electronic waste and bio-waste channels with stakeholders Create framework agreements for the collection of mixed non-hazardous industrial waste Test sorting of fermentable waste in one or more stores
133 metric tons of batteries collected in 2003	Join the Corepile organisation to ensure collection and processing of batteries in environmentally friendly conditions
More than 350 vehicles equipped with tracking systems in 2003	Use tracking-equipped vehicles for 90% of deliveries by 2005
100% of the dedicated fleet certified to Euro3 standards Delay in integrating clean vehicles into the dedicated fleet because of inconclusive test results	Continue to monitor technological developments
Eco Wood Asia reforestation agreement signed in Indonesia and Vietnam	Renew the Eco Wood Asia agreement Identify furniture manufacturers whose production has less environmental impact
Five shows organised in hypermarket galleries and two in supermarkets in Marseille in 2003	Continue to support greater awareness of SOS Children's Villages
Examples of operations: • Proceeds from a campaign in Casino supermarkets donated to the SOS Children's Villages association • Benefit organised for the Roi d'Espagne Children's Village involving roughly 100 store managers from the Marseille area	Continue to encourage stores to get involved in humanitarian initiatives at the local level
Example: Employees of the supermarket in Saint-Bonnet-de-Mure volunteered to take part in a fund-raising campaign that included a music festival, with proceeds donated to the Ecoles du Soleil association	Expand the activities of Ecoles du Soleil by organising a call for projects in France and extending operations to other countries
Reusable bags provided at check-out counters in stores in Corsica	Join the Corepile organisation to support public information and awareness-raising initiatives Extend the use of reusable bags at check-out counters and train staff in distributing them
First sustainable development report published Questionnaires completed for the SIRI, Vigeo, EIRIS and Ethibel social and environmental rating agencies	Pursue this objective Reply to the questionnaire from the SAM agency Continue discussions with rating agencies
Global network of sustainable development correspondents created Main indicator data gathered from international businesses and Monoprix	Enhance reliability of collected data and extend the scope of reporting
A sustainable development reporting protocol prepared in French, English and Spanish and distributed to concerned parties Sustainable development indicators validated through an internal audit	Ensure third-party verification of the main indicators for France's Corporate Governance Act Install an IT system for collecting and consolidating sustainable development indicators
Forge a partnership with Amnesty International Organise a working meeting with UNICEF on child labour	Continue discussions with NGOs Update the Ethical Charter

A COMMITMENT TO DIALOGUE

For Casino, maintaining a meaningful dialogue with stakeholders represents a key improvement driver. We are committed to constantly deepening our understanding of stakeholder expectations with the goal of providing increasingly satisfactory responses with our own resources and through partnerships that leverage the support of outside experts and competent organisations.

Winning employee support for our sustainable development commitment

So that our commitments are understood and supported every day by employees across the organisation, a number of communication tools were created in 2003:

- A dedicated section in our Regard magazine, which is distributed to all employees in France.
- A number of articles in in-house magazines published elsewhere in the Group.
- 12 meetings, with a total of 500 participants, to raise manager awareness of sustainable development challenges.
- An environmental seminar bringing together 30 experts within the Group.
- Presentation of sustainable development issues at meetings of the Works Council and the Central Works Council.

Dialogue with outside stakeholders

As part of a commitment to constantly improving our understanding of sustainable development challenges and to developing ways to meet them, we work with a number of specialised organisations. In particular, Casino is a member of WBCSD⁽¹⁾, CSR Europe⁽²⁾, IMS⁽³⁾, Admical⁽⁴⁾, Amnesty International's Business Club and ORSE⁽⁵⁾. It also plays an active role in working groups on social and environmental issues organised by FCD⁽⁶⁾. In addition, EMC Distribution is a member of an international trade ethics group created by CFCE, France's foreign trade centre, and of AFOIT, the French chapter of the International Labour Organisation.

Casino's commitment to providing jobs for the disadvantaged, protecting children and supporting cultural development are also reflected in partnerships with organisations like SOS Children's Villages. In France, the Group regularly supports a large number of humanitarian actions involving meals for the needy, food banks, aid for medical research, initiatives to help the disabled, and AIDS assistance and prevention programmes. These partnerships are presented in detail on page 38 of this report.

improvement
objective

Organise sessions to raise employee awareness of human rights issues, with presentations by members of Amnesty International.

(1) **World Business Council on Sustainable Development**, comprised of 170 international companies with a shared commitment to supporting sustainable development and to promoting eco-efficiency, innovation and corporate social responsibility.

(2) **Corporate Social Responsibility Europe**, a network of European companies whose mission is to forge relationships and share experience on the deployment of corporate social responsibility initiatives.

(3) **Institut du Mécénat et de la Solidarité**, a French non-profit organisation that helps companies define and implement societal responsibility strategies and promotes cross-fertilisation on these topics.

(4) **Association pour le Développement du Mécénat Industriel et Commercial**, whose mission is to promote corporate sponsorship in France for cultural, philanthropic and environmental initiatives.

(5) **Observatoire sur la Responsabilité Sociétale de l'Entreprise**, an association created in 2003 to promote corporate social responsibility and socially responsible investment in France and around the world.

(6) **Fédération du Commerce et de la Distribution**, France's Retail Trades Federation.



Since its creation in 1961, Amnesty International (winner of the 1977 Nobel Peace Prize) has been dedicated to defending and promoting respect for human rights around the world.

The memorandum of understanding signed on October 10, 2003 by Casino and the French chapter of Amnesty International is intended to help the Group more fully understand the ethical challenges created by its global development, in particular with regard to the values and principles stated in the Universal Declaration

of Human Rights. Under terms of the agreement, Amnesty will provide Casino with expertise and advice in such areas as:

- The Ethical Charter for suppliers.
- Training programmes on human rights issues.
- Analysis of audit reports and help in implementing corrective action plans.
- Definition of meaningful indicators.
- The Ethics Committee
- Monitoring respect for human rights in developing countries.

Stakeholder	Action principles
Customers	Guarantee safe, high-quality products. Raise awareness of sustainable development issues among customers and ensure their satisfaction.
Suppliers	Establish long-term partnering relationships with suppliers. Ensure compliance with working conditions and production standards. Support suppliers' improvement programmes.
Employees	Promote high-quality employee relations. Monitor employee health and safety. Raise employee awareness of ethical and sustainable development challenges.
Stockholders and the financial community	Ensure the creation of long-term value and effectively manage financial, environmental, social and image risks. Regularly provide reliable, accurate information about the Group's performance and changes in its businesses.
Local communities	Support the economic development of our host regions. Help integrate stores into the local community. Promote local hiring and social responsibility initiatives.
Government authorities	Comply with prevailing regulations and standards. Work alongside government authorities to promote correct environmental and social practices.
NGOs and non-profit organisations	Pursue and develop partnerships and humanitarian actions to support the protection of children, jobs for the disadvantaged and environmental stewardship.
Media and the general public	Reply to questions from the media and the general public. Take part in discussions on sustainable development and actively promote responsible civic behaviour

“I want to be able to enjoy everything I like
in total safety”.

POLAND Roman, 41 years old



BECAUSE OUR CUSTOMERS NEED TRANSPARENCY

Because our customers need transparency about the products we sell and how they are produced, we have deployed strict procedures with regard to quality, safety, traceability, procurement channels, and respect for producers and the environment, as well as systems for listening to and informing consumers.

acting
**AS RESPONSIBLE
RETAILERS**

THE 9 COMMITMENTS OF THE EAT RIGHT PLEDGE 

- 1 Looking for the best products at the lowest price.**
And nothing but the best !
- 2 Managing procurement channels.** Quality comes first
- 3 Preparing varied, diversified menus.** Menus à la carte
- 4 Working with restaurant professionals.** Training and services

HIGH-QUALITY, TOTALLY SAFE PRODUCTS

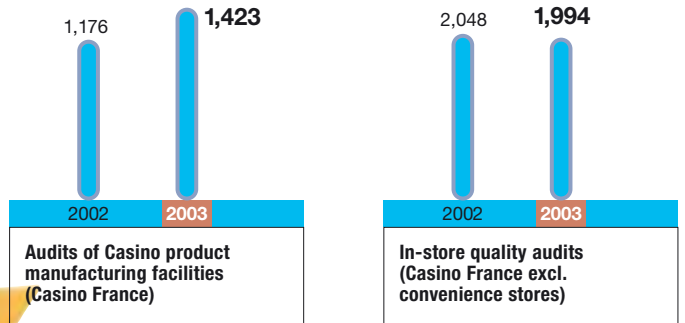
Casino has always considered product quality and safety as a major concern and a constant commitment. Our quality and safety procedures cover every step in the manufacture of Casino brand products, from the choice of suppliers based on strict specifications to their sale to consumers. We have developed a procedure for recalling or withdrawing defective products and a system of control points at every link in the distribution chain:

- Production site quality audits, which are indispensable to ensure manufacturing conditions.
- Constant in-store product inspections by independent laboratories.
- Product quality tests by expert tasters and consumer panels. Laboratory controls and the consumer information centre function as highly responsive monitoring tools so that a product can be immediately withdrawn from store shelves at any time.

TRACE ONE, A TRACEABILITY SYSTEM FOR HEIGHTENED SAFETY

This year, a collaborative management solution was introduced to ensure the quality and safety of Casino brand products. Called Trace One, the new application will provide access to specifications in the form of a structured database shared with suppliers that is designed to strengthen product traceability on a day-to-day basis. The data interchange system is a natural addition to tools that have been in place at Group level for many years and will enhance our long-standing quality and safety expertise.

- Trace One allows for:
- Efficient, secure management of quality data.
 - Greater responsiveness for withdrawing or recalling products and for managing crises.
 - A shorter specification validation cycle.
 - Detailed management of product traceability.
- By integrating the new solution into our quality management programme, Casino is responding to regulatory changes and growing consumer demand for food quality and traceability.



This quality commitment has also been extended to Casino cafeterias, with the Eat Right Pledge that guarantees healthy foods and balanced meals very day. In addition to our focus on product quality and safety, we are also dedicated to raising consumer awareness about the challenges of food hygiene and safety at home. Our Casino products website (www.produits-casino.fr) offers a wealth of advice for consumers on such topics as how to read a label, food risks, allergies, refrigerator storage, safety in the home, quality labels and care of clothing. Brochures are also used to build awareness. Through an agreement with France's National Consumer Institute, Casino is promoting a game called "Theo and Lea Spend a Day at Home" (posted online in March 2004) that deals with children and the prevention of accidents in the home. Casino provided financial support in preparing and promoting the game and in distributing a leaflet about it in stores.

- 5** **Guaranteeing impeccable hygiene and total quality.**
At Casino Cafétéria, we hear you
- 6** **Creating a warm, friendly environment.**
Interior decoration is an art, and a style

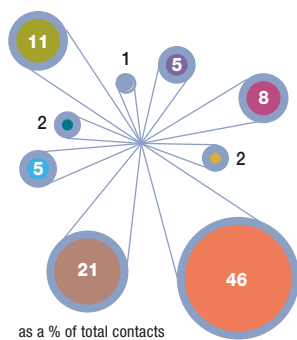
- 7** **Teaching children to eat right.**
Eating right to grow right
- 8** **Maintaining a balance diet.**
Eating right every day
- 9** **Offering the best meals for the money.**

CONSTANTLY LISTENING TO CUSTOMERS AND MEETING THEIR NEEDS

Created in 1991, Casino's consumer information centre was one of the first services of its kind in the retail industry. Today, all Casino products carry a toll-free number that consumers can call for information and advice. Skilled, friendly agents listen to their questions, handle their comments and find answers to their

Main comments received in 2003

- Cafeterias
- Requests for product information
- Other (wide range of comments)
- Requests for store information
- Casino brand products
- In-store service
- After-sales service
- Requests for information about the Card
- CDiscount service

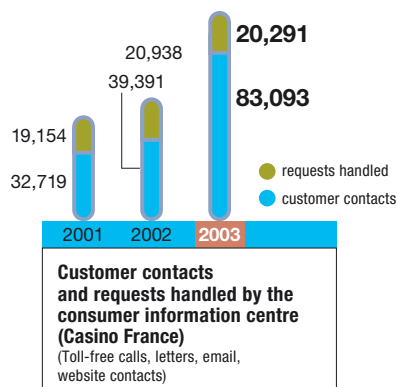


WEEKLY MEETINGS WITH CUSTOMERS AT THE LYON-GAMBETTA SUPERMARKET

For the past year, every Tuesday afternoon the Lyon-Gambetta supermarket has organised meetings with customers on a variety of topics, such as product



assortment, services offered and year-end events. After each meeting, an action plan is prepared and a report is posted in the store and sent to participants. This dialogue has led to significant improvements in customer service, including more shopping baskets, a safer floor in the fruit and vegetable section and a checkout line for customers with ten items or less open all the time. Today, customer expectations are always taken into consideration when organising the store's action priorities.



The number of contacts increased by 111% in 2003, although the number of requests handled decreased slightly. The increase was due to calls to the Ecofil Géant and Casino supermarket numbers. Both give access to services that include banking and show ticket reservations, as well as the consumer information centre. Callers who don't select a service via their phone keypad are directed to the appropriate service.

requests. Consumers can also send questions or suggestions by mail or to the Group's websites.

In 2003, the consumer information centre service began to formalise its procedures and automate a number of operations, with the goal of optimising consumer service quality in listening and handling requests.

In addition, the year focused on monitoring customer service quality, from operator availability to effective problem resolution. The process will be pursued in 2004 with a satisfaction survey of customers who have used the consumer information centre.

improvement objective

Conduct a satisfaction survey about the consumer information centre in 2004.

PARTNERSHIPS WITH VENEZUELAN FARMERS

Cativen, our subsidiary in Venezuela, has developed a project with farmers in Timotes (Merida State) to cut down on the number of middlemen between producers and the distributor. The project involves support in organising local farmers into cooperatives and

a guarantee to buy their produce, as long as it meets quality specifications. Twenty-one cooperatives were created in 2003. Thanks to Cativen's technical and logistics support, farmers in the programme considerably improved their productivity and product

SHARING OUR RESULTS WITH SUPPLIERS

Suppliers make important contributions to our success. That's why we're dedicated to providing our partners with conditions conducive to long-term growth, based on listening and mutual respect.

Our supplier policy is designed to:

- **Provide suppliers with maximum visibility on our organisation, changes in our markets and emerging needs**, through our central purchasing agency website (emc.groupe-casino.fr), the Croissance newsletter, annual supplier conventions and meetings on specific topics.
- **Constantly improve the quality of exchange between suppliers and our teams**. The introduction in 2002 of the new EMC Distribution purchasing-quality-marketing organisation offers suppliers a dedicated point of contact and high-quality professional services.
- **Support suppliers' expansion in the international marketplace**. The International Retail & Trade Services (IRTS) platform developed with Auchan promotes major supplier brands in international markets and fosters the development of the most dynamic SMEs in new markets.
- **Share our expertise** in such key areas as consumer safety, health hazards and regulatory changes.

Special support for SMEs

Small and medium-size enterprises are strategic partners, accounting for 95% of total suppliers and nearly 20% of store products. In addition, they produce the majority of our own-brand products. In recent years, Casino has been supporting their development with a special programme based on the business development contract. Created in 2001, the Contract is an agreement with an SME that aims to increase the company's sales by 20% in two years. In 2003, 28 new contracts were signed, thanks in particular to the opening of a fresh products segment that accounted for 18 contracts. Since 2001, a total of 91 business development contracts have been signed.

Total sales generated by the contracts amounted to €58 million in 2003 (excluding fresh products) and sales by participating SMEs increased by an average 27% (€550,000) over the 24-month period. In 2003, new conditions concerning supplier-distributor relations hampered the renewal of business development contracts.

Immersion programmes for buyers from SMEs helped strengthen ties with these suppliers by increasing understanding of their specific needs. These programmes were suspended in 2003 because of the separation of the Casino and Cora central purchasing agencies, but are expected to resume in 2004. The Group also provides information to its SME partners about services offered by the IRTS, with which it organised an information meeting for members of France's Enterprise and Entrepreneur Federation (FEEF) in 2003.

improvement objectives

Extend business development contracts to MRO suppliers and to regional and local suppliers.

Organise SME immersion sessions for 80% of buyers by 2006.

quality. In addition, Cativen's promise of fair, immediate compensation encourages farmers to invest and develop their farm holdings. The Group wants to extend this successful project to other agricultural regions throughout the country.



CRITERIA IN THE EMC DISTRIBUTION ETHICAL CHARTER

- No employment of children under 14
- No forced labour
- No discrimination of any kind
- Freedom of association and the right to collective bargaining and union activities
- No cruel or unusual disciplinary measures
- Limitations on weekly working hours
- Payment of a legal minimum wage
- Adequate health, hygiene and safety conditions
- Respect for the environment

CLOSE MONITORING OF ETHICAL PRACTICES AND WORKING CONDITIONS

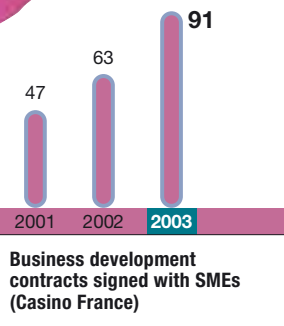
In 2000, Casino, through its EMC Distribution central purchasing agency, launched a programme to actively promote and monitor compliance with human rights in the workplace by suppliers in developing countries.

The EMC Distribution Ethical Charter is included in all supplier certification contracts. It presents the Group's guiding principles, which partners are required to embrace, as well as criteria used in determining whether or not a supplier will be certified.

Developing the social audit programme

To monitor working conditions on production sites in "sensitive" countries (i.e. with low labour costs), a programme of social audits has been developed for facilities that produce own-brand products (see page 23).

The 50 audits scheduled for 2003 were conducted in China, Vietnam, Indonesia, Bangladesh, India, Pakistan, Turkey, Morocco and Brazil. They involved 27 textile plants, one food plant and 22 plants for various items. Monoprix has taken a similar approach, with 67 social audits conducted in 2003.





BRUNO COLOMBANI - SOCIAL AND ETHICAL AFFAIRS MANAGER, EMC DISTRIBUTION

“In terms of working conditions, results are satisfactory at the food production unit in Morocco and the two plants in Brazil. In other countries, however, there are recurring problems, including compensation under the minimum wage, excessive working hours, unsafe working conditions and a lack of freedom to engage in union activities.”

A press trip to India

In September 2003, Group representatives visited two garment manufacturing plants in India’s Uttar Pradesh and Haryana States. They were accompanied by representatives from three other members of the Social Clause Initiative working group set up by France’s Retail Trades Federation (FCD), as well as three reporters from French dailies Le Monde, L’Express and Le Parisien and one from Agence France Presse. The tours gave the journalists the opportunity not only to accompany local social auditors during their inspection but, above all, to interact directly with workers to validate the relevance and effectiveness of the audit process.

Pursuing actions to raise awareness of ethical issues

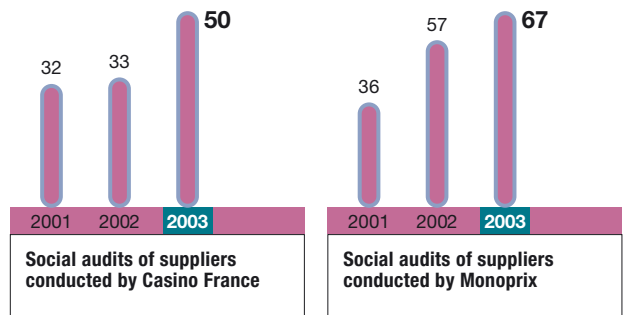
A number of sessions were organised in 2003 to build awareness of corporate social responsibility and ethical issues. Within the Group, four days were organised for quality department employees and buyers from three product categories - self-service items, textiles and appliances/audiovisual equipment - and a one-day session was held for members of the sustainable development committee. In all, 131 people received training.

Outside the Group, three training sessions were organised for:

- Managers of five Moroccan companies based in Casablanca.
- Around 50 high-level civil servants from France’s Ministry of the Economy, Finance and Industry, as part of a seminar on ethics in business at the Institute of Public Management and Economic Development (IGPDE).
- Approximately 25 second-year students at France’s HEC business school.

At the request of non-profit ethical associations in the French Alps, meetings were organised in 2003 that led to useful discussions between Casino store managers and representatives of civil society on the role of ethics in the Group’s procurement policy.

In addition, the Group took part in a seminar on civic consumerism at France’s National Assembly on October 31, 2003.



improvement objectives

- Carry out 50 social audits of suppliers in 2004.
- Update EMC Distribution’s Ethics Charter with the support of Amnesty International and renew awareness-raising sessions for the central purchasing agency, for Casino headquarters and on production sites, including for offices and suppliers outside France.
- Pursue and develop Casino’s relations with civil society and NGOs to validate our ethical commitments and increase transparency.

The social audit programme

THE SOCIAL AUDIT PROCESS

A social audit is intended to certify that working conditions in a facility (in this case, a production plant) comply with legal requirements and the principles of human rights.

At Casino, these audits are conducted by an independent specialised firm working with the EMC Distribution Ethical Charter and a metrics document developed by the Social Clause Initiative working group created by France's Retail Trades Federation (FCD). The document is an evaluation grid divided into nine chapters, with 122 control points.

STEPS IN THE AUDIT PROCESS

A social audit involves both offsite and onsite phases. Before visiting the site, auditors study the specific risks linked to the product manufacturing process as well as national and local legislation.

The onsite audit includes six steps:

1. Pre-audit meeting, presenting the mission's objectives and procedures.
2. Plant visit, with a visual assessment of the main health, safety and environmental hazards.

3. Document analysis, during which the auditor verifies regulatory documents, including employee registers, apprentice registers, vacation registers, work accident logs, fitness certificates, proof of age, payslips and machine inspection certificates.

4. Interviews with a representative sample of employees and managers on subjects specified in the metrics document. Their comments are compared with data obtained during the document analysis phase.

5. Pre-closing meeting, to prepare the list of non-compliances for the closing meeting.

6. Closing meeting to present the non-compliances and corrective measures to the person in charge of implementing them.

Following the audit, a schedule for deploying corrective measures is prepared, with subsequent inspections to monitor their effectiveness. In this way, Casino supports its suppliers in driving continuous improvement.



IMPROVEMENTS IN SOCIAL PRACTICES

In May 2003, the ITS inspection firm, at Casino's request, discovered infractions at the Rakheja textile factory, a one hour's drive from New Delhi. These included a lack of payslips for 60% of employees, unreported hours worked, overtime not paid double, and failure to provide employees with one day off a week, as required by law. While these infractions are not uncommon in India, Casino's code of conduct called for a follow-up inspection in September. This time, ITS inspectors noted a real improvement. *"Of the 14 problem points, only two hadn't been corrected"*, said one of the auditors.

ENVIRONMENTALLY FRIENDLIER PRODUCTS

Terre et Saveur: promoting sustainable agriculture

Sustainable agriculture involves meeting current economic needs without jeopardising those of future generations. This approach begins by conducting environmental impact studies of various farming techniques and reviewing crop and livestock raising methods, with a focus on protecting the environment, conserving natural resources and respecting the real needs of plants and the well-being of animals.

In this spirit, in 1998 Casino created its Terre et Saveur brand of fresh products. Since then, more than 180 supplier partnerships have been developed, with the dual objective of marketing tasty, consistently high-quality, fully traceable products while promoting sustainable agriculture.

Casino Bio: An extensive range of organic produce

Introduced in 1999, the Casino Bio range today includes more than 60 consumer food products. To be included in the Casino Bio catalogue, products must meet official organic farming standards, which exclude the use of pesticides and chemical fertilisers and require that processed foods contain at least 95% organically produced ingredients.

improvement objectives

Renew the Eco Wood Asia agreement for reforestation projects in Indonesia and Vietnam.

Identify furniture manufacturers whose production has less environmental impact.

Given the small size of the organic food market and the problems in developing certain products, the Casino Bio portfolio did not meet its objectives in 2003. However, nine new products were introduced, while two were phased out. This trend will be maintained in 2004, with a goal of stabilising the number of organic products in the catalogue.

In the Netherlands, however, stores operated by Laurus, our Dutch subsidiary, reported a year-on-year increase in the number of organic products sold, especially fruit and vegetables.

Monoprix: a pioneer in environmentally friendlier products

Monoprix has set its sights on becoming a leader in offering "quality of life" products, with the goal of gradually transforming customers into "active" consumers. In 1990, Monoprix introduced its Monoprix Vert line of non-food products, which today includes 45 items, of which 14 carry the European ecolabel and five France's NF-Environnement label.

Created in 1994, the Monoprix Bio range of food products today includes nearly 170 items. Driven by the same spirit of innovation, Monoprix was the first chain to include a Max Havelaar organically produced coffee in its Monoprix Bio range, in 1999, and the first mass retailer to offer fair trade produce - bananas, in 2002.

In addition to its own brand products, Monoprix is developing partnerships with suppliers of farm products grown or raised using production methods that are not harmful to the environment, people or animals. Forty agricultural partnerships were signed in 2003.

Exotic wood: promoting sustainable forest management

In response to the rapid depletion of teak trees in Southeast Asia, Casino reduced the number of teak garden furniture items in its catalogue by 30% in 2003. The Group is also involved in helping to regenerate this resource, providing financing during the year for a reforestation project in Indonesia and Vietnam. Carried out under the supervision of an independent firm, the project will be renewed in 2004.

To strengthen its commitment in this area, Casino joined the Eco Wood Asia programme in 2003. Created by the Hong Kong chapter of the World Wildlife Fund, the programme encourages companies to purchase wood from forests managed in compliance with the recommendations of the Forest Stewardship Council.

par respect du goût
et de la nature



Terre et Saveur

RESPECTING TASTE AND NATURE

Created in 1998 in response to emerging consumer demand concerning respect for taste and nature, the Terre et Saveur range of traditional fresh products promotes farming practices that protect the environment and animal well-being. The catalogue currently includes 219 fruit and vegetable, meat, fish, bread and pastry products that are affordable and offer excellent quality for the money. The Terre et Saveur programme is designed to meet two objectives: respect for taste and respect for nature.

OFFER CONSUMERS TASTY, CONSISTENTLY HIGH QUALITY PRODUCTS

Consistent quality is ensured by strictly defined specifications and controls at every step of product preparation. These include:

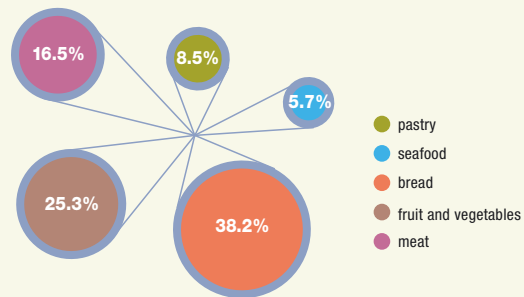
- Tastings and sensory analyses by consumer testers or panels of experts.
- Health quality inspections at various stages in the preparation process.

HELPING FARMERS IMPROVE THE PRODUCTION PRACTICES

- With regard to the environment: measures to stop soil impoverishment, more effectively preserve natural resources, reduce the amount of treatments and fertilisers, etc.
- With regard to animal health and well-being: appropriate, managed feed; healthy husbandry conditions, etc.

Terre et Saveur in 2003

as % of sales



Terre et Saveur is based on close cooperation with suppliers, with whom product specifications are developed using benchmarks. These partnerships and the exchange of information are driving continuous improvements in production conditions. Audits of production, processing and packaging facilities are conducted regularly, either by the Group or by outside firms, while traceability measures ensure that a product's origin can be determined.

Club des Sommeliers, the Group's wine brand, has adopted the same quality approach and set the same high standards in terms of benchmarks and specifications.

In 2003, 1,063 audits, 1,907 tastings and 969 analyses were conducted for the Terre et Saveur and Club des Sommeliers brands.



MARIE-JOSÉ CHADUIRON - MARKETING MANAGER, TRADITIONAL FRESH PRODUCTS

"With the Terre et Saveur product range, we wanted to raise customer awareness of the benefits of sustainable agriculture and promote more environmentally friendly consumer habits."



“I want to be able to take part in management seminars so I can move up in the Group.”

TAIWAN Min, 28 years old



BECAUSE OUR EMPLOYEES NEED RESPECT AND DIALOGUE

We know our success has been built on the skills of all our employees. That's why we've always been committed to maintaining excellent relations with all team members, based on mutual respect and dialogue.

fostering
**HIGH-QUALITY
EMPLOYEE
RELATIONS**

HIGH-QUALITY JOBS

In line with its values of mutual respect and dialogue, Casino is committed to providing employees with high-quality jobs and is taking every possible measure to ensure long-term employment.

Developing long-term employment

Despite the challenging economic environment, all of our divisions are continuing to expand in France and international markets. In France, for example, 14,975 people were hired under permanent employment contracts in 2003.

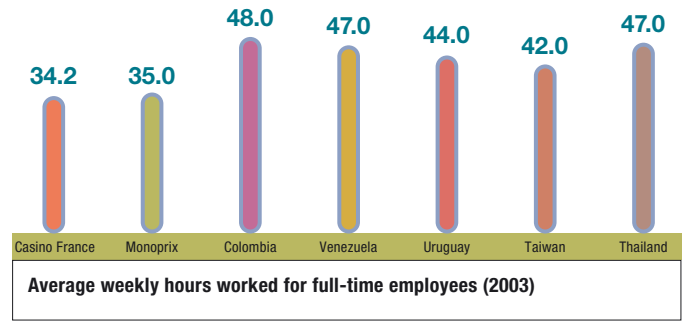
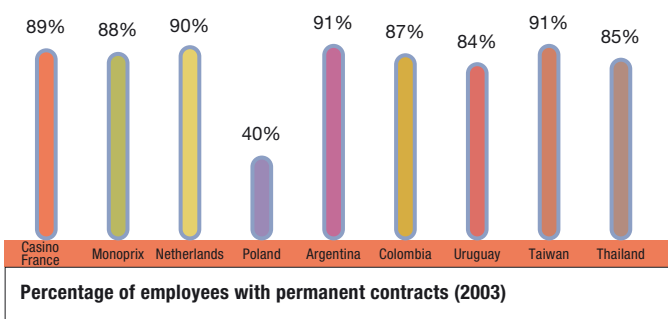
In times of economic hardship, gateways between divisions make it easier to maintain jobs by reassigning employees to other positions within the Group.

Pursuing actions to nurture employee loyalty

Retaining employees is a key challenge in the retailing industry with its traditionally high turnover rates.

To build employee loyalty, Casino promotes dialogue, offers incentive bonuses and profit-sharing schemes, and conducts integration and training programmes for new hires. In the supermarkets division, for example, new employees are issued an "integration passport" and tracked for a full year. In 2003, some 200 new employees benefited from this programme. A guide for correct hiring and integration practices will be prepared and distributed in 2004.

The Group is also committed to extending its incentive bonus and profit-sharing policy. As part of this process, a supplementary agreement reached on June 16, 2003 entitles employees of the R2C food service subsidiary to receive incentive bonuses, bringing the number of participating employees in France to 50,261 - virtually the entire French workforce.



Incentive bonuses have also been introduced in other countries: Venezuela (which also has a universal profit-sharing scheme) for 40.5% of employees, Uruguay for 51%, Colombia for 13%, Thailand for 97%, and Taiwan for 61%.

Eliminating unstable jobs

Store opening hour legislation has required measures to adapt work schedules. To maintain a high quality of life for its employees, Casino avoids imposing part-time work by offering employees a maximum of choice in their weekly working hours. In 2003, an agreement was signed in France to give employees under 28-hour contracts the opportunity to increase their hours to 30 a week. Negotiations were held in 2003 to improve the mandatory presence system and an agreement was signed with employee representatives in early 2004.

To eliminate job instability, Casino uses temporary labour only sparingly, preferring to sign employees to permanent contracts. This is the case for more than 90% of employees in France.

improvement objectives

Review job classifications to take into account changes in retail job skills.

Prepare a guide for correct hiring and integration practices.

A WEALTH OF ENRICHING CAREER OPPORTUNITIES

Helping employees grow

To enable employees to pursue their professional growth and development, Casino offers a number of training tools, including e-learning modules, in-store skills enhancement programmes, management seminars at the Pierre Guichard Training Institute, product training sessions with specialised organisations, and instruction in employee and safety regulations. When joining the Group, each employee receives a personalised training plan. Casino also offers work/study programmes. In France, 484 apprentices received training in the Group’s job skills during the year, of whom 62% were hired upon completing the programme.

Promoting mobility and managing careers

Thanks to the diversity of our core job skills and businesses, we are well positioned to offer employees extensive job mobility and career advancement opportunities. A variety of “gateways,” for example, enable team members to move easily from one division to another.

We also promote cultural exchanges and enable certain high-potential managers to transfer to other countries. In 2001, for example, six employees from Argentina and two from Uruguay came to France for a work/study programme that allowed them to earn an IEMCD*- certified post-graduate degree from a business school in Saint Etienne. In 2003, five managers from Colombia took part in a similar internship to study French language and culture and to learn about methods used by Casino in France.

In France, the focus was on improving job mobility and advancement conditions for managers, notably through the signing on July 8, 2003 of the Casino France Retailing Charter for manager mobility. The document formalises and defines mobility procedures, seeking to reconcile the employee’s personal and family needs with store requirements in order to make the option more attractive. The Charter calls for more information about employee assignments and increased support measures, such as help in finding accommodations, schools for children and jobs for spouses.



VALIDATION OF ACQUIRED EXPERIENCE INTRODUCED
 Created in 2002, as part of new French labour legislation, the Validation of Acquired Experience (VAE) system enables employees who have been in a job for three years to earn a diploma corresponding to their level of experience. In 2003, Casino began negotiations with employee representatives to implement a dedicated VAE support structure, as part of a clearly defined career project.

Executrack career management software has also been deployed to plan mobility opportunities, more efficiently integrate temporary employee needs with regard to geographic and professional mobility, and strengthen gateways between the divisions.

Managing the careers of older employees

With France’s Retail Trades Federation (FCD), Casino has taken part in discussions to anticipate the impact of an aging population on human resources management. Negotiations in 2003 led to the signing of an agreement on January 15, 2004 by all of the industry’s employer organisations and the main labour unions. The agreement’s goal is give employees over 50 attractive career prospects and opportunities to leverage their experience.

improvement objectives

Introduce a dedicated VAE support programme for participating employees.

Continue discussions on career management for older employees.

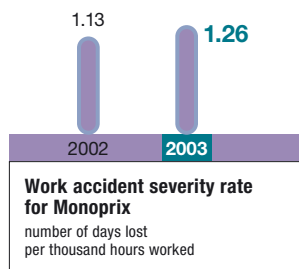
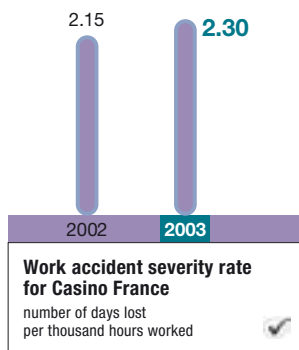
* European Institute for Careers in Retailing

HEALTH AND SAFETY AN OBLIGATION TO OUR EMPLOYEES

Eliminating work-related risks is a day-to-day concern for Casino. Yet despite our initiatives, the accident frequency rate remained high in 2003 and ongoing prevention and information campaigns were unable to bring it down from the previous year. Most accidents involve handling. With a frequency rate of 51.82 for the hypermarkets and supermarkets divisions, Casino's performance is nonetheless about average for the retail industry. Safety managers in each division and operating unit are responsible for introducing and applying safety recommendations in the workplace. The appointment of a central safety manager for the supermarkets division will enable safety to be managed comprehensively, covering the workplace, equipment, customers and stores.

To reduce the frequency and severity of work accidents, the hypermarkets and supermarkets divisions and the Easydis transport subsidiary are offering employees in high-risk jobs special training that qualifies them to train other employees. In 2003, the programme led to the certification of 125 new trainers in three fields: movements and postures, nacelles, and forklifts. In the hypermarkets division, 72 people received training in electrical systems skills.

In the convenience stores division, the focus was on assessing and managing risks. In 2003, four courses were held for 48 people. At the division's request, the Group prepared a risk assessment and management CD-ROM late in the year for distribution to all divisions in 2004.



VIOLENCE PREVENTION AND PSYCHOLOGICAL SUPPORT

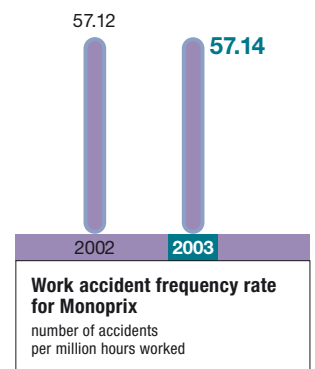
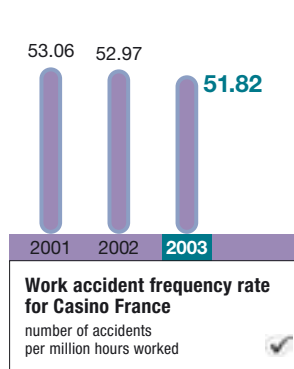
Casino has developed a number of systems for eliminating job-related risks and providing psychological support for employees and customers who have been subject to violence in our stores.

Prevention focuses on two areas:

- To help employees manage

stress and hostile or violent situations, Casino organises dedicated training sessions for supervisors and cash register operators.

- To provide customers with maximum shopping comfort, stores are designed to minimise stress



improvement objectives

Achieve an accident frequency rate of 45 or less by 2006.

Lower the accident severity rate by 0.30 points by 2006.

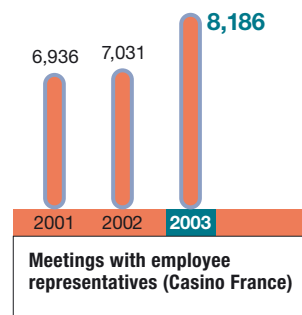
Provide all managers with self-training tools in workplace safety.

Offer a three-day course with the Health, Safety and Working Conditions Committee module to all units with fewer than 50 employees (training for 200 employee representatives and 40 Committee members).

Set up a steering committee for mandatory safety training, comprised of training managers from all divisions.

and fit into the host community (local hiring initiatives and tailored product offers). Despite these measures, employees and customers are sometimes confronted with violent or traumatic situations, including shoplifting, verbal or physical abuse, or armed robbery. Because supervisors are not trained to provide trauma counselling, Casino

draws on the counselling skills of the Violence, Work, Environment (VTE) association. VTE psychologists visit the site 24 to 72 hours after an incident occurs, meeting first with victims without their supervisors, then organising individual sessions. In 2003, 43 sessions were held for 273 employees.



AN ONGOING DIALOGUE WITH EMPLOYEES

Casino is committed to creating conditions that foster dialogue with employees, and in particular to developing constructive communication with employee representatives.

The human, material and financial resources allocated by Casino enable unions to conduct labour negotiations in optimal conditions. In this regard, the agreement signed on January 22, 1997 on developing the role and resources for unions represents a basic component of our employee relations policy.

To take into account the Group's expansion, an amendment to the agreement was signed on January 8, 2003, increasing from 1,200 to 1,400 the number of hours union officials are allowed to take off each year in connection with union responsibilities. In addition, management has increased the fees it pays to each union represented within the Group by 15% and the amount paid per vote received by each union by 5%.

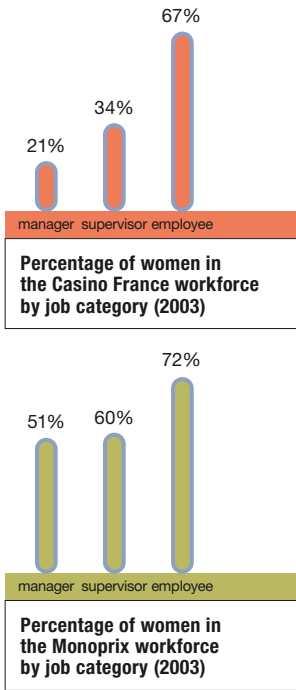
In France, units with fewer than 50 employees have a specific representative body, the Social Committee, which reflects the Group's commitment to engaging in dialogue with all employees. Regard, the quarterly magazine, and the intranet are the two main media for communicating with employees. In addition, each division publishes its own internal media, like Du Côté Des Petit Casino, and organises events to inform employees (see the facing inset on the 2003 convention held by the supermarkets division). Negotiations undertaken in 2003 will enable employee organisations to communicate with employees via the intranet.

SUPERMARKETS DIVISION MANAGEMENT PROMOTES EMPLOYEE RELATIONS

Management of the supermarkets division wanted to invite all managers who had joined the team since 1999 to take part in the 2003 convention, while keeping things small enough to maintain a friendly atmosphere and facilitate exchange. For that reason, four events were held successively in Paris, Lyon, Toulouse and Toulouse. With the 2005 Casino Supermarket project now half completed, the convention provided an opportunity for management to share their vision of the future with employees. Members of the Management Committee presented their projects and answered questions from participants. In the same spirit of getting team members involved in developing its businesses, since 2002 the supermarkets division has organised working groups comprised of regional directors, directors, managers and regional managers to discuss topics like responsibility, organisation and safety.

improvement objective

Reach a Group-wide agreement to set up a unified organisation to manage employee activities, comprised of all employee representatives.



CASINO: A TESTING GROUND FOR A PROJECT TO COMBAT IGNORANCE AND DISCRIMINATION IN THE WORKPLACE (LUCIDITÉ)

EQUAL is a European Community Initiative whose mission is to combat racial and sexual discrimination in the workplace. The project involves a partnership for sharing, leveraging and distributing information across Europe. The Lucidité programme involves ten partners in France's Rhône-Alpes region who are conducting four research/action projects to understand the mechanisms of sexual and racial

discrimination in the workplace and to produce tools and action plans that have a real impact on correct practices and social unity. Four Casino facilities are taking part in the project: the Saint-Martin d'Hères hypermarket, the Vaise supermarket, the Valence II cafeteria and the Molina warehouse in Saint-Etienne. In 2004, the four facilities will analyse:

- Human resources management practices according to gender and

origin-related criteria, with a breakdown by different socio-professional categories, types of contract, hirings, leavings, access to training, gross salary, etc.

- Employees' family names, with the goal of refining the breakdown of nationalities represented in summary tables.

This study will be the first of its kind conducted in France.

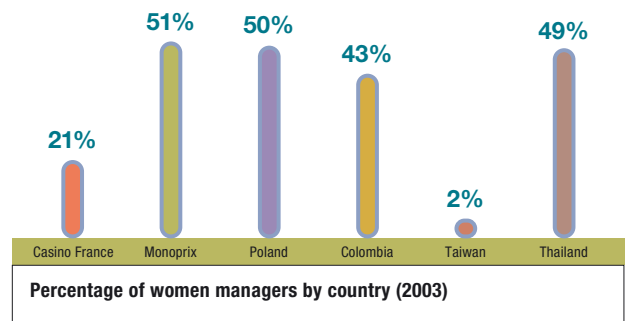
A LONG-TERM COMMITMENT TO ELIMINATING DISCRIMINATION

For more than ten years, Casino has been involved in eliminating discriminatory practices with regard to race, origin, gender or religion and in finding jobs for people from disadvantaged backgrounds. Cultural diversity is an important asset for the Group, making it easier to set up operations in disadvantaged neighbourhoods. Actions launched by Casino to support urban policy, job creation and community spirit initiatives have proved their worth by making operations and outlets safer from urban tensions.

Our policy is intended to:

- Prevent discrimination in the workplace, notably in the areas of hiring and promotion.
- Showcase formal and informal initiatives to promote diversity.
- Train staff, especially supervisors, in current discrimination issues.

The Group is also a partner to the European EQUAL Lucidité programme, whose mission is to combat racial and gender-related discrimination in the workplace (see inset). As part of this commitment, Casino has agreed to serve as the pilot company in a project to promote cultural diversity, in association with Institut du Mécénat et de la Solidarité (IMS). The Group is also planning in the near future to test a self-diagnostic tool for corporate cultural diversity prepared by IMS in partnership with the EQUAL programme.



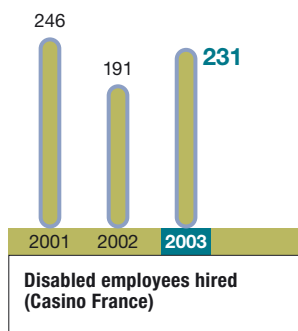
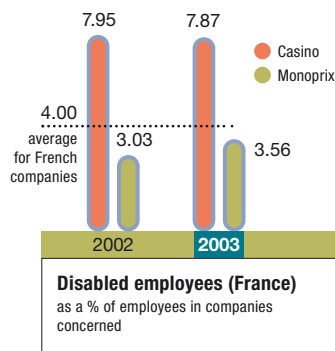
improvement objective

Implement a self-diagnostic tool for cultural diversity in the enterprise.

improvement objectives

Maintain a quota of disabled employees of at least 6% by anticipating the retirement of disabled employees from the baby-boom generation.

Communicate more extensively within and outside the Group about our policy for employing the disabled.



SUSTAINED INITIATIVES TO EMPLOY THE DISABLED

Casino's commitment to employing the disabled was formalised in 1995 with the signing of the first Company-wide agreement and reaffirmed in 2003 with the signing of the new Handipacte Casino agreement, covering all Group subsidiaries in France, other than Leader Price, Franprix and Monoprix, for the period 2003-2005.

Through the agreement, Casino pledges that each subsidiary will achieve the minimum quota of 6% disabled employees required by law, a quota that very few French companies currently meet. With a quota of 7.87% in 2003, Casino again exceeded the target.

The Handipacte Casino agreement focuses on the following areas:

- **Hiring.** The Group is committed to hiring 300 disabled persons by 2005, with 231 hired in France in 2003. Group establishments receive a bonus each time a disabled person is hired to a permanent contract, accepted into a work/study or apprenticeship programme, or retained in the company through transfer to another position.
- **Transition to the workplace and training.** Casino is committed to taking on 100 interns during the period, with 93 taking part in internships in 2003.
- **Maintaining jobs** for people whose disability worsens or who become disabled because of an accident or illness.

Retaining handicapped employees involves adapting workstations, modifying workplace organisation and offering training that enables the people concerned to learn job skills adapted to their capabilities. Implementing these measures requires close cooperation with occupational physicians and sometimes the support of ergonomists.

For example, Casino works with France's Société Ouest Ergonomie, which dispatches two ergonomists to facilities to analyse disabled employees in their working environment and to propose changes in equipment or reassignment to workstations more closely adapted to their needs.

A plan for developing relations with the "sheltered sector." Casino supports the development of work-based assistance centres and sheltered workshops by signing subcontracting contracts with them and encouraging their accreditation by Group purchasing departments.

To support deployment of its policy, the Group uses a variety of media to raise awareness of its initiatives on behalf of the disabled:

- An internal guide for hiring and maintaining jobs with standard job description sheets was sent to all unit chief executives in France.
- A videocassette on Casino's agreement on hiring the disabled was produced in 2003 and sent to all Group establishments.
- Useful advice on hiring, training and maintaining disabled employees was posted on the corporate intranet in 2003.
- Casino also took part in France's Hire the Handicapped week (November 17-22, 2003).
- The Group is a member of France's Club Etre, which brings together large companies involved in helping to find jobs for the disabled.

Differences in national legislation and in the definition of what constitutes a disability make it very complicated to deploy a global policy. Nonetheless, Casino is committed to compiling a list of initiatives to employ the disabled in subsidiaries outside France, with the goal of identifying potential synergies.

“I want to go to school so I can learn to read and become a great writer.”

CARACAS José, 10 years old



BECAUSE THE WORLD NEEDS SOLIDARITY

As a participant in urban social and economic life, Casino supports the development of its host communities, in line with its values of local service, respect and social responsibility.

promoting
**LOCAL
DEVELOPMENT
AND SOLIDARITY**

<ul style="list-style-type: none"> ● 76 high school graduates with two years of university or less hired from priority neighbourhoods. ● 31% of jobs reserved for priority population groups in Fréjus and Nîmes. 	<ul style="list-style-type: none"> ● 92 young people trained in the Rhône-Alpes region through internships. ● 65 apprenticeships for people of non-French origin or from priority neighbourhoods.
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THE INSEPARABILITY OF URBAN POLICY AND RETAILING

With nearly 60% of its hypermarkets and 40% of its supermarkets in disadvantaged neighbourhoods, Casino is directly confronted with issues related to urban planning, jobs and hiring the underprivileged.

A dedicated organisation

The Urban Policy and Solidarity Department, which reports to the Group Human Resources Department, pursues a policy of local development that focuses on five key areas:

- Training and raising the awareness of employees concerning problems in sensitive neighbourhoods.
- Supporting projects to revitalise city centres, create jobs for the disadvantaged and for local residents, and to take on interns.
- Strengthening the integration of stores into their urban neighbourhoods.
- Tailoring products and services to local lifestyles and demand.
- Enhancing safety and mediation initiatives at certain facilities by developing actions that strengthen community spirit.

improvement objectives

- Maintain a high percentage of jobs reserved for neighbourhood residents (20 to 30%).
- Recruit 250 high school graduates with two years of university or less for the period 2002-2006.

A long-standing commitment to developing disadvantaged neighbourhoods

Casino has long developed expertise in urban policy and community spirit issues, studying problems and deploying measures alongside French Ministries, the National Employment Agency and local communities, as well as with associations dedicated to developing job opportunities. In France, our commitment was formalised in 1993 through a first nationwide partnership agreement with the Ministry of Urban Affairs, which was renewed in 2002.

Through the new agreement, which covers the period 2000-2006, Casino is implementing major programmes to support the economic development of its host neighbourhoods and help local residents find jobs. These programmes focus on three areas:

- Helping young graduates from disadvantaged neighbourhoods take on supervisory positions within the Group.
- Promoting the hiring of underskilled residents, with the support of public programmes to combat discrimination.
- Leveraging the Group's expertise to contribute to the economic development of disadvantaged neighbourhoods.

This commitment was reflected in two store openings in 2003. For the hypermarket in Nîmes, 131 of 411 people were hired from priority population groups, including 61% from the long-term unemployed. For the supermarket in Fréjus-Léotard, seven of 27 people hired after renovation work following a fire were from priority neighbourhoods.

In 2003, 76 high school graduates with two years of university or less were hired, as part of an overall target set for 2006.

Developing new employment pools

The Association for the Development of Service Jobs (ADES), created by Casino in partnership with the Act Against Exclusion Foundation (FACE), also promotes the hiring of young people through its "services boutique" concept for local authorities and a range of services for company employees.



PAUL BAUDOIN - SUB-PREFECT IN TOULOUSE

“The people wanted the Casino store to reopen, first as a retailer and second as a centre of community life and events. The reopening also demonstrated that the neighbourhood hadn’t been abandoned after the AZF disaster. Casino responded to these three priorities, which is significant because there are very few retailers of this size in disadvantaged neighbourhoods.”

Toulouse Empalot: a neighbourhood is reborn

When the AZF chemical plant in Toulouse exploded on September 21, 2001, Casino, which had served the community for years, was directly hit. The blast weakened the foundations of the Empalot supermarket, resulting in its being closed for more than a year. A shortage of companies available to repair the damage and the fact that Casino leased the building meant that getting the necessary authorisations from the owner took a long time.

After six months of waiting, local residents demanded that the store reopen, considering it to be not only a business but also a centre of community life for more than 30 years. In May 2002, following an appeal by the neighbourhood council, people gathered at the shopping centre to call for the store’s reopening. Thanks to cooperation between the Casino Group and local partners and officials, the reopening was scheduled and a community renewal project was launched.

When the store reopened in September 2003, the Group decided to reserve most jobs for residents of the Empalot neighbourhood. Prospective applicants were offered a “job passport” by CREPI, a regional group of companies that promote local employment, which Casino has partnered for several years.

From a list of applicants pre-selected by the Empalot Local Mission and the National Employment Agency, a final selection was made in partnership with Casino. New employees then took part in a three-month training programme, spending one-quarter of their time in training centres and the remaining three-quarters in stores. When the supermarket reopened, ten new employees with job passports left the stores where they were being trained to take on positions in the Empalot supermarket.



A COMMUNITY-MINDED ENTERPRISE

Casino has a long tradition of involvement in humanitarian activities and corporate philanthropy actions and in 2003 we pursued our programmes to support the disadvantaged. In addition to national operations (see opposite), individual establishments were encouraged to develop community actions in partnership with a wide range of non-profit and humanitarian organisations. A large number of local operations were conducted in 2003 to support organisations like the Red Cross, food banks, meals for the needy programmes and medical research.

Casino also partners with a number of associations, including:

- Children's Island, which provides assistance to hospitalised children and their families at Necker Hospital in Paris. We make financial donations and contribute purchase vouchers to help families while their children are institutionalised.
- Through partnerships with ASPEDA and the Laurent Michard School association, we finance programmes that enable disabled children to attend classes in a normal school. For five years, we have fully financed a multiple handicapped child who will soon enter sixth grade. Another initiative involves interpreters who transcribe lessons for deaf children, thus enabling them to attend classes and remain with their families, rather than entering a specialised institution.

improvement objective

Develop new partnerships to help disadvantaged children.

THE LITTLE BAMBOO FOUNDATION IN THE PHILIPPINES

With the financial assistance of Casino, a young French volunteer who went to the Philippines to work for a non-governmental organisation has, in addition to her initial mission, managed a construction project for the benefit of children in the Cebu slums. So far, two classrooms and a day-care centre have been built, providing nearly 200 children with medical treatment, one meal a day and schooling. The programme also offers employment to around 15 neighbourhood adults, who after receiving initial training, supervise and teach the children and interface with their families.

THE BIG C FOUNDATION IN THAILAND

In 2003, the Foundation of our Big C subsidiary in Thailand pursued a number of programmes for children:

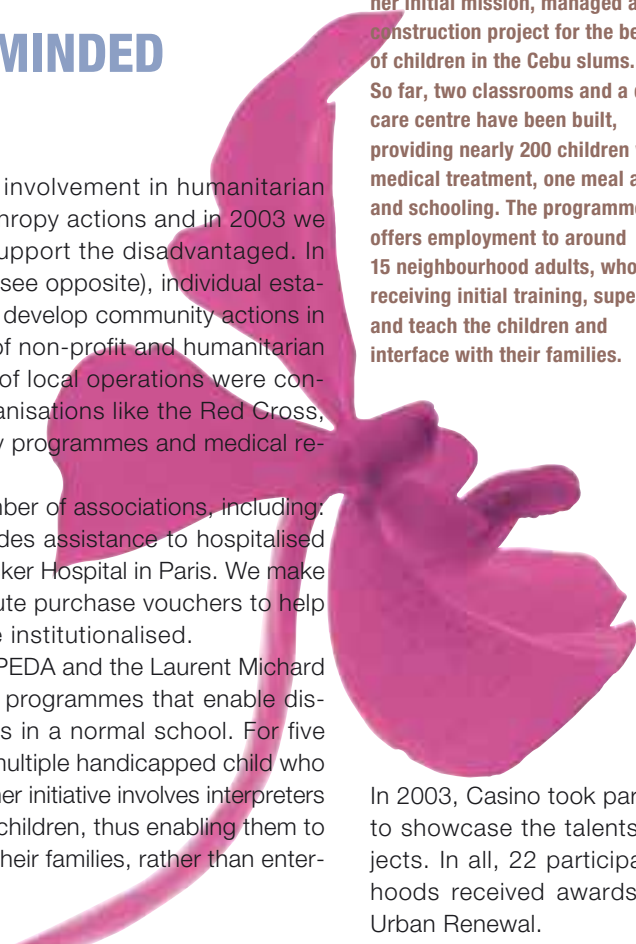
- Six classrooms were built for the PhunPhin Phihayakom school in Surathani Province and a building for 300 pupils was built for the Mae-Or Vidhayakom school in Chiangrai Province.
- Three basketball courts were built in Lumpini Park, the country's most popular public park, in the Bangkok suburbs.
- Encyclopaedias were donated to 99 schools in 12 provinces and 20,000 school uniforms were distributed nationwide.
- The Foundation sponsored a project in eight schools to teach children to cultivate a water-absorbing plant that helps drain farmland.

In 2003, Casino took part for the second time in a programme to showcase the talents of young people from housing projects. In all, 22 participants from disadvantaged neighbourhoods received awards from the Minister for the City and Urban Renewal.

The Ecoles du Soleil association is pursuing its actions to support disadvantaged children in France and other countries, including Thailand (the Big C Foundation), Colombia (the Exito Foundation) and Venezuela (Niños del Sol Foundation). These organisations support programmes that offer children educational opportunities and raise funds in stores through promotional campaigns.

In 2004, Ecoles du Soleil's role will be strengthened and its mission extended, notably with a call for project proposals in France to increase community-minded partnerships and to extend operations carried out in other countries.

The Group also takes part in operations to help victims of natural or humanitarian disasters. In 2003, Ecoles du Soleil provided aid to flood victims in Arles and Nîmes, while EMC Distribution donated clothing to earthquake victims in Algeria.

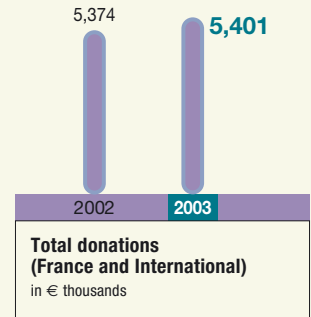


Partnership with SOS Children's Villages

With its mission of supporting education for disadvantaged children, the Ecoles du Soleil association has found a natural partner in SOS Children's Villages, which takes in orphans or children whose parents have abused them or failed to send them to school. Groups of four

to six children live with an SOS mother in a house located in an SOS Children's Village, where their development is overseen by a team of educators. The programme involves 600 children in 12 villages in France, and more than 3,200 children

in 24 villages in developing countries, including Ecuador, Honduras, Haiti, Romania, Bosnia-Herzegovina, India, Nepal, Vietnam, Laos, Morocco, Togo, Côte d'Ivoire, Somalia, Rwanda, Mali, Burkina Faso and Madagascar.



Brothers and Sisters Day at Disneyland® Resort Paris

For the fourth year in a row, the supermarkets division organised its Casinoublable in-store campaign to raise funds for SOS Children's Villages. Children were asked to draw their "dream vacation," with the division contributing two euros for each drawing. Thanks to the 15,000 drawings submitted, 630 children from SOS Children's Villages were able to visit Disneyland® Resort Paris on November 7 and 8, 2003.

In Marseille, nearly 100 store managers took part in a project to support the SOS Roy d'Espagne Village, promoting the operation through an extensive in-store poster campaign and selling promotional items to raise money for the purchase of eight computers for SOS Children's Villages homes.

Elsewhere in France, stores took the initiative to organise philanthropic actions and raise funds for Ecoles du Soleil and SOS Children's Villages. With the support of our Immobilière Groupe Casino property subsidiary, retailers in the shopping centres around five of our hypermarkets (Brest, Quimper, Nîmes, Angers and Tours) and two supermarkets in Marseille organised summer exhibitions designed to familiarise customers with SOS Children's Villages. Some 150,000 copies of a brochure presenting the association were printed during the year.

THE EXITO FOUNDATION IN COLOMBIA

Through the Exito Foundation, three associations are being supported in Colombia:

- The Niños de los Andes Foundation, which on October 1, 2003 opened a shelter for homeless girls age 7 to 18. Located in the south of Bogota, the shelter has already taken in, cared for, fed and counselled more than 130 girls, helping to get them back into society.

- A full-service centre, which is developing children's shelters and combating child neglect. The shelters take in young people at risk for periods of four months to five years, providing them with food, education and medical care.

- The Bello administrative and social centre, whose toy lending library, library, computer room and auditorium were financed by contributions from the Foundation.



“I want to be able to shop in a supermarket that uses as little packaging as possible.”

FRANCE Marie, 31 years old



BECAUSE THE ENVIRONMENT NEEDS OUR ATTENTION

In response to growing pressure on the planet's resources and the need to maintain a balanced ecosystem for current and future generations, Casino is committed to integrating environmental stewardship into all its business practices, helping to manage long-term risks for the benefit of the Group and its stakeholders.

mobilising
TO PROTECT
THE ENVIRONMENT

AN ENVIRONMENTAL POLICY FOR THE CASINO GROUP

In 2003, the Casino Group formalised its environmental stewardship commitments by defining its Environmental Policy, which was distributed to all employees, in particular during the environment seminar held on November 19. The seminar was attended by representatives of Group support functions and operating divisions, who reviewed major ongoing environmental projects and helped to define action plans for the 2004-2006 period.

CHRISTOPHE BERGERAC - OPERATION MANAGER - PROPERTY MANAGEMENT DEPARTMENT

The Green Light programme was launched by the European Commission in 2000 to encourage leading public and private sector companies to improve their lighting systems. Membership in the programme is voluntary but assumes that companies will improve existing lighting systems when energy savings cover the investment and will install the most efficient systems in new buildings. Electricity consumption from lighting should be reduced by at least 30%. The supermarkets division renovation plan has integrated Green Light certification requirements since 2002, while the hypermarkets division signed a



partnership with Green Light in May 2003 to earn certification for 25 of its stores within five years. Across the Group, 15 stores representing a total sales area of 127,780 square metres have obtained Green Light Certification for new lighting systems. The European Commission awarded Casino a Green Light Award for its achievements in 2003.



THE CASINO ENVIRONMENTAL POLICY

Integrating the environment into all aspects of the business, from goods purchasing and transportation to store design and management.

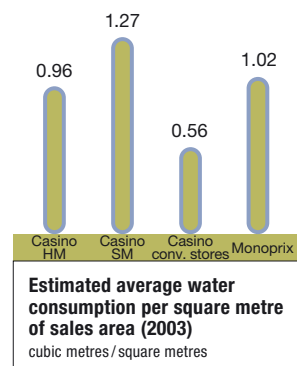
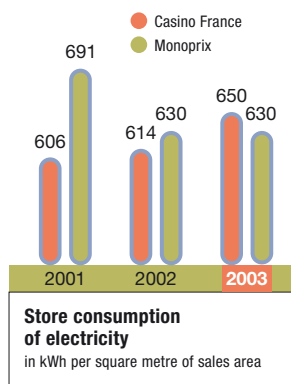
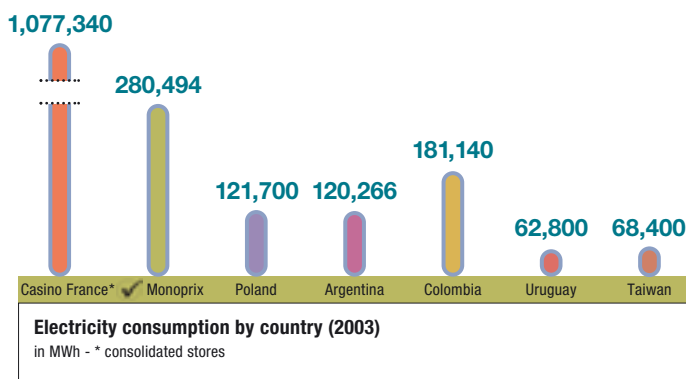
Protecting the environment is a key concern in modern society. It requires that everyone involved in the product life cycle be accountable for their actions and work together to improve the overall process.

Our goal is to minimise the environmental impact of the products offered in our stores, by acting on their production methods, packaging, waste, logistics and selling methods.

Casino and its subsidiaries have undertaken to gradually reduce the impact of their activities on the environment by adapting their actions to the degree of maturity of each market.

Our environmental management policy is based on compliance with regulations and co-operation with suppliers and employees to identify and implement best practices.

Products	Packaging	Waste	Transportation and logistics	Stores and internal practices
We encourage suppliers to gradually introduce more environmentally friendly production methods or eco-design programmes for their brands.	Wherever possible, we help develop materials and processes that reduce packaging waste at source, as well as set up suitable recycling processes.	We develop partnership agreements that comply with existing regulations and standards to ensure the proper removal and processing of waste generated by our operations.	Through our centralised information system, we can optimise energy consumption, emissions and waste connected with goods transportation. We are developing a transportation policy designed to minimise empty return loads and are actively promoting the use of new generation engines.	We regularly train and work with our employees to establish and develop best practices with the aim of improving environmental management in each business. New or refurbished stores are always designed to reduce their environmental impact.



RATIONAL MANAGEMENT OF POWER AND WATER

Reducing our power consumption

With more than 6,600 establishments in France and approximately 2,000 in the rest of the world, the Casino Group is a major consumer of electricity, which is mainly used for store lighting and refrigerated food sections. With annual power consumption in France of 1,357,834 MWh for consolidated Casino and Monoprix stores, the Group is actively preparing for the opening of the energy market in July 2004.

We constantly optimise power consumption by:

- Introducing appropriate technological solutions.
- Encouraging employees to be extremely vigilant about power use.
- Regularly monitoring and auditing our facilities to quickly identify and correct irregularities.

In 2003, actions focused on:

- Studies conducted with France's Agency for Environment and Energy Management (ADEME) to identify areas for short and medium-term energy savings.
- Ongoing campaigns to raise awareness of the need to save energy.
- Renovation and improvement of store lighting systems through our membership in the Green Light programme.
- Definition with refrigeration engineers of a framework agreement for gradually extending preventing maintenance practices, with the goal of managing electricity consumption.

As part of a project to pursue renewable energy sources, the Group signed a contract with Compagnie Nationale du Rhône on November 1, 2003 for the supply of electricity for nine hypermarkets and five warehouses. With 20% of the power supplied under the contract generated by hydroelectric plants, a total of 3.66 GWh was purchased from renewable sources over the last two months of the year.

Despite 2003's exceptional weather conditions, we managed to limit increases in power consumption. On a same-store basis, consumption was:

- Unchanged or lower in supermarkets and neighbourhood stores.
- Slightly higher in hypermarkets, cafeterias and cold-storage warehouses because of the need for air-conditioning.

Managing water consumption

The Group's activities do not require large quantities of water. Nonetheless, as part of our commitment to conserving this precious resource for future generations, we are committed to rationalising our water consumption by avoiding waste.

Group operations consumed an estimated 2.2 million cubic metres of water in 2003. An action plan was implemented, calling for:

- Bimonthly meter readings to locate leaks.
- A poster campaign to raise staff awareness regarding the rational use of water.

improvement objectives

Continue to upgrade electrical equipment and systems in line with the recommendations of the Green Light programme.

Renovate lighting systems covering 70,000 square metres of sales area in 2004 and 2005, while respecting the guidelines of the Green Light programme.

WASTE MANAGEMENT: PROMOTING SORTING AND REDUCING WASTE AT THE SOURCE

Improving store waste management

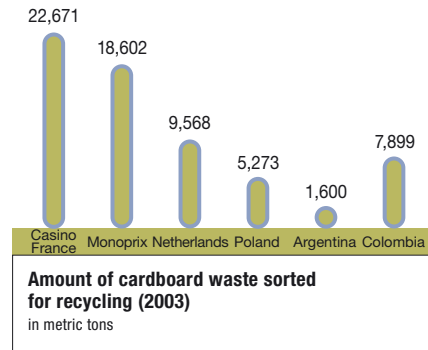
According to a study by France's Agency for Environment and Energy Management (ADEME), retailers account for 12% of non-hazardous waste produced by French companies. This waste, comprised mainly of cardboard, plastic and wood, is easily processed and recycled through traditional recovery channels, provided that it is collected separately. That's why improving waste sorting at the source is a top priority for Casino.

Our operations also generate limited quantities of special industrial waste, requiring separate recycling channels for each component, such as the gases in fluorescent lights or residual ink in printer cartridges.

To ensure optimal management of these kinds of waste, we have set up collection and recycling agreements based on strict specifications for waste traceability - from onsite handling to the final processing site. These Group-wide agreements provide stores and warehouses with specifications, standard form contracts and a list of service providers selected by the central purchasing agency for their ability to deliver waste management services that comply with regulations, respect the environment and meet Casino's flows management guidelines.

In 2003, agreements were signed for the following kinds of waste:

- **Cardboard**, an easily recyclable product, is covered by agreements that enabled more than 22,000 metric tons to be recovered and reused in France during the year.
- **Office waste** is the subject of an agreement that covers the main buildings at Casino headquarters. It will be extended to all administrative buildings in 2004.



- All Group stores in France are covered by an agreement to collect portable **batteries**, which are the waste product with the highest concentration of potentially hazardous substances. More than 133 metric tonnes of batteries were collected and processed in 2003, with full traceability.
- Because they contain heavy metals and are highly breakable, used **lighting consumables** must be handled with care. They are covered by two agreements that resulted in the collection and processing of 13 metric tons of end-of-life consumables in 2003.
- Used **printer consumables** are also a form of special waste, but are produced in more dispersed quantities than lighting consumables. An agreement for all sites equipped with printers, photocopiers or fax machines was signed in late 2003. Scheduled for deployment on most French sites in 2004, the agreement will enable the collection and recovery of eight metric tons of used consumables a year.
- Two agreements were implemented in early 2004 enabling hypermarkets to collect used **automobile batteries** from customers for processing by a specialised service provider.
- Another agreement enables establishments at risk of exceptional pollution by **hazardous products** (if, for example, a pallet of solvents were dropped) to immediately call on a service provider specialised in this type of accident.
- The restaurants division has signed a special contract for **cooking oils**, of which 420 metric tons were collected and recycled in 2003.

Limiting the use of packaging

Packaging waste is primarily being reduced by eliminating the secondary and tertiary packaging that generate the highest weight tonnage. Using returnable packaging helps cut down considerably on the consumption of cardboard and wooden pallets. Folding returnable baskets have been used in all Group stores since 1997.

Cutting back on grocery bags



A MAJOR CHALLENGE FOR RETAILERS

Every year, 18 billion plastic bags are distributed in France, of which tens of millions are today polluting rivers, the seacoast and ocean floors. Fully aware of its contribution to this problem, Casino is committed to gradually and permanently reducing the number of plastic bags distributed in its stores through a range of programmes:

- Offering consumers in-store alternatives to grocery bags.
- Regularly conducting incentive point-of-sale promotions.
- Deploying a new system that reduces the number of bags distributed by 15%.

- Training hypermarket and supermarket cashiers and neighbourhood store managers.

TESTS IN CORSICA

As the leader in the Corsican market, Casino took the initiative of eliminating plastic bags, in cooperation with the island's other two food retailers (Carrefour and Système U). After consulting with consumer and environmental protection groups, local authorities, manufacturers, competitors and other stakeholders, three types of reusable bag were tested in stores:

- Paper bags from pulp produced from industrial sawdust and forest cuttings.
 - Spun-bonded polypropylene bags strong enough to be reused for several years.
 - High-density polyethylene bags that can be returned and exchanged free of charge in sales outlets.
- Following an extensive consumer survey, the reusable bags were voted the best solution, with the paper bags seen as a short-term, alternative solution. Given the programme's success, Casino and its two competitors permanently phased out the distribution of plastic bags in Corsica.

CREATION OF A "RESPECT FOR NATURE" PRODUCT RANGE

Creation of a "Respect for Nature" product range. A special graphic identity was created and deployed in stores to help customers recognise and learn about our alternative shopping bag solutions. Training for cashiers will be introduced in 2004.

improvement objectives

Create framework agreements for the collection of mixed non-hazardous industrial waste in 2004.

Test the sorting of fermentable waste in one or more stores in 2004.

Extend agreements on cardboard to 60% of stores (excluding convenience stores) by year-end 2005.

Extend agreements on lighting consumables to 40% of stores (excluding convenience stores) in 2004.

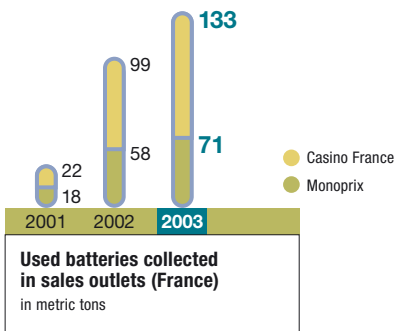
Deploy agreements on printer consumables to 30% of stores (excluding convenience stores) in 2004.

HELPING CUSTOMERS MANAGE WASTE MORE EFFICIENTLY

Casino is taking part in nationwide initiatives to collect and recycle used batteries. All Casino stores in France are today equipped with battery collectors, for a total of 2,862 collection points.

This service was introduced to comply with regulations requiring sales outlets to recover free of charge used products similar to those they sell and to have them processed by authorised waste disposal services.

In 2001, the Group reached an agreement with France's Ministry of Ecology and Sustainable Development to collect and handle, at its own expense, used batteries equal to 30% of the total volume of batteries sold in our stores. In 2003, Casino France estimates it sold approximately 370 metric tons of portable batteries, either its own brands or direct imports.



For purposes of comparison, 31,000 metric tons of batteries are sold in France each year, according to the Agency for Environment and Energy Management (ADEME), and 133 metric tons were collected by sales outlets in 2003.

Working with France's Retail Trades Federation (FCD), Casino is preparing to implement a process to recover its customers' scrap electrical and electronic equipment by participating in a cross-industry project to create a collective environmental organisation for manufacturers and retailers. The organisation will guarantee the financing and smooth operation of the future systems and facilities.

At the same time, the Casino after-sales service has been involved for several years in developing services to collect these products when delivering new products, working with non-governmental organisations to ensure that the devices are either repaired for resale or disassembled for recycling.

The gradual move to delivering large electrical appliances under wraps rather than in packaging has helped to significantly reduce and rationalise the need to recycle scrap cardboard.





FEWER BROCHURES

According to the Agency for Environment and Energy Management (ADEME), printed advertising matter and free newspapers total one million metric tons a year and represent 25% of household wastepaper, excluding packaging. Paper products account for a little less than half of the wood harvested worldwide and the replacement of natural forests by tree farming is having serious consequences for plants and animals.

For several years, Casino marketing teams have been reducing the environmental impact of distributed brochures by using thinner paper and smaller type sizes, as well as deploying geo-marketing techniques to target customers more closely.

The introduction of personalised customer relationship programmes using loyalty cards has made advertising more efficient and reduced the need for traditional brochures.

In 2003, optimising the volume and quality of advertising brochures distributed by the Group resulted in a savings of 29 metric tons of paper compared with 2002. In addition, Casino, working with competitors, brochure distributors, local communities and government authorities, is studying the implementation of a cross-industry initiative to reduce printed advertising matter. The initiative may involve mailbox stickers for consumers who don't want to receive brochures.

improvement objectives

Extend the hypermarket and supermarket agreement on electrical and electronic lighting waste to neighbourhood stores, cafeterias, headquarters and warehouses in France in 2004.

Join the Corepile organisation in 2004 to support public information and awareness-raising programmes.

ONGOING INITIATIVES TO OPTIMISE TRANSPORTATION

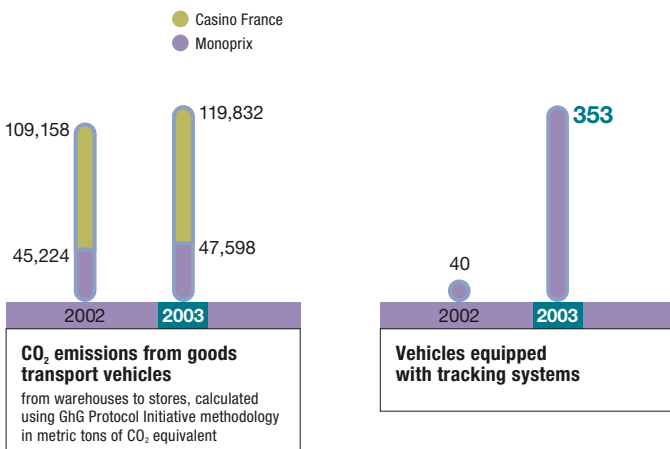
Greenhouse gas emissions and noise are the main ways in which goods transportation impacts the environment. In response, Casino has implemented a continuous improvement plan focusing on two areas:

- **Optimising truck routes**, with the deployment of regional transportation offices and fleet management systems that help reduce empty return trips. The tracking system (see facing page) optimises trips and improves monitoring of total mileage.
- **Using less polluting vehicles**, through partnerships with subcontractors to renew delivery vehicle fleets. As a result, the Casino fleet is now comprised entirely of vehicles that meet the Euro 3 standard, which demands stricter greenhouse gas emission compliance. In particular, it requires the installation of an onboard diagnostic system that monitors the vehicle's pollution controls and alerts the driver of any malfunction that could result in emissions exceeding thresholds. We are continuing to monitor technological developments with regard to clean vehicles for urban use and are closely following innovations in the areas of new energy sources, new engines and solutions that are both environmentally friendly and economically feasible.

Thanks to the actions undertaken, our transport vehicles travelled roughly three million fewer kilometres in 2003, resulting in a reduction of nearly 2,800 metric tons in CO₂ emissions.

A pioneer in refrigerated transport, Casino is continuing to outfit its neighbourhood store delivery fleet with insulated containers using cryogenic refrigeration. Some 10,700 containers have already been installed. This has helped reduce refrigeration gas emissions and noise produced by refrigerated trucks, while ensuring compliance with cold-chain standards. In addition, some deliveries are now made at night, thus cutting down on daytime urban traffic congestion.

Easydis, our logistics subsidiary, is conducting awareness programmes to encourage drivers to more fully accept the Group's values and requirements, especially with regard to punctuality, courtesy, and compliance with health and safety guidelines. Easydis' objective is to train 1,500 drivers from 110 transportation companies.



improvement objectives

Use tracking-equipped vehicles for 90% of deliveries by 2005.

Continue to monitor technological developments of clean vehicles for urban use.

Provide 1,500 drivers with training in Casino's transportation safety and service quality standards by 2005.



VINCENT RONDEPIERRE - EASYDIS UPSTREAM TRANSPORTATION MANAGER

"In addition to rationalising the fleet, tracking has revolutionised day-to-day interaction with customers. It provides us with historical data about every aspect of our operations that can be analysed to identify and resolve problems. This in turn allows us to constantly improve service quality while optimising transportation routes. Tracking represents a real improvement path for the Group, both now and over the long term."

Optimising transportation through tracking



Since 2000, logistics subsidiary Easydis has been using onboard tracking software and systems that optimise fleet management during:

- Store delivery: order loading, assortment control, selection of the best warehouse to deliver the merchandise.
- Return trips: pickups from suppliers, fewer empty returns.

- **Delivery follow-up:** real-time vehicle data reporting, which allows frequency and loads to be adjusted, depending on orders and kilometres covered. The solution enables Easydis to provide optimal logistics services that:
 - **Respect customers**, thanks to a transparent, automated invoicing system and impeccable service quality.
 - **Respect the environment**,

thanks to optimised delivery routes and fewer empty returns, thus reducing emissions.

- **Respect people**, through compliance with transportation regulations that, for example, authorise regular breaks and limit driving speeds. At year-end 2003, more than 350 vehicles in the fleet were equipped with the tracking system.

AN EASYDIS TECHNICAL ADVISOR FOR DANGEROUS GOODS TO IMPROVE SAFETY

In 2003, Easydis hired a technical advisor for dangerous goods, who has been certified by France's Transportation Ministry to:

- Identify dangerous goods.
- Advise the Group on transporting these goods in optimal safety conditions.

- Monitor compliance with regulations concerning the transportation of dangerous goods.
- Implement measures to build awareness and eliminate risks.

FACILITIES THAT RESPECT THE LOCAL ENVIRONMENT

Continue initiatives to integrate buildings into the local landscape

As a manager of business real estate assets totalling more than 3,500,000 square metres, Casino needs to respond to customer, stockholder and employee concerns about environmental issues, particularly the integration of its buildings into the local landscape.

Specifications for Casino-designed shopping centres include requirements for limiting their environmental impact by using architecture that fits into the surroundings and interior spaces that promote health and comfort. The goal is to apply the principles of eco-building and eco-management to commercial architecture by:

- Leveraging the site's access to networks, roadways and urban services, including water, electricity and mass transit.
- Integrating terrain constraints into the architectural design.
- Limiting inconveniences to neighbours.

This means taking into account a variety of factors, including the local climate, topography and vegetation, while respecting existing buildings and regional styles.

All stakeholders - the building owner, architect, prime contractor, businesses, operators, and neighbours - are involved in real estate projects, from design to the building phase. In addition to fitting into the local landscape, the objective is to build shopping centres that become focal points for city life, supporting urban development and renewal projects.

Monitoring building and equipment safety

While Casino stores present few risks compared with those of certain manufacturing facilities, customers must nonetheless be guaranteed maximum safety. We regularly carry out inspections to ensure that our facilities are in compliance with regulations and fully operational.

The maintenance and safety management team of Immobilière Groupe Casino, our property subsidiary, won an award from France's National Shopping Centre Congress for its computerised safety monitoring specifications. This solution is accessible to concerned employees in France via the intranet and is supported by a compliance monitoring service, also posted on the intranet. Developed by meticulously compiling reference documents, the service will be enhanced in 2004 with data about Legionnaire's disease.

Special surveillance and priority upgrades have been introduced for service stations (risk of air, soil and water pollution), PCB-insulated transformers (risk of dioxin poisoning) and air-conditioner cooling towers (risk of Legionnaire's disease).

In 2003, nine PCB-insulated transformers were replaced, with the remaining 95 to be gradually replaced no later than 2010 by certified companies. To limit the risk of pollution to soil and water tables, single-walled tanks in service stations are being systematically replaced by double-walled tanks. At year-end 2003, eight single-walled tanks were still to be replaced on Group hypermarket sites. All service stations operated by the hypermarkets division in France are equipped with oil separators. Vapour recovery nozzles are mandatory for stations with annual sales of more than 3,000 cubic metres, of which Casino operates 58. At year-end 2003, 55 of those stations had been equipped with the nozzles and the three remaining stations will be upgraded in 2004. Although the regulations do not apply to service stations with smaller sales volumes, the hypermarkets division has set a goal of gradually fitting them with the nozzles. In 2003, 19 stations were upgraded, with two more scheduled in 2004 and the remaining 19 in the years ahead.



MICHÈLE HORTALA - GROUP PROPERTY ASSETS PROJECT MANAGER

"In 2001, we signed a framework agreement with outdoor advertising agency Giraudy Viacom to develop a new network of backlit, scrollable display units that are aligned and synchronised. The new concept improves the marketing efficiency of advertising posters and reduces the number of panels. Placements depend on how the car park is laid out, but panels always blend into the environment. We first installed the new units in hypermarket car parks and are planning to extend them to supermarket car parks that are large enough."



The Nîmes hypermarket: a model achievement

In March 2003, the Group inaugurated its latest shopping centre - Cap Costières in the southern French city of Nîmes. The project's architecture enhances a site located among a network of roads and motorways but whose visual impact is essential in people's perception that they are entering the city.

By focusing its efforts on key issues from the design phase, the Group leveraged its

capabilities to allay environmental concerns at every stage of the project.

ECO-BUILDING

Construction:

- Partnership with the Regional Cultural Affairs Agency for archaeological excavations and maintaining the site's cultural heritage.
- Design complies with France RT2000 legislation concerning energy quality for new construction.

- Façade made of terra cotta, a natural, attractive insulating material.

- Balance between cuts and fills during the groundwork phase.

Environment:

- One-third of the site set aside for green spaces.
- 850 trees planted (one for every three parking spaces), using four regional species that require little care.
- Reduction in light pollution (when too much artificial light shines into the sky) through the use of quality equipment and automated control of car park lighting systems.

Transportation:

- Access road and pull-over area for buses.
- Agreement with city mass transit authorities for direct, easily accessible service.

ECO-MANAGEMENT

- Signature of a "green energy" contract extending until October 30, 2003, guaranteeing that 20% of energy distributed on the site comes from a renewable (i.e. hydroelectric) source.
- Installation of systems to centralise technical management systems and optimise the use of electrical power, generating estimated savings of 10 to 15%.

- Installation of four rainwater retention basins to avoid overloading the public drainage system in case of heavy rain.

- Automatic sprinkler systems that are independent of drinking water reservoirs.

- Recycling of consumables (neon lights, cardboard, paper, etc.) and waste sorting.

COMFORT AND HEALTH

- High quality lighting design with many sources of natural light.

- Site designed to facilitate access for the mobility challenged, car park outfitted with ample pedestrian walkways, and broad, open areas in front of entrances.

- Large format tiles that require fewer joints, making it easier to push shopping carts, reducing noise levels, facilitating floor cleaning and, above all, inhibiting germs and bacteria which develop in joints.

- Air freshener dispensers, a water fountain and natural plants.
- Acoustical studies to improve the quality of music played inside and in front of the shopping centre.

At the 12th Procos* Awards, Cap Costières won the 2003 Shopping Centre Creation prize for the quality of its commercial architecture.

* France's Federation for Urbanisation and the Development of Specialty Retailing

improvement objectives

Eliminate all PCB-insulated transformers by 2010.

Replace eight PCB-insulated transformers in 2004.

Replace six single-walled petrol tanks in 2004 and two in 2005, so that all tanks in the hypermarkets division comply with regulations.

Outfit the last three stations that sell more than 3,000 cubic metres of petrol a year and two stations that sell less than 3,000 cubic metres with vapour recovery nozzles in 2004.

CASINO SUSTAINABLE DEVELOPMENT INDICATORS

Indicators	Unit	France Casino		France Monoprix		Netherlands	
		2002	2003	2002	2003	2002	2003
Energy consumption by source							
• Electricity	MWh	1,038,328	1,077,340	272,475	280,494	242,400	-
• Natural gas	MWh	85,302	98,575	25,673	28,902	169,494	-
Water consumption	cubic metres	1,778,805	2,184,732	338,501	350,001	293,800	-
Sorted waste collected for recovery (for fuel or reuse)	metric tons	35,000	22,671	18,021	18,602	-	9,568
Quality audits on supplier production sites	number	1,221	1,423	-	-	-	20
Quality audits in stores	number	2,048	1,994	-	-	-	25
Total workforce at December 31	no. of employees	52,226	52,310	18,352	18,083	13,609	12,067
Permanent contracts (annual average)	no. of employees	45,805	46,806	15,457	15,945	11,564	10,830
Limited-term contracts (annual average, excl. temporary staff)	no. of employees	5,589	5,207	2,352	2,093	2,045	1,237
Temporary staff (monthly average)	no. of temporary employees	1 024	1,408	-	-	-	1,112
Percentage of women by job category							
• Managers	%	19	21	50	51	0	-
• Supervisors	%	33	34	59	60	10	-
• Operators	%	67	67	72	72	52	-
Turnover of employees with permanent contracts	%	17.38	17	24	22	-	-
Employees hired to permanent contracts	number	12,964	11,310	5,101	3,665	403	228
Employees hired to limited-term contracts	number	35,542	34,018	13,801	12,256	9,678	5,009
Redundancies	number	102	194	12	3	-	-
Net increase (loss) in jobs with permanent contracts	number	1,826	179	1,426	79	(4,837)	(3,210)
Average workweek for part-time employees	hours	26.68	24.35	25.40	25.22	-	-
Average workweek for full-time employees	hours	36.13	34.16	35.00	35.00	-	-
Part-time employees in the total workforce	%	42	41	44	43	29	30
Employees covered by inventive bonus programmes	%	99	100	-	-	-	-
Meetings with employee representatives	number	7,031	8,186	2,770	-	10	10
Employees receiving safety training during the year	number	4,325	5,344	1,389	1,575	-	-
Average training per employee	hours	7.40	8.00	3.30	4.00	-	-
Employee promoted to a higher job category	no. of employees	513	402	724	570	-	-
Amount paid to works councils	€	10,711,710	10,764,035	2,308,791	2,428,090	-	-
Total donations	€	5,374,000	5,400,511	-	-	-	-

 Environmental

 Economic

 Social

Poland		Argentina		Colombia		Venezuela		Uruguay		Taiwan		Thailand	
2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
110,700	121,700	116,518	120,266	168,240	181,140	-	-	-	62,800	-	68,400	-	-
2,105	3,834	-	-	11,986	16,434	-	-	-	-	-	-	-	-
223,971	219,662	-	-	2,655,350	2,573,215	-	-	-	202,566	404,462	420,860	2,900,000	3,200,000
6,017	5,273	1,600	1,600	6,372	7,899	-	-	-	-	-	-	-	-
0	295	-	-	75	90	-	281	-	-	-	-	-	-
-	-	-	-	1,886	1,952	-	139	-	-	-	-	-	-
8,102	8,440	4,686	4,514	19,091	19,413	-	4,558	-	5,553	3,952	3,119	11,472	11,661
3,497	3,396	4,537	4,119	17,517	16,840	-	-	-	4,692	2,622	2,846	9,727	9,894
4,605	5,044	149	395	1,574	2,573	-	-	-	151	330	273	1,745	1,767
43	34	790	621	466	554	-	400	-	-	199	273	-	-
48	50	-	-	40	43	-	-	-	-	2	2	44	49
-	-	22	21	47	45	-	-	-	-	6	6	55	62
-	-	41	41	50	49	-	-	-	-	45	44	44	54
6	5	2	2	8	8	-	10	-	-	18	17	27	29
0	0	351	766	1,195	1,098	-	377	-	431	308	464	1,945	1,703
4,953	8,085	119	48	5,588	6,655	-	192	-	1,042	1,320	1,200	28,322	27,791
11	8	-	-	357	327	-	263	-	152	0	0	-	-
(495)	(411)	(364)	(240)	36	322	-	(324)	-	(515)	460	294	474	167
-	-	20.15	24.56	26.00	27.29	-	21.00	-	30.50	38.00	38.00	-	-
-	-	37.25	44.77	48.00	48.00	-	47.00	-	44.00	42.00	42.00	46.00	47.00
38	43	43	45	57	58	-	77	-	25.27	49	43	-	-
-	-	-	-	7	13	-	40.50	-	-	51	61	97	97
17	19	30	30	21	21	-	176	-	6	6	6	-	-
7,758	6,934	3,742	8,513	9,194	11,543	-	185	-	-	750	810	5,736	4,764
-	-	11.00	9.20	-	-	-	2.30	-	5.50	18.00	21.50	21.00	17.00
170	154	46	51	513	536	-	170	-	-	300	170	743	957
316,577	234,970	-	-	78,800,000 \$	109,500,000 \$	-	92,000	-	-	-	-	-	-
95,202	37,520	223,155	31,840	4,826,500 \$	6,522,800 \$	-	23,000	-	157,170	-	-	100,000	100,000

REPORTING METHODOLOGY

Scope of reporting

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

In France:

All wholly owned Casino Group establishments for the following companies:

- Casino, Guichard-Perrachon.
- Distribution Casino France and its Acos, Casino Vacances, Nazairdis, Kamili and Jaceli subsidiaries.
- Codim 2.
- Casino Cafétéria and its R2C food service subsidiary.
- Easydis.
- Immobilière Groupe Casino and its Sudéco subsidiary.
- Tout Pour La Maison (TPLM).
- Casino Entreprise and its Imagica and Komogo subsidiaries.
- EMC Distribution.
- Comacas.
- Casino Services.

Data for establishments belonging to the Monoprix subsidiary, in which the Casino Group holds a 50% stake, are also consolidated on a 100% basis.

In international markets:

All subsidiaries in which the Casino Group holds more than a 50% interest in the following countries:

- Argentina
- Venezuela
- Poland
- Uruguay
- Taiwan
- Thailand

The Colombian subsidiary Exito, in which Casino holds a 29.17% stake but exercises operational control.

The Laurus subsidiary in the Netherlands, in which Casino holds a 38.72% interest.

All data for these subsidiaries are consolidated on a 100% basis and presented on pages 52-53 of this report.

Exclusions:

Data for the United States (Smart & Final stores) could not be obtained this year but will be included in the 2004 scope of reporting.

Because of a lack of operational control, data for franchised properties (notably Franprix / Leader Price stores) were not included in the 2003 scope of reporting.

Significant changes in the 2003 scope of reporting:

Store openings in 2003 increased total sales area by nearly 120,000 square metres.

Data from the Codim 2 subsidiary were included for the first time this year. As a result, 2002 data for the Casino Group in France have been restated.

Reporting methodology

Procedures for collecting, calculating and consolidating sustainable development indicators were formalised in 2003 in a measurement and reporting protocol distributed in French, English and Spanish to everyone involved in the reporting process. Formalising the protocol resulted in no significant changes in method compared with the indicators published in 2002.

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).
- Definitions to facilitate understanding of the data requested.
- Methods for calculating indicators, in line with applicable international or national standards (GR⁽¹⁾, IPCC⁽²⁾, GhG Protocol Initiative⁽³⁾, etc.).

Experts on the sustainable development committee control data consistency in their respective areas. Consolidation is centralised by the sustainable development department. An internal audit in 2003 reviewed the application of reporting procedures (see facing page).

Reporting period

The Casino sustainable development report is published once a year. The results mentioned in this report concern 2003. The indicators are collected over a period extending from January 1 to December 31. To make it easier to compare and analyse the Group's performance, historical data for at least one prior year is included for most indicators.

(1) Global Reporting Initiative (www.globalreporting.org)

(2) Intergovernmental Panel on Climate Change (www.ipcc.ch)

(3) www.ghgprotocol.org/

OPINION OF THE INTERNAL AUDITORS ON CASINO'S SUSTAINABLE DEVELOPMENT PROCESS AND REPORTING SYSTEM

Audit objectives

The purpose of the 2004 internal audit was to:

- Ensure that Casino deploys adequate resources to guarantee the long-term viability of its sustainable development commitment.
- Identify advances made in the past year and areas for further improvement.
- Validate the effectiveness and correct deployment of sustainable development reporting procedures.
- Verify the reliability of an initial selection of key indicators.

The audit followed on from an initial internal audit conducted in 2003.

Nature and scope of the audit

The process review concerned the Group's divisions and subsidiaries in France (hypermarkets, supermarkets, convenience stores, Easydis, EMC Distribution, Immobilière Groupe Casino and headquarters). It covered policy, organisational, operational and legal issues. A meeting was organised for 11 support function executives in charge of such key topics as sustainable development, the environment, social issues, quality, ethics, legal affairs, and tax and accounting issues. Ten operational managers were also interviewed to validate actions and internal procedures and to assess progress on certain waste, electricity, water and eco-design projects.

With regard to reporting, the audit concerned six indicators⁽¹⁾. The methodology involved:

- Controlling the consistent application of the calculation formula.
- Validating the scope of reporting.
- Reviewing procedures.
- Identifying theoretical risks and assessing the likelihood of their occurring.
- Identifying internal controls.

Remarks on the sustainable development organisation

Based on our work, we are able to make the following observations:

- The Casino Group has implemented a dedicated organisation and adequate resources to ensure the deployment of its sustainable development process.
- The Group's policy is led by dedicated contact persons for each aspect of the process and by a sustainable development committee comprised of 34 in-house experts that met five times in 2003. An annual environment seminar is held to discuss key topics and define objectives and action plans.
- Improvements made during the year include the development of a three-year sustainable development plan, the formalisation of the Group's environmental policy, the strengthening of the sustainable development organisation, and the preparation and distribution across the Group worldwide of a protocol for reporting the main social and environmental indicators.
- Areas for improvement have been identified. They focus on ongoing measures to secure processes and strengthen the environmental organisation.

Remarks on reporting procedures

Based on our work, we have noted the following:

- Casino has deployed sufficient resources to ensure the reporting and consolidation of data from the audited scope of reporting (France).
- The reporting protocol for sustainable development indicators defines the scope, the methods for calculating and consolidating the main indicators, the responsibilities, the reporting schedule and the internal control procedures. It has been translated into English and Spanish for distribution to reporting managers in subsidiaries outside France. However, we were unable to verify whether the protocol was properly distributed to managers and whether the procedures were correctly applied.
- For 2003, with regard to the scope of the audit, we did not note any significant irregularities in the application of procedures. Our recommendations deal mainly with expanding the protocol to all the indicators published in the report and to all of the Group subsidiaries.

Observations on data reliability

For 2003, controls of the six indicators mentioned above confirmed the reliability of the data calculation and reporting method. No significant errors were noted. Nonetheless, areas for improvement have been identified for two of the audited indicators:

- Expand the scope of reporting for transport vehicle CO₂ emissions to include the entire fleet (proprietary and leased)⁽²⁾.
- Calculate electricity consumption on the basis of averaged weighted rates charged by EDF, France's electrical utility, rather than an annual quantitative average.

(1) Environmental expenditures, frequency and severity of accidents in the workplace, percentage of disabled employees, electricity consumption and transport vehicle CO₂ emissions.

(2) Included in this report.

GLOBAL REPORTING INITIATIVE CORRESPONDENCE TABLE

The guidelines prepared and distributed by the Global Reporting Initiative (GRI) offer a framework and model for collecting and publishing quantitative and qualitative data about an organisation's performance in the three areas of sustainable development. For more information about the Global Reporting Initiative, visit www.globalreporting.org

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HR3	Policies and procedures for evaluating human rights performance along the entire supply chain	21-23
HR4	Policy and procedures for preventing discrimination	32
HR5	Policy and procedures with regard to freedom of association	21-23
HR6	Policy and procedures for the elimination of child labour	21-23
HR7	Policy and procedures to prevent forced and compulsory labour	21-23
S01	Management of impacts on local communities	36-39
S02	Policy and procedures regarding bribery and corruption	-
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PR1	Policy and procedures regarding the protection of customer's health and safety when using the reporting organisation's products and services	18-19
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