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THE ORCHID, SYMBOL OF CASINO'S SUSTAINABLE DEVELOPMENT COMMITMENT

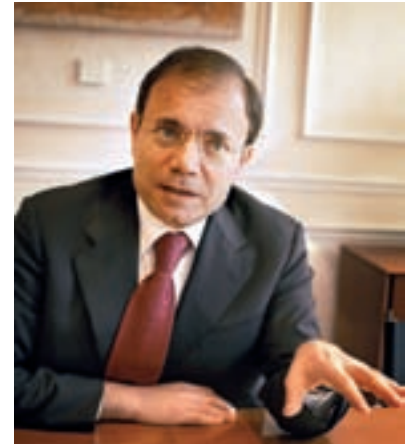
Through the concept of Sustainable Development, our primary interest is in people and their behaviour with regard to the environment, their place in society, their responsibility to future generations and, in fact, their universal role. The orchid symbolises this universality for the following reasons:

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

MESSAGE FROM THE CHAIRMAN



Jean-Charles Naouri
Chairman and Chief Executive Officer



As we reflect on rising sales and improved financial indicators, this fifth Sustainable Development Report offers a reminder—if any were needed—that our commitments with regard to Sustainable Development form an essential cornerstone of our long-term growth.

Our values of quality, local service, social responsibility and respect have continually guided the growth of our business in France and around the world. Quite naturally, both in Latin America and Southeast Asia, we have established partnerships with companies that share these values. As a result, our sustainable development policy has come to play a key role in building a shared company culture. It is instrumental in mobilising our workforce, responding to the expectations of our customers and strengthening our ties with all of our stakeholders.

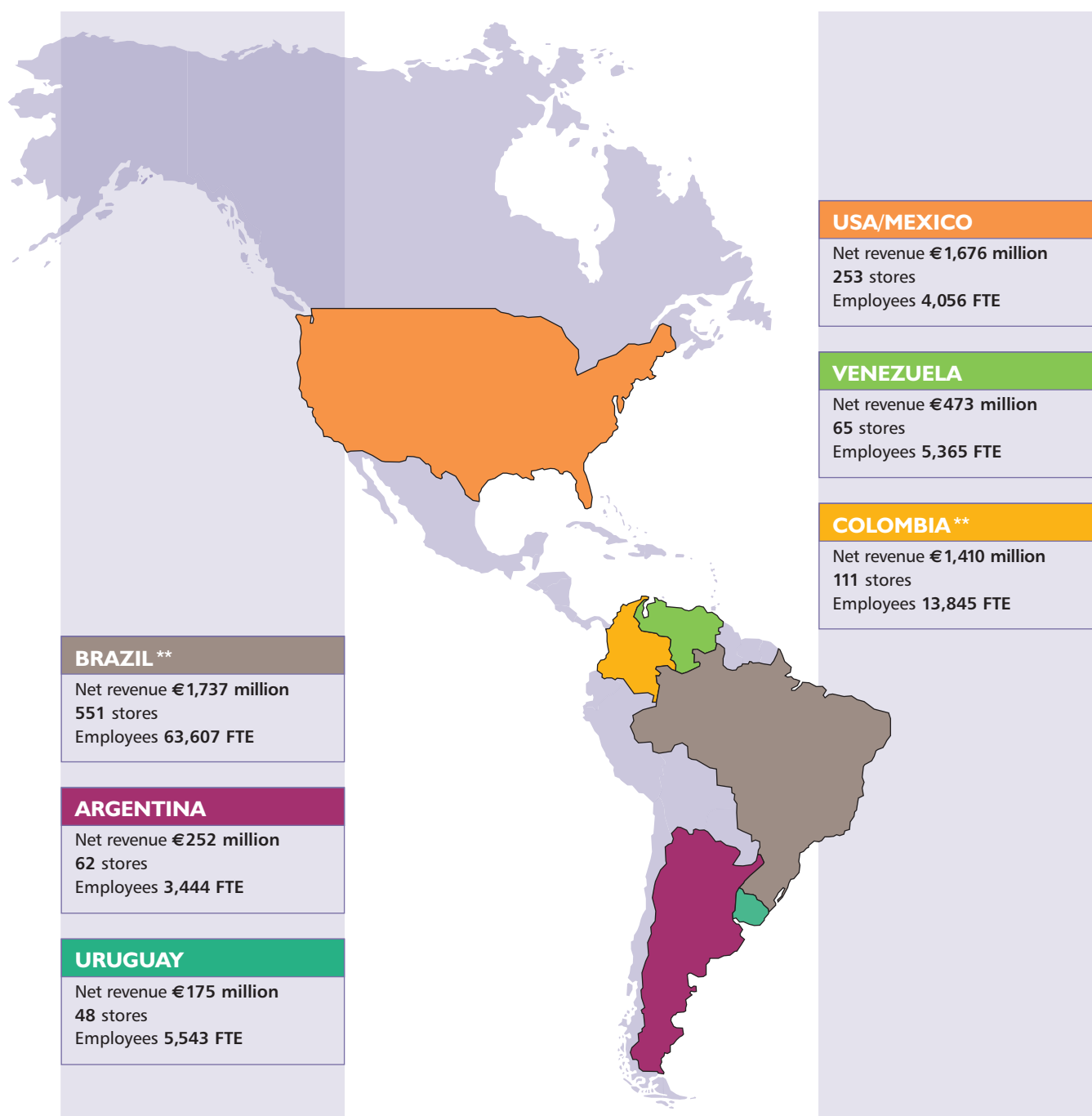
When we look beyond local cultural differences and compare the approaches taken by our various subsidiaries, we find identical concerns. One of these is a preoccupation with matters of health, ranging from workplace safety for our employees to the challenge of promoting good nutrition. The policy adopted by our supermarkets to prevent the risk of workplace injury represents a remarkable example of our commitment to safeguarding the health of our employees. Moreover, we have embarked on an ambitious programme to combat the problems of excess weight and obesity, which have become so prevalent as to constitute a major public health challenge. This initiative, designed to encourage good dietary practices among our employees and customers alike, is the first in the mass retailing sector to receive the approval of France's National Nutritional Health Programme. Casino signed a Charter of Nutritional Commitment with the Minister of Health on 26 February 2007.

Another objective common to our various subsidiaries is their commitment to equal opportunity, whether this means providing children from disadvantaged areas with access to food and education, or ensuring identical hiring and career development opportunities for all our employees, without regard to gender, origin, religion or social background.

During the past year we also made significant progress in our efforts to incorporate environmental concerns into the design of our own-brand products. Our new line of green detergents responds to a growing desire among our customers for products that combine quality and respect for the environment at an affordable price. This policy of innovation, extending to our entire range of own-brand products, will be expanded in 2007, as will our efforts to design stores that are built and operated in accordance with sustainable development principles.

It is more crucial than ever that we maintain a dialogue with each of our stakeholders to ensure further progress in meeting the challenges of Sustainable Development. I personally invite our employees, suppliers, partners – such as Amnesty International – and all of our stakeholders to continue their efforts in helping us meet our objectives.

AN INTERNATIONAL GROUP



Casino, a leading multiformat food retailer, is present in 13 countries in Europe, North America, Latin America, Asia and the Indian Ocean.

At the close of 2006, the Group operated 9,537 stores: 344 hypermarkets, 2,328 supermarkets, 734 discount stores, 5,757 convenience stores and 374 restaurants and other businesses.

As of 31 December 2006, the Group employed 197,206 people⁽¹⁾ worldwide.

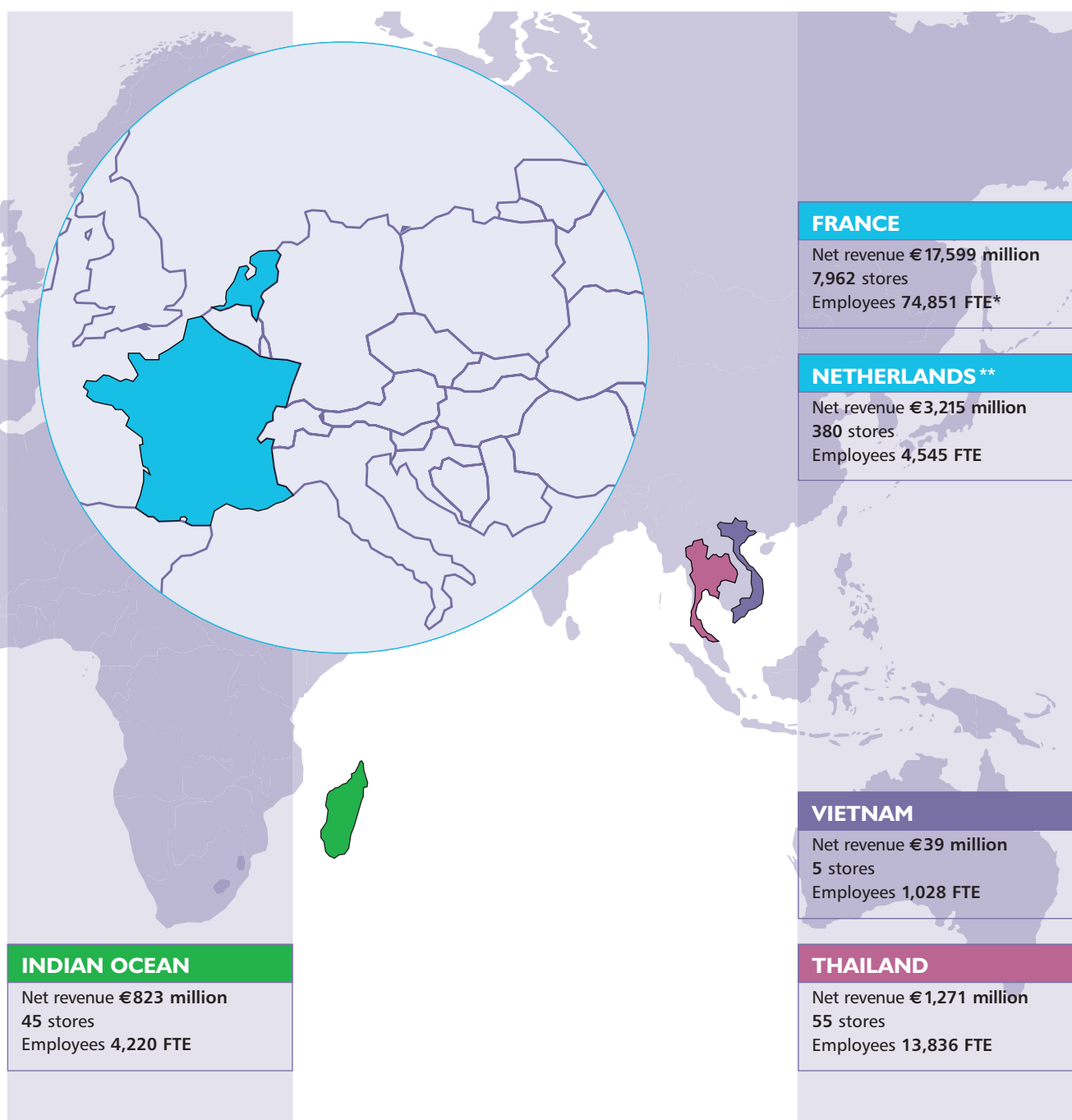
In 2006, total Casino banner sales⁽²⁾ excluding tax amounted to €36 billion.

Consolidated net revenue came to €22.5 billion, of which 78% was generated in France.

Net profit stood at €600 million, a 74% increase over 2005.

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

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

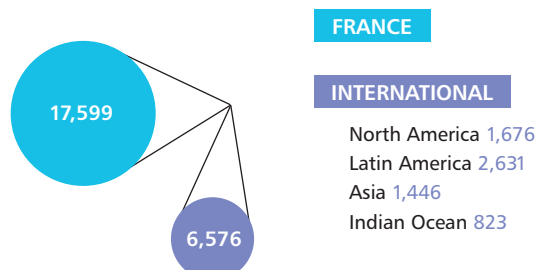


* FTE: Full time equivalent, including companies accounted for by the equity method.
** Net revenue on a 100% basis.

Key Figures

	2004	2005	2006
Average number of FTE employees (consolidated total, continuing operations)	–	128,271	130,811
Consolidated net revenue (in millions of €), continuing operations	18,888	20,390	22,505
Sales generated outside France (%)	21	16.3%	22%
Net profit (in millions of €)	547	344	600
Group investments (in millions of €)	–	1,822	1,254
Cash flow (in millions of €)	–	1,263	1,069

Breakdown of 2006 consolidated net revenue by region in €M



OUR MAJOR SUSTAINABLE DEVELOPMENT CHALLENGES



Our major Sustainable Development challenges

**ENSURE
CUSTOMER LOYALTY
IN A HIGHLY COMPETITIVE
ENVIRONMENT**

**RESPOND
TO THE CHALLENGE
OF NUTRITIONAL HEALTH**

**FOSTER
SOCIAL INTEGRATION AND
ENSURE THAT EMPLOYEES
HAVE APPROPRIATE
WORKING CONDITIONS**

Our new challenges

• **Anticipate future trends in responsible consumption**

• **Educate customers and employees in good dietary practices**

• **Prevent occupational injuries and diseases by reinforcing a culture of workplace health and safety within the Group**

Key figures

65% of French consumers prefer brands that comply with a code of ethics (Ethicity/ADEME, 2006).

Casino offers:
44 FSC-certified products,
74 Casino Bio products.
40 products awarded France's NF-Environnement ecolabel and **10** products awarded the European Union Ecolabel.

According to the World Health Organization, in 2005:
– **1.6 billion adults** (age 15 or older) are overweight, at least **400 million** of whom are obese.
– at least **20 million children** under the age of 5 are overweight.

Over **100 Casino products** reformulated in 2006 to reduce salt, sugar and fat content.

152,550 lost workdays in 2006 from accidents at work and commuting accidents among Casino Group employees in France, accounting for **11% of all absences**.



**CONTRIBUTE
TO THE FIGHT AGAINST
CLIMATE CHANGE**

- Create optimally efficient refrigeration systems

€5,500 billion: the economic impact of climate change, according to the Stern Review (2006).

18% of the Casino Group's greenhouse-gas emissions are caused by refrigeration systems.



**ENCOURAGE
"SUSTAINABLE" MODES
OF CONSUMPTION**

- Reduce packaging waste at the source through the use of ecodesign
- Educate customers and employees in responsible consumer practices

12.3 million metric tons of packaging waste were generated in France in 2002 (source: ADEME).

Casino has saved **44 metric tons of packaging** through the use of ecodesign.



**FAVOUR
SUPPLIERS WHO
SHOW RESPECT FOR
HUMAN RIGHTS AND
THE ENVIRONMENT**

- Provide support for suppliers in emerging countries to help them grow and expand

60 social audits conducted in 2006 among the Casino Group's own-brand suppliers in emerging countries.



**CONTRIBUTE
TO GROWTH AND
DEVELOPMENT IN
THE AREAS WHERE
WE OPERATE**

- Encourage and support economic initiatives in disadvantaged neighbourhoods

In France, **20 million people**, or 30% of the population, live in neighbourhoods considered "disadvantaged".

59% of the Casino Group's hypermarkets and **39%** of its supermarkets are located in these areas.

OUR POLICY ON BEHALF OF SUSTAINABLE DEVELOPMENT

From the very beginning, Casino has remained true to the values that have ensured our success and guided our actions with regard to our stakeholders: quality, local service, social responsibility and respect. Our sustainable development policy, embodied in a charter of ten commitments that was formally adopted in 2002, is based on these long-standing values and strengthened through greater coordination of the Group's range of activities.

A LONG-TERM UNDERTAKING

A DEDICATED ORGANISATION WITH DEDICATED RESOURCES

Casino implements its sustainable development policy with the help of a dedicated taskforce, the Sustainable Development Committee (SDC). Comprised of 46 experts drawn from the Group's various functional and operational divisions as well as 10 correspondents from its international subsidiaries, the SDC met on three occasions in 2006 to take stock of various projects underway within the Group and discuss topics of current interest.

With the goal of continuous improvement, a Sustainable Development Action Plan (SDAP) formally outlines concrete steps taken to fulfil the 10 commitments contained in the Charter and is used to monitor the status of each project. A summary of the SDAP is provided at the conclusion of each section in this report (pages 21, 33 and 49). The investments entailed by the SDAP are incorporated into the Group's annual Strategic Plan, approved by senior management.

A battery of indicators provides an annual measurement of social and environmental performance at each of our majority-owned subsidiaries. A sustainable development reporting protocol, updated annually and available in three languages, ensures that our subsidiaries adhere to uniform methods of calculation. It provides benchmark data for the audit conducted

each year by both internal auditors and outside experts (see pages 63 and 64). These audits help to ensure ongoing improvement in the reliability of our data.

CONTINUOUSLY MOBILISING OUR EMPLOYEES

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

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

In 2006, a film designed to educate viewers on topics in sustainable development was shown at the annual strategy meeting attended by the Group's executive directors. In early 2007 the Group also prepared and distributed a brochure highlighting actions taken by our international subsidiaries.

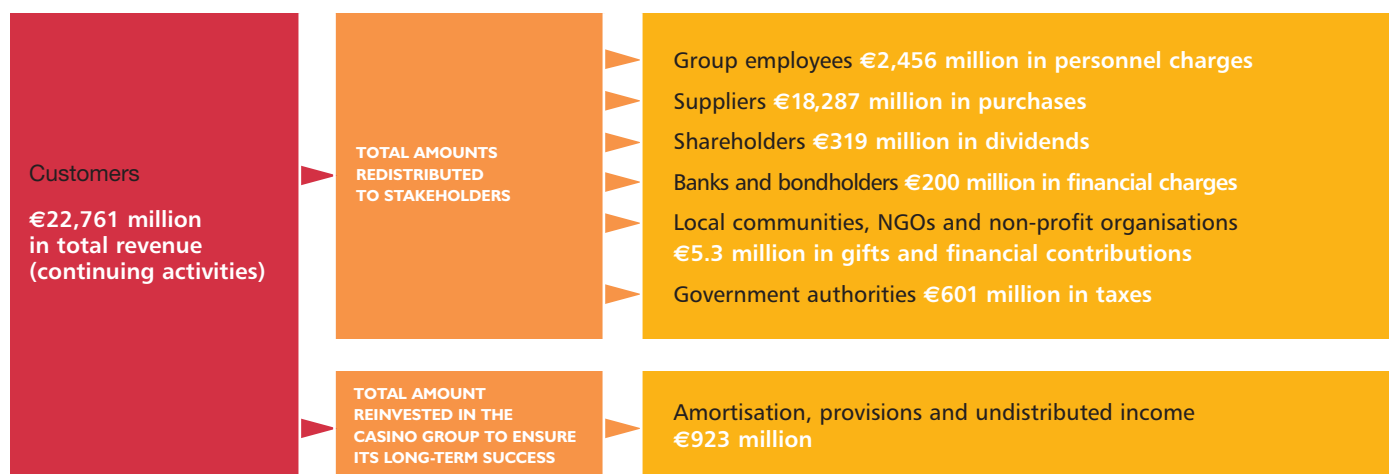
To learn more about the basic principles and procedures governing our sustainable development policy, visit the Sustainable Development section of our Web site: www.groupe-casino.fr.

Casino joins the Ethibel Pioneer® investment register and index

Casino is one of nine French firms out of a total of 250 worldwide to be added to Europe's Ethibel Pioneer® Investment Register in 2006.

The Ethibel Forum, a member of the Vigeo Group, is an independent research firm that specialises in extra-financial analysis of companies. The companies selected for the Ethibel Pioneer® investment register and index are those with the highest scores for social and environmental performance in their industry.

AN EQUITABLE ALLOCATION OF OUR REVENUE



AN ONGOING DIALOGUE WITH OUR STAKEHOLDERS

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

A COMMITMENT TO OPENNESS AND DIALOGUE

Each year, members of the Sustainable Development Committee take part in numerous conferences where they present the Group's policy and exchange ideas on good practices in social and environmental responsibility. We also maintain a highly visible presence in schools and universities, where we help to raise student awareness of the challenges posed by sustainable development. Our Sustainable Development Report is distributed annually to over 60,000 internal and external stakeholders. In addition, our subsidiaries in Brazil, Colombia, Venezuela and the Netherlands publish a report of their own devoted to social responsibility and sustainable development.

In 2006, as part of an initiative to alert our stakeholders and the public at large to the need to combat discrimination, we launched an advertising campaign in a wide range of media outlets to highlight the diversity of our workforce (see page 31).

REWARDING PARTNERSHIPS

For several years, through our membership in numerous organisations that reflect on issues of sustainable development and corporate responsibility, we have had the opportunity to exchange ideas and compare practices with other major corporate groups. These organisations include the WBCSD⁽¹⁾, CSR Europe⁽²⁾, IMS⁽³⁾, Admical⁽⁴⁾, Amnesty International's Business Club and the ORSE⁽⁵⁾. We have participated in the Social Clause Initiative working group, which brings together 14 French retailers, since its founding; we are also members of the environmental working group established by France's Retail Trades Federation (FCD)⁽⁶⁾ and the corporate ethics group of the French standards association, AFNOR⁽⁷⁾. Moreover, the Group's central purchasing agency, EMC Distribution, has continued its participation in AFOIT⁽⁸⁾ and the Ethics Club of International Trade (CECI)⁽⁹⁾.

In 2006 we also expanded our partnership with the French Section of Amnesty International, initiated in 2003, for addressing human rights and ethical issues (see page 36). And in March 2007 Casino was one of the eight founding members of Companies for Human Rights (EDH), a francophone initiative pursuing the same objectives as the BLIHR⁽¹⁰⁾.

(1) World Business Council for Sustainable Development: www.wbcsd.org
 (2) Corporate Social Responsibility Europe: www.csreurope.org
 (3) Institut du Mécénat et de la Solidarité: www.social.gouv.fr/html/pointsur/discrimination/accords/ims
 (4) Admical: www.admical.org
 (5) Observatoire sur la Responsabilité Sociétale des Entreprises: www.orse.org
 (6) Fédération des entreprises du Commerce et de la Distribution: www.fcd.asso.fr
 (7) Association Française de Normalisation: www.afnor.fr
 (8) Association Française pour l'Organisation Internationale du Travail: www.afoit.org
 (9) Cercle Éthique du Commerce International: www.ubifrance.fr
 (10) Business Leaders Initiative on Human Rights: www.blihr.org

MOBILISING

to protect the environment





STREAMLINING OUR PACKAGING

Research is under way into packaging that is friendlier to the environment.
p. 19



GREEN TRANSPORT

Casino is investigating potential uses for biofuels. **p. 14**



BRINGING THE ENVIRONMENT TO YOU

Casino introduces a new line of green products. **p. 17**



RECYCLING OUR ADVERTISING

Casino is a founding member of EcoFolio, a new resource for recycling printed advertising materials.
p. 16

MOVING FORWARD WITH OUR ENVIRONMENTAL POLICY

A POLICY OF CONTINUOUS IMPROVEMENT

Developed in 2003, our environmental policy defines guidelines that all employees should follow in their day-to-day activities: selecting suppliers, designing products, reducing product packaging, managing waste, optimising transport and logistics activities, defining internal practices and making the most efficient use of our buildings. The policy is deployed in the field by a network of some twenty liaisons scattered throughout the Group's various divisions, with support from corporate headquarters (Quality, Environment, Property Management, Engineering, Legal Services, etc.). Each year the Group assesses its progress as part of an Environmental Action Plan. Improvements in environmental performance at our operating divisions and subsidiaries are monitored on a regular basis using an array of targeted indicators. The personnel responsible for implementing this Action Plan in each of Casino's businesses meet once a year at the Group's Environment Seminar, where they assess the status of each project, share best practices and evaluate the latest industry and regulatory developments. The 2006 seminar brought together over 30 internal staff and invited guests in an especially appropriate setting: the Ecopôle du Forez, a nature reserve in central France.

The Group's warehouses are testing a prototype of an "intelligent" forklift truck that can be programmed to receive an optimal battery charge for providing the precise amount of energy needed.



The event gave participants a chance to discuss innovative solutions for enhancing environmental performance in the Group's daily operations.

DISSEMINATING BEST PRACTICES

A preliminary guide designed to encourage the dissemination of best environmental practices within the Group has been developed and was unveiled at the 2006 seminar. Currently being finalized, the guide will present highly practical summaries of actions to be taken in a range of areas to help the Group reach its goal of operating excellence. Distribution of the guide is expected in late 2007.

To learn more: the Group's environmental policy is available at our Web site: www.groupe-casino.fr

HELPING TO COMBAT CLIMATE CHANGE

By comparison with manufacturing firms, our activities generate relatively modest levels of greenhouse gases. Nonetheless, mindful of the environmental, economic and social challenges posed by global warming, we have adopted an action plan designed to reduce greenhouse-gas emissions at our sites in France by 10% between 2004 and 2009. Based on an evaluation of our primary emissions sources using the Bilan Carbone® method developed by ADEME, we have identified three objectives that warrant priority attention:

- reducing our energy consumption,
- optimising our refrigeration systems,
- reducing the environmental impact of our goods transport.



SOLAR ENERGY: A NUMBER OF PILOT INITIATIVES

Several pilot projects are underway within the Group to test the use of renewable sources of energy. As of late 2006, France's largest solar power station can be found on the island of Réunion on the rooftops of our central purchasing agency, Saprim. Producing 1.35 megawatts annually —enough to meet the electricity demand of 500 households—the unit will reduce annual CO₂ emissions by an amount equal to that generated by five million kilometres of automobile travel. The Group's new warehouse in the Breton village of Gaël also includes solar panels for the production of domestic hot water.



At our convenience stores, low-power lighting for both exterior use and produce displays has become standard at new stores as well as our newly-renovated or enlarged locations.

CONTINUING OUR EFFORTS TO ENSURE ENERGY EFFICIENCY

Our activities consume a significant quantity of energy, primarily electrical energy. The Group's Bilan Carbone® assessment indicates that building energy consumption accounts for 10% of our greenhouse-gas emissions. In particular, lighting for our stores and cold-storage facilities used to conserve food products consume the largest amount of energy. A variety of equipment is used to ensure ongoing improvements in energy efficiency at our facilities, including low-power lighting, reflectors, load-shedding devices, etc. Regular audits are used to identify aberrations and encourage employees to monitor energy use.



BILAN CARBONE®
PROJECT MANAGER, ADEME
Sylvie Padilla

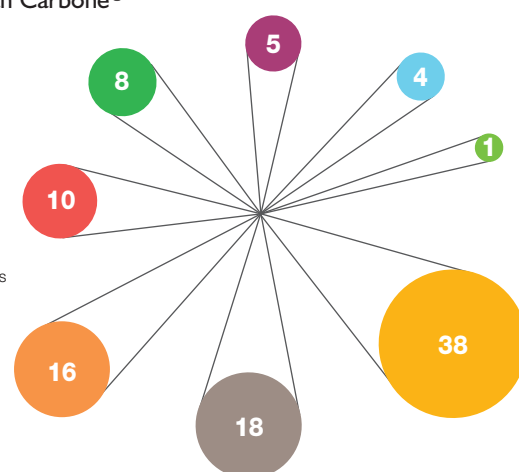
"The Bilan Carbone® methodology was developed by ADEME as a way for companies to assess the total volume of greenhouse-gas emissions generated either directly (on site) or indirectly (by suppliers or customers) as a result of their business operations. The goal of this analysis is to identify potential avenues for reducing these emissions in order to take action and subsequently evaluate the results. The Casino Group's initiative, undertaken in 2005 on the basis of several pilot Bilan Carbone® analyses conducted at a sampling of representative sites and then extrapolated to the Group as a whole, was designed to reflect the total number of Casino sites and the similarities among them. What is most important, naturally, is that Casino define a Group-wide action plan for reducing its emissions, a project that is already underway. The Bilan Carbone® is a dynamic process, and as each Casino site gradually mobilises in response to the Carbone indicator results, we can expect to find additional opportunities for reducing emissions, and indirect emissions in particular."

Electricity consumption in kWh per sq. m of retail space, by division

	2004	2005	2006	Change, 2005-2006
Casino hypermarkets	618	603	605	0.25%
Casino supermarkets	753	781	736	- 5.72%
Casino convenience stores	628	654	684	4.57%
Total, Distribution Casino				
France (consolidated)	656	660	658	- 0.30%
Monoprix	638	640	648	1.25%

Breakdown of greenhouse-gas emissions by Casino operations in France, as determined by the Bilan Carbone®

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



MOBILISING to protect the environment

Casino stores continued their efforts to renovate in-store lighting systems in 2006: 47 hypermarkets and 49 supermarkets are now equipped with low-power T5 fluorescent tubes. A series of measurements taken at one such hypermarket revealed that the new lighting equipment had reduced electricity consumption by nearly 37%. At our convenience stores, low-power lighting for both exterior use and produce displays has become standard at new stores as well as our newly-renovated or enlarged locations. A similar initiative is being applied at our franchised properties. This solution has cut our consumption of electricity to illuminate store façades by 80% compared with halogen bulbs, yielding energy savings of about 2,900,000 kW annually. We have also adopted the systematic use of low-power overhead lighting within refrigerated display cases (rather than lighting each shelf). This has reduced power consumption by some 702,000 kW. The Group's warehouses, meanwhile, are testing a prototype of an "intelligent" forklift truck that can be programmed to receive an optimal battery charge for providing the precise amount of energy needed.

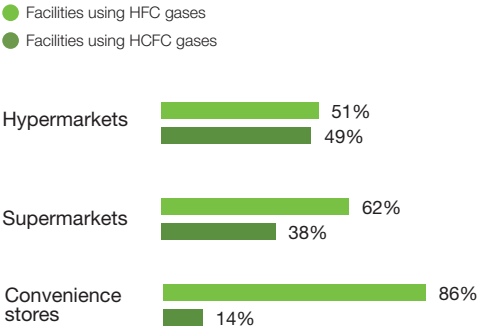


Casino supermarkets are testing an innovative solution for improving the energy efficiency of our refrigeration facilities. Dubbed "Éconergie", the system employs a heat pump to capture condensation heat from refrigerated food storage equipment and then uses this heat to help maintain a comfortable temperature in the store. This not only provides for energy recovery but also lowers condensation temperatures; as a result, refrigeration equipment can operate more efficiently.

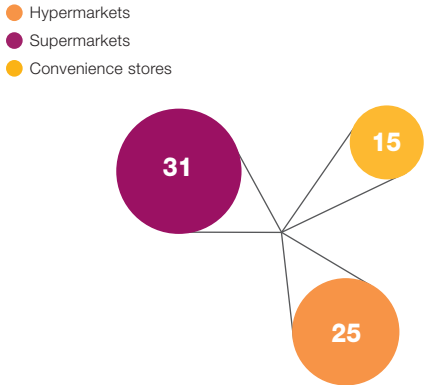
CREATING OPTIMALLY EFFICIENT REFRIGERATION SYSTEMS

The coolants used in our refrigeration systems are powerful contributors to global warming. In France they account for 18% of the Group's greenhouse-gas emissions. Our refrigerant replacement initiative was developed to address two critical concerns: the need to replace HCFC coolants, which are harmful to the ozone layer, with HFC coolants, and the need to search for new coolants that contribute less forcefully to climate change. HFC coolants are not as detrimental to the ozone layer, but they are a major factor in global warming, with an impact up to 1,300 times greater than that of CO₂.

Refrigerants used by division
%



Cooling system leakage, by division
%





Our logistics subsidiary Easydis is taking steps to enhance our logistics operations with the goal of reducing delivery distances while ensuring that each vehicle travels at optimal weight.

The problem we face is finding coolants that are both effective in meeting our refrigeration needs and friendly to the environment. With this goal in mind, the Group's divisions have undertaken a feasibility study to identify the best options for replacing HCFC gases, which are currently used in 40% to 45% of our refrigeration facilities. With a view to maintaining airtight refrigeration equipment, the Group launched an ambitious program in 2005 to encourage our refrigeration service providers to adopt the best available methods for reducing refrigerant leakage.

Each division has acquired leak detectors that now monitor virtually all of the Group's facilities. Moreover, in 2006 the divisions signed a new maintenance contract with their providers that includes more stringent requirements for ensuring containment of refrigeration facilities and tracking the volume of reinjected coolant.

REDUCING EMISSIONS GENERATED BY THE TRANSPORT OF GOODS

Sixteen percent of the Group's greenhouse-gas emissions can be attributed to the transport of goods between our warehouses and stores.

An expanded tracking system

Our logistics subsidiary Easydis is taking steps to enhance our logistics operations with the goal of reducing delivery distances while ensuring that each vehicle travels at optimal weight. With the use of a software-based tracking solution that includes onboard communication systems, each stage of the delivery route can be configured to guarantee maximum efficiency. At the close of 2006, 92% of the subsidiary's captive fleet (vehicles under contract and reserved exclusively for Casino's use) was equipped with this tracking system. Easydis also initiated discussions with its providers of charter freight services with the aim of gradually expanding this system to include chartered vehicles (those not used solely by Casino). As a result, the tracking system has now been installed on 384 of these vehicles as well. By reducing the number of kilometres travelled thanks to improved logistics (including fewer empty hauls), Easydis has prevented the emission of over 3,000 metric tons of CO₂.

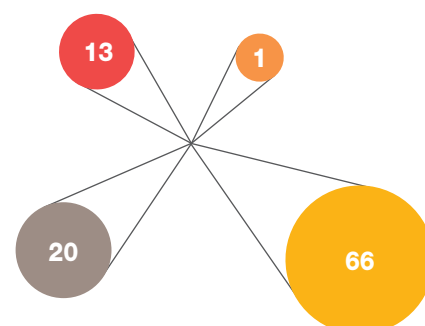
European emission standards

	Euro 0 1990	Euro 1 1993	Euro 2 1996	Euro 3 2001	Euro 4 2005	Euro 5 2009
NOx	-20%	-55%	-60%	-72%	-81%	-89%
HC	-30%	-70%	-70%	-81%	-87%	-87%
CO	-20%	-68%	-72%	-85%	-89%	-89%
Particulates	100%	-50%	-80%	-90%	-98%	-98%

Breakdown of Easydis dedicated fleet by emissions standard

en %

- Euro 2
- Euro 3
- Euro 4
- Euro 5



Fleet replacement

We encourage our contract carriers to replace older vehicles in their fleet with newer, cleaner-running vehicles on an ongoing basis. By the end of 2006, 33% of our captive fleet complied with the Euro 4 standard applicable to vehicles manufactured since 1 January 2006, while 13% already fulfilled the requirements of the upcoming Euro 5 standard. This stricter standard, which takes effect in October 2009, establishes sharp reductions in emissions thresholds for both particulate matter and three gases that contribute to the greenhouse effect: nitrogen oxide (NOx), unburnt hydrocarbons (HC) and carbon monoxide (CO).

Engine configuration

Since 2004, Casino researchers have been studying the impact of very fine engine adjustments. Tests conducted in collaboration with ADEME reveal significant potential for energy savings (up to six litres per 100 km) and consequent reductions in CO₂ emissions. Further testing on French roadways is scheduled for 2007.

The search for new types of fuel

In 2005 we tested the use of natural gas-powered vehicles operating in the Nice region. These tests proved inconclusive, primarily because supply sites remain

scarce and these vehicles can travel only short distances on a single tank, which makes them a poor fit for our delivery routes. So in 2006 we began to investigate other types of green fuels that are better suited to our logistical needs and less costly to deploy. One possibility we have identified is a mixture containing 30% biodiesel, which can be used on existing vehicles without modifications to the engine and is available from a fairly extensive network of suppliers. This biofuel substantially reduces the volume of pollutants that vehicles emit into the air: emissions of sulphur oxide (SOx) and unburnt hydrocarbons (HC) are cut by 30%, while carbon monoxide and particulate levels are reduced by 20%. A study conducted by ADEME in 2002 indicated that CO₂ emissions from biodiesel are 20% to 25% lower than those of standard diesel fuel. Casino organised a seminar in late 2006 to alert carriers to the benefits of biodiesel, and two of our transport service providers have already given their approval to the use of biodiesel-powered vehicles in 2007.



CHIEF EXECUTIVE OFFICER, TCL
Julien Llorca

"Conscious of the environmental impact of transporting goods by road, the TCL Group has for several years been weighing environmental factors when choosing equipment. Although the Euro 5 standard does not become mandatory for new vehicles until 1 October 2009, last year TCL began pro-actively investing in vehicles that meet this new standard. The built-in computer system allows us to monitor more closely how these vehicles are used and the routes they travel, in order to reduce the number and distance of empty hauls. In addition, drivers are being trained to operate their vehicles more effectively, and the authorised driving speed has been reduced by several kilometres per hour, in order to reduce both fuel consumption and exhaust emissions. Finally, in 2007 TCL will begin installing the nitrogen-powered ecoFridge system on its refrigerated vehicles. This equipment produces no carbon dioxide and offers the added benefit of extremely quiet operation."

CO₂ emissions attributable to goods transport
in C-equiv. T⁽¹⁾ / pallet transported



(1) Carbon-equivalent metric tons.





PROMOTING INITIATIVES TO RECYCLE WASTE

A TREATMENT SOLUTION FOR EACH FORM OF WASTE

Our activities primarily generate common waste products similar to household waste. We also generate smaller quantities of industrial waste, notably waste electrical and electronic equipment (professional WEEE).

Each type of waste is channelled towards the most appropriate treatment process, with an emphasis on recycling and energy recovery. For each process we rely on accredited service providers and establish precise specifications based on country-wide agreements and standard contracts. For example, we require our contract partners to provide detailed reporting on the volume of waste collected and its destination. Thanks to these contractual obligations, each store can verify that its waste handler is complying with the Group's environmental regulations and needs.

A FOCUS ON SORTING AND WASTE RECOVERY

Most of our sites conduct selective sorting of cardboards and plastic, which are then forwarded to recycling facilities. Some Casino hypermarkets and supermarkets are also sorting fermentable waste (unsold produce, flowers, breads and baked goods, dairy products, etc.), which is then diverted for composting. As of the close of 2006,

one hypermarket and three supermarkets had established a programme for sorting fermentable waste. In 2006 Casino became a member of Récylum, an environmental organisation founded for the purpose of collecting and processing fluorescent tubes and discharge lamps. Now these items can be removed from our stores via the same process used to recycle lighting consumables turned in by our customers. In addition, we are taking part in a multi-industry initiative to establish facilities for the recovery of professional WEEE, for which no dedicated infrastructure currently exists.

WEEE: A SUCCESSFUL LAUNCH

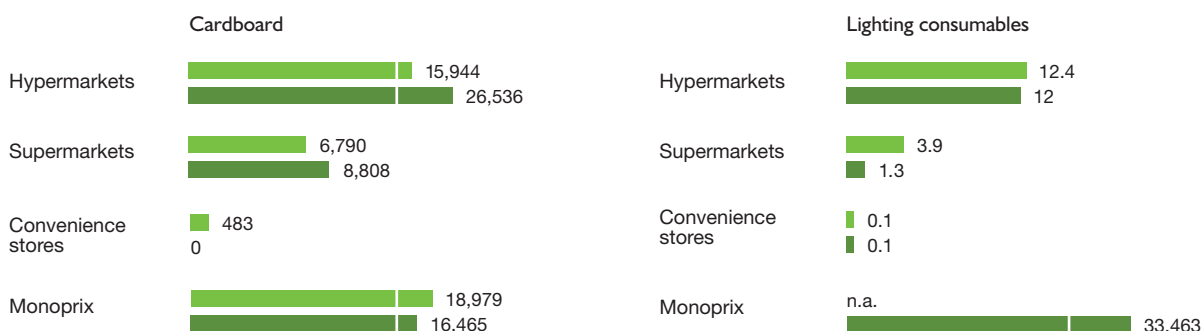
A major achievement of 2006 was the creation of a network of organizations entrusted with managing France's waste electrical and electronic equipment. Casino played an active part in defining how this network would operate through its role in the creation of Eco-systèmes, one of four organisations that have assumed responsibility for recycling scrap electronics. At the same time, we completely revised our internal procedures in preparation for 15 November 2006, the date on which customers could begin returning their WEEE to Casino stores for collection: storage areas within each store were upgraded, a procedure was defined for consolidating equipment at after-sale service platforms, modifications were made to our accounting and cashier software, and staff were given additional training. All of our employees, regardless of their job function (legal staff, accountants, retail employees, purchasers, marketing specialists, technicians, delivery personnel, etc.), have seen how their efforts have borne fruit in ensuring that the entire system was successfully up and running in each of our stores on the date established by government authorities. Thanks to this teamwork, Casino was among the best-prepared retailers to comply with this new recycling initiative and the new operating methods it entails.

Volume of waste collected under a waste management agreement in France, by waste type and division

in metric tons

● 2006

● 2005



MOBILISING to protect the environment



LIVING UP TO OUR RESPONSIBILITY AS A RETAILER

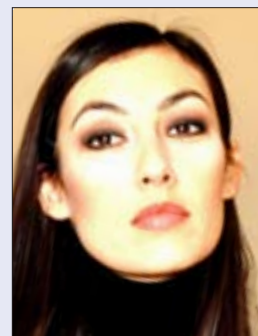
In addition to managing our own waste, we aid facilities that manage household waste by educating our customers on the importance of waste sorting. For example, each of our retail outlets includes a collection bin for used batteries, which are then sent on to accredited recycling organisations for processing. Our stores in France collected a total of 270 metric tons of used batteries in 2006. In the wake of our efforts in 2005 to create a network for the recovery of scrap electronics, we lent our support to a 2006 initiative to establish a new resource for the recycling of printed advertising material through the creation of a new body, EcoFolio. As of 2006, the concept of "Extended Producer Responsibility" now applies equally to companies that produce advertising circulars. As a result of this regulatory change, companies are now required to help fund efforts to collect and recycle advertising materials distributed on their behalf in the community. Advertising circulars account for about one fourth of all waste paper (including newspapers, magazines, leaflets, directories, mailings, etc.) produced in France, but only those

companies that use these media are currently under an obligation to provide financial support for the recycling of printed materials. With the goal of ensuring that these financial subsidies are successfully implemented under the conditions required by law, Casino helped to found the EcoFolio organisation, which will enable participating companies to conduct their activities in a spirit of sustainable development.

WASTE SORTING: CASINO RESTAURANTS DO THEIR PART AS WELL

Waste management in the restaurant industry presents two major problems: the wide range of waste products generated and the small volume of each type of waste per restaurant. Nonetheless, Casino restaurants have enthusiastically tackled their waste sorting responsibilities by enlisting the cooperation of lease-managed sites, franchises and our corporate restaurants. Recycling solutions have been developed for frying oil, grease tanks, neon tubes and low-power, energy-saving light bulbs, printer cartridges and certain electronics equipment such as computers and telephones. The search for new recycling options and the adoption of procedures for sorting waste packaging will address some 60% to 70% of the remaining waste generated.

To learn more, visit
www.ecofolio.fr



CHIEF EXECUTIVE OFFICER,
ECOFOLIO
Géraldine Poivert

"French households generate 3.6 million metric tons of waste paper each year.

Under French law, companies that produce complimentary printed media (catalogues, sales leaflets, advertising publications and so on) are now required to assume the end-of-life cost of their products. EcoFolio collects the payments made by publishers subject to this tax and passes on these funds to local authorities in the form of subsidies towards the recycling of waste paper in particular. Numerous retailers have chosen to follow Casino's lead and use EcoFolio to lend support to both consumers and the environment by:

- shouldering the financial cost of recycling the printed materials they produce;
- defining preventive measures (such as a code of best practices for producing and distributing printed media);
- joining forces with non-profit organisations to raise awareness of selective sorting procedures among the general public.

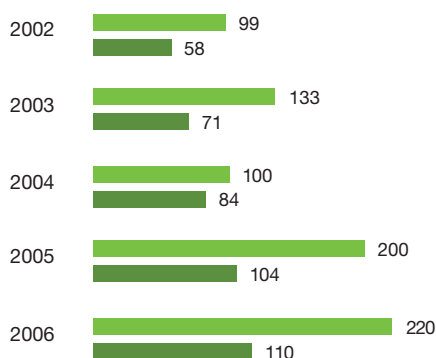
Although some forms of waste paper still carry no environmental liability, EcoFolio's long-term objective is to address the entire range of printed materials, as the law evolves in scope, on behalf of both the environment and local governments."



Used batteries collected in Casino stores

in metric tons

- Casino France
- Monoprix





The *Terre et Saveur* brand, the result of a close partnership between the Casino Group and its suppliers.

IMPROVING THE ENVIRONMENTAL PERFORMANCE OF OUR PRODUCTS

PRODUCTS THAT RESPECT THE ENVIRONMENT

Terre et Saveur: respecting taste and nature

The *Terre et Saveur* brand, the result of a close partnership between the Casino Group and its suppliers, has two objectives: respect for taste and respect for nature. Its pledge is to offer fresh, flavourful products every day at an excellent value. Suppliers must comply with highly detailed specifications governing T&S products, including production methods that show respect both for the environment (soil protection, water conservation, waste sorting) and for the well-being of animals. To verify adherence to these best practices, regular audits are conducted at production sites as well as at processing and/or packaging facilities.

Boasting fourteen new products in 2006, the *Terre et Saveur* product line now includes 35 seafood products, 125 fruit and vegetable items, 48 types of baked goods and 28 meat products. To raise customer awareness of the benefits of sustainable agriculture, the Group's chains regularly explain our policy in brochures provided to customers. Incorporated into various Group Web sites, the brand's site provides a monthly listing of seasonal products and offers simple, unique recipes, all while highlighting the *Terre et Saveur* approach.

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



Casino Bio: a recognised line of organic produce

Created in 1999, the *Casino Bio* product line responds to the needs of consumers who desire produce that was produced or raised in accordance with eco-friendly principles. All *Casino Bio* items meet official organic farming standards and bear a label indicating that the product has been inspected and found to comply with stringent government criteria governing organic goods. With the addition of seven new products in 2006, the *Casino Bio* line now extends to 74 items in grocery products, fresh produce and fruit juices. In addition, the line's logo and packaging have been redesigned for greater appeal and visibility.

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

CASINO'S COMMITMENT TO PRESERVING OUR FISHERIES



According to the 2006 report of the UN's Food and Agriculture Organization (FAO), 52% of the world's fish reserves are being fished at their maximum biological capacity, while 24% are over-exploited, depleted or recovering from depletion. Over the past thirty years, demand for seafood has doubled, and experts anticipate further growth in demand of 1.5% annually until 2020. Mindful of our responsibilities, we are taking steps to raise consumer awareness of the need to preserve our fisheries:

- We have developed the *Marée Terre et Saveur* line of seafood products and are promoting it more intensively. Three varieties of trout (large Aquitaine trout, white trout from the Ardèche region and Breton sea trout) along with sea bass and peeled Caribbean prawns were added to our product assortment in 2006.
- We have also developed a logo, "This Product Preserves Our Seas", which designates select farm-raised products (salmon, bass, bream, trout, tilapia and catfish) that meet specific requirements and do not directly contribute to the depletion of our ocean and sea fisheries. This campaign will continue into 2007 with further commitments aimed at preserving our aquaculture resources, particularly deepwater species of fish.



Exotic wood: promoting sustainable forest management

Bearing in mind our responsibilities as a retailer of furniture that contains exotic wood species, we encourage the use of wood from sustainably managed forests. Products certified by the Forest Stewardship Council (FSC) comply with highly demanding criteria regarding sustainably managed forests. Since 2004, we have been developing a line of FSC-certified home and garden-furniture products. Twenty-five new items were added to the line in 2006, bringing to 44 the total number of FSC-certified products sold in our stores. In 2007 we plan to expand our offering of FSC-certified garden-furniture products that contain exotic wood with the goal of selling 26 FSC-certified items, representing 72% of Casino's exotic wood products.

ORGANIC-MINDED STORES IN COLOMBIA

Our chain of Pomona stores in Colombia has been named a certified "organic products distributor" by Corporación Colombia Internacional, one of four Colombian companies authorised to issue this certification. As a result, Pomona shoppers enjoy a guarantee that the organic products sold in these stores are subject to strict monitoring at every stage of the production and packaging process. About 100 organic products are available on store shelves, clearly identified by a distinctive logo.



Expanding and encouraging the use of ecolabels

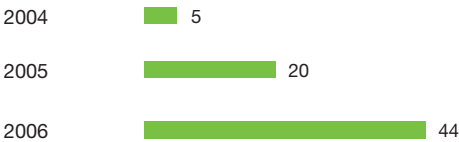
The NF-Environnement label — France's official designation of environmental quality — and the European Union ecolabel, applicable in each EU member country, are both bestowed on products in recognition of their benefits to the environment. Each of these labels has identical aims:

- to promote products that have a reduced impact on the environment over the course of their lifecycle (design, production, marketing and use) by comparison with products of equivalent type and quality;
- to encourage consumers to shop in ways that are more environmentally responsible, by providing greater information on the environmental impact of each product.

Forty Casino-brand products have received the NF-Environnement label, notably including numerous stationery products. We also developed a line of 10 cleaning products in 2006 that bear the European Union ecolabel.



Number of products made from FSC-certified wood



Number of products in our Casino Bio line





REDUCING THE QUANTITY OF PACKAGING GENERATED BY OUR BUSINESS

Casino's line of own-brand products has expanded significantly over the past two years. As a responsible retailer, the Group attaches great importance to the impact of its products on the environment. Packaging is essential for protecting, transporting and displaying products, but it also represents a sizeable component of future waste. Consequently, improvements in product packaging from the earliest design stages play an essential role in our efforts to enhance the environment. In 2006 we launched an initiative to reduce packaging at the source for our own-brand products.

Working in partnership

Our goal of reducing the quantity of packaging we use for our products could not be met without a true collaborative effort with our suppliers. We need to alert them to our aims, learn more about their production constraints and maintain an ongoing dialogue in order to work with them to find sustainable solutions that can be adapted to the needs of their other customers. We also take into account the needs of our warehouses and stores, drawing on the experience and recommendations of their personnel.

Conclusive initial testing

Each product's current packaging has been meticulously analysed to identify possible enhancements designed to meet a full range of needs, from display packaging to palletisation. A variety of factors contribute to more effective packaging: the thickness of the materials, the dimensions of boxes used for transport to ensure optimal pallet loading, the elimination of unnecessary elements, graphic design and many others. Improvements were made to twelve products in 2006. Calculated over a full sales year, these enhancements have saved the equivalent of 44 metric tons of materials, primarily plastic and cardboard. Prospects for 2007 are bright, inasmuch as our suppliers are still conducting extensive testing.



"Our commitment to considering the environmental impact of packaging when soliciting bids is the best way to ensure that suppliers are aware of our packaging enhancement policy and to encourage them to look for new, more sustainable solutions. In 2006 our savings amounted to just 44 metric tons of materials, but we hope to double or even triple that number in 2007 by a more systematic application of our packaging reduction initiative."

CORINNE PICARD Environmental Packaging Manager, Casino Group

Taking the next step...

As of 2007, we will begin incorporating an ecodesign stage into every new product launch, with the intent of reducing the environmental impact of our packaging. For this purpose, we are implementing a campaign of ongoing awareness training among our partners in France and around the world, and we have appointed decision-making teams at our central purchasing agency. We are also taking steps to reduce product breakage attributable to packaging in our warehouses and stores. Breakage has a significant impact on the environment, since it results in product and packaging losses as well as lost energy for the manufacture and transport of these products. A targeted campaign has been introduced in collaboration with warehouse personnel to improve product packaging quality as quickly as possible whenever necessary.

Enhanced product packaging at work: the Casino four-pack of chocolate mousse cups

The cardboard sleeve has been eliminated. Thanks to an extensive graphic redesign, all information required by law has been placed directly on the cups and lids. This reduced packaging yields savings of 16 g per product, or nearly 40% of the total package weight – an example that was highlighted by France's national packaging council in its catalogue of products that demonstrate best practices in reducing packaging at the source (www.conseil-emballage.org).

MOBILISING to protect the environment



ENHANCING ENVIRONMENTAL MANAGEMENT AT OUR FACILITIES

BRINGING ENVIRONMENTAL AND HEALTH RISKS UNDER CONTROL

In 2004, *Casino Immobilier et Développement* appointed a taskforce to optimise environmental and health management at the Group's property assets and pass on its expertise to the Group's various divisions. Taskforce members identify key criteria to be weighed during a building's design and at each stage of its lifecycle in order to improve the building's environmental efficiency and address health and safety concerns. Our risk management procedures were enhanced in 2006 with the acquisition of a new computerised resource: *Enviroged*, a tool used to coordinate technical management of the Group's facilities, offers dynamic monitoring capabilities by automatically relaying information and alerts to identified personnel. The program provides a truly valuable means of scheduling activities to be performed and is constantly enhanced with data gathered both internally and from outside service providers.

Diagnostic analyses of asbestos risk are now accessible via a secure extranet site, and in-depth studies are currently underway in preparation for adding *Legionella* monitoring to *Enviroged* in 2007.

To learn more about our programme for managing environmental and health risks, read our annual report at the Group's Web site:
www.groupe-casino.fr

CONSERVING OUR WATER RESOURCES

Our water consumption is not sizeable enough to have a major impact on the environment. Nevertheless, in light of increasingly scarce water supplies, we encourage careful water management among the Group's employees through frequent campaigns to highlight the need for water conservation. We routinely monitor water consumption levels to identify aberrations and prevent waste.

In addition, the Environment division of *Casino Immobilier et Développement* has developed a best practices guide for rainwater management.

The Group's properties (notably the parking facilities and roofs at our stores) collect significant quantities of rainwater — nearly 10 million cu. m annually. This finding prompted the Group to consider options for improving both the quality and scope of our rainwater management. First, a survey was conducted at each site to identify recurring problems. This provided a basis for further study regarding possible improvements that would be consistent with sustainable development. Rainwater management techniques appropriate to the Group's properties were then documented and illustrated at a number of sites. This research has culminated in a comprehensive technical study targeted to the Group's technical managers (program directors, engineers, etc.); a shorter version has been prepared for distribution to a broader audience.



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

	2003	2004	2005	2006
Casino hypermarkets	1.01	1.04	0.80	0.85
Casino supermarkets	1.27	1.02	0.85	1.08
Casino convenience stores	0.56	0.51	0.48	0.49
Total, Distribution Casino France (consolidated)	0.99	0.93	0.74	0.83
Monoprix	1.02	0.98	0.83	0.70

ROADMAP

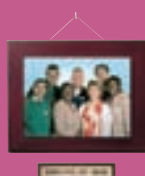
2007-2010

Principal objectives	Target date
ENERGY EFFICIENCY	
Cap energy consumption levels per sq. m at 2006 levels by ensuring that refrigeration facilities are energy-efficient	2007-2009
REFRIGERANTS	
Achieve annual reductions of 3% between now and 2010 in emissions generated by the loss of refrigerants as a result of containment failures	2010
REDUCTION OF TRANSPORT IMPACT	
Continue to reduce greenhouse-gas emissions on the same basis as in previous years, with a focus on the adoption of biodiesel and compliance with the Euro 5 standards	2010
WASTE MANAGEMENT	
Extend the scope of waste collection contracts to include 100% of stores by 2010	2010
Reduce the quantity of mixed operating waste by 10% by expanding our use of sorting and ecodesign	2010
ENVIRONMENTAL PERFORMANCE OF OUR PRODUCTS	
Further increase the number of garden furniture products containing exotic wood that are FSC-certified	2007
Obtain savings of at least 80 metric tons in materials through our packaging ecodesign initiative	2007

FOSTERING

high-quality employee relations





EVERYONE UNDER ONE BANNER

Casino likes diversity and we're spreading the word. **p. 30**



MOBILISING TO HELP THE DISABLED

We've signed a new Handipacte agreement to encourage hiring of the disabled. **p. 31**



SAYING NO TO WORKPLACE ACCIDENTS

Casino is launching a major campaign to eliminate occupational hazards. **p. 27**

FOSTERING high-quality employee relations

REAFFIRMING OUR FOCUS ON QUALITY EMPLOYMENT AND WORKPLACE DIALOGUE

PRESERVING QUALITY, LONG-TERM EMPLOYMENT

After three difficult years, we were able to stabilise our workforce during 2006 and resume a pattern of hiring. Quality, long-term employment continues to be a core concern at Casino, and 92% of our employees in France enjoy a permanent contract. Similarly, in the majority of our subsidiaries worldwide over 80% of employees are hired on a permanent basis. Moreover, through our efforts to reduce involuntary part-time work, 63% of French employees are in full-time positions, compared with 59% in 2003. We also pursued discussions with employee representatives in 2006 regarding job reclassifications at Distribution Casino France to reflect changes in job-skills requirements within the retailing sector. A Group-wide agreement is expected to be finalised in 2007.

NURTURING EMPLOYEE UNITY AND LOYALTY

The creation of profit-sharing and incentive-bonus plans in our subsidiaries gives employees a stake in the Group's future growth and helps to ensure their loyalty.



In France, the employee shareholding plan known as Emily, first introduced in October 2005, has met with great success. Open to employees and store managers who have been with the Group at least three months, this corporate mutual fund guarantees the amount invested, which is capitalised at 2.8% yearly. In this way it supplements employee income under highly advantageous conditions: participants are protected from market fluctuations through a system based on average share price gains that guarantee a minimum share value. Over the plan's five-year term they are rewarded with 5.5 times the average increase in value of the Casino shares acquired with their initial investment. In addition, our employees in France enjoyed a slight increase in local incentive-bonus payments in 2006. Profit-sharing and incentive-bonus programmes have also been set up in Colombia, Thailand, Uruguay and Venezuela.

PROMOTING INTERNATIONAL CAREERS

With 197,000 employees worldwide, including 122,000 outside France, a global perspective is a priority for Casino. Interested personnel can take advantage of international career opportunities through our subsidiaries in South America, Asia, Europe and the Indian Ocean region and our affiliated partners in North Africa, the Middle East and France's overseas territories. Our International Human Resources department coordinates the various stages of the expatriation process, from the initial departure to the eventual return. A wide range of positions is available in fields such as purchasing, hypermarket and supermarket management, administration and finance, and logistics and supply chain management. As of the end of 2006, seventy-seven employees from France were working in positions outside the country at their own initiative. During the past two years, we have also been promoting opportunities for employees at our international subsidiaries to visit France and gain added experience as a member of Casino's French workforce.

Percentage of employees with permanent contracts,
by country





The 2006 international workshop on human resources.

The programme serves to strengthen the Group's corporate culture and foster exchanges on best practices between France and subsidiaries elsewhere in the world. In 2006, twelve participants, primarily from South America, took part in these exchanges.

Each year, an international seminar brings together the national HR Directors of the Group's various subsidiaries around the world to discuss effective approaches to human resource management.

The 2006 workshop, held in Bangkok, focused on hiring practices and career

management. The past year also saw the sale of our subsidiaries in Poland and Taiwan. Each of the expatriate employees affected was offered a new position within the Group, and over 90% accepted. During 2007, approximately forty expatriate employees will be taking part in a pilot group training programme in international management, modelled on the ADEO initiative (see page 27) and consisting of three workshops held on three continents (in Argentina, Bangkok and the United States); a concluding workshop will bring together all of the participants.

MAINTAINING A QUALITY DIALOGUE IN THE WORKPLACE

Since its founding, Casino has endeavoured to promote a quality workplace dialogue and to develop a constructive relationship with its workplace partners.

This commitment is notably reflected in the Group's allocation of human, material



and financial resources to trade unions beyond the level required by law. Workplace committees have been established in the various subsidiaries, even those of fewer than 50 employees. Negotiations in 2006 focused specifically on:

- job reclassifications to take into account changes in retail job-skills requirements;
- the signing of a pension-fund agreement, resulting in a reduction in employee contributions;
- changes to the company-wide agreement signed at Distribution Casino France (DCF);
- the signing of an agreement regarding the support structure for DCF employees participating in the Validation of Acquired Expertise (VAE) programme;
- enhancements to the charter governing management mobility;
- the creation of a self-assessment tool for evaluating discriminatory hiring practices (see page 30);
- the signing of a Group-wide agreement on employment of the disabled (see page 31).

In addition to the Group's contacts with workplace representatives, an ongoing dialogue is maintained with the entire workforce through various forms of internal communication: the Group intranet; a quarterly review, "Regard"; publications in the various divisions, etc. Internal gatherings and challenges, held on a regular basis, provide additional opportunities to strengthen our ties and reinforce a sense of belonging to the Group.

CASINO IN COLOMBIA: A GREAT PLACE TO WORK

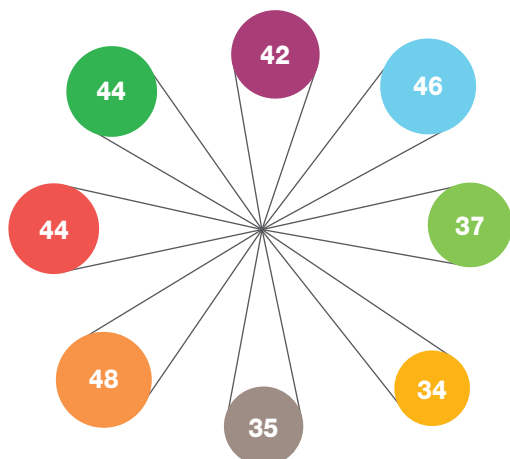
For the second consecutive year, the international Great Place to Work Institute cited Exito, our Colombian subsidiary, as the Latin American company generating the most pride among its employees and named it one of Colombia's five best employers. This recognition vindicates the subsidiary's highly pro-active approach to workplace relations, one whose philosophy can be summed up as: "Taking care of employees so they can take care in their work".



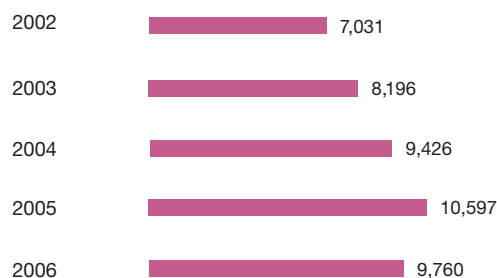
Average weekly hours worked for full-time employees, by country (2006)

in number of hours

- Casino France
- Monoprix
- Colombia
- Venezuela
- Uruguay
- Brazil
- Thailand
- Vietnam



Number of meetings with employee representatives (Casino France)



FOSTERING high-quality employee relations

PROVIDING FOR EMPLOYEE SKILLS DEVELOPMENT

Enhancing the skills of our workforce over time, in order to help employees build rewarding and wide-ranging career paths, has always been one of the Group's major workplace commitments.

TRAINING TOOLS ADAPTED TO OUR BUSINESS

From the time they join the Group, employees enjoy access to flexible training opportunities throughout their careers. The Training Department coordinates training activities undertaken by Casino's various divisions. With this decentralised approach, customised training programmes can be created for each position while maintaining a coherent policy overall. The Pierre-Guichard Training Institute, founded in 1989, provides employees with an array of training resources, including skills enhancement programmes, seminars and e-learning modules. Employees can also use Campus, an intranet-based training management platform, to view the catalogue of training courses and online e-learning programmes. Distance training opportunities proved popular once again in 2006, particularly in the areas of office automation and languages.

Combined work/study training also represents a major component of our policy of promoting employment opportunities: in 2006 we hosted 505 apprentices within our various divisions.

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



The high success rate for these programmes attests to the value of our orientation and training resources: the Group hires 80% of its apprentices once their training is completed. In addition, Casino employees became entitled to exercise their Individual Right to Training in 2006, in accordance with the provisions defined in the Group-wide agreement signed in 2005. Over 1,500 employees, notably in the Group's hypermarkets and cafeterias, have opted to take part.

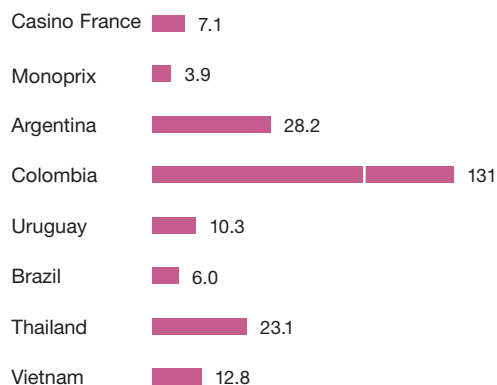
DYNAMIC CAREER MANAGEMENT

We provide for professional mobility and career development opportunities that enable every employee to enhance his or her expertise via a broad range of experience. The diversity of our activities and the gateways we have created among our banners open many different doors to employees who wish to acquire additional experience in order to enhance their career profile.

TRAINING THAT REFLECTS OUR SUSTAINABLE DEVELOPMENT COMMITMENTS

Numerous training opportunities were introduced during 2006 as a tangible reflection of our commitment to sustainable development. For example, we developed training modules devoted to topics in preventive health and safety, including repetitive stress injuries, physical fitness and back health. In support of our diversity policy, we prepared a training programme entitled "The Language of Others", designed to facilitate intercultural communication.

Average number of hours of training per employee, by country



Percentage of employees taking part in training programmes during the year (Casino France and Monoprix)

	2004	2005	2006
Casino France	20%	26%	34%
Monoprix	51%	25%	29%



In May 2006, we expanded our training resources by adding the position of Group Special Assistant for Health and Safety, dedicated to addressing issues of workplace health and safety.

As part of our initiatives to improve our performance regarding workplace safety, we created a steering committee in 2004 comprised of safety training directors from each division. Its goal is to promote the exchange of best practices and to consolidate existing safety training modules. The committee also ensures that all relevant employees take part in mandatory safety training programmes. In May 2006, we expanded our training resources by adding the position of Group Special Assistant for Health and Safety, charged with addressing issues of workplace health and safety. Moreover, we conducted a major cross-functional study on workplace accidents and occupational illnesses during the year. The study included an analysis of our main business operations in France: hypermarkets, hypermarket after-sales service, supermarkets, cafeterias, logistics and corporate headquarters. This survey has enabled us to identify the major causes of accidents and absenteeism, review our training procedures regarding on-the-job safety and establish benchmarks with other companies. It has also provided a basis for assessing the direct and indirect costs of workplace accidents and occupational disease.

The Group acquired an additional resource in 2006 for enhancing our career management system: with the help of our tool for tracking career assessments, reports from annual performance evaluation meetings can now be formally logged in a computerised database known as HR Process. Previously reserved for managers, this resource has been expanded to include the entire workforce. Requests for career training and guidance can be tracked more effectively with the tool, to the benefit of employees. In addition, since 2006 top-level managers have been given the opportunity to design a new career path. The Action for Growth and Operating Efficiency programme (ADEO) is aimed at reinforcing managerial expertise among supervisory personnel based on a career path built around a corporate objective. The programme combines classroom-based coursework with distance learning; 90 employees have taken part to date.

AN EXPANDED COMMITMENT TO WORKPLACE HEALTH AND SAFETY

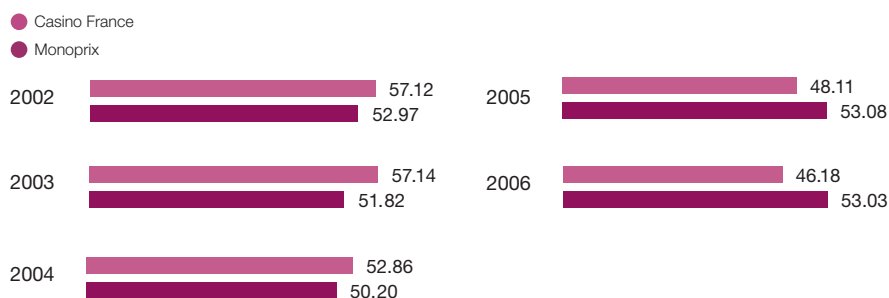
ENHANCING PROTECTION FROM WORKPLACE ACCIDENTS

Mass retailing has one of the highest workplace accident rates of any job sector. France's retail industry reports an average of 69 accidents per 1,000 employees, compared with a national average of 40, and Casino is not exempt from this trend.



Lost-time accident frequency rate

in number of accidents per million hours worked⁽¹⁾



Preventive measures adopted since 2004 have reduced the accident frequency rate significantly but have not brought us to our target rate of 45 or below. The cafeteria and logistics sectors remain the most affected by workplace accidents, followed by after-sales service (Serca). The highest rates are among clerical and unskilled workers.

(1) These figures include occupational disease.

FOSTERING high-quality employee relations

“My role within the Employee Relations Department is to provide support for activities relating to occupational health and safety in each division, highlighting those that prove effective and ensuring they are continued in the future, with an emphasis on encouraging employees to share experiences and best practices. The survey we conducted in 2006 will help us focus our efforts on the major causes of accidents: manual handling, vehicle traffic and storage. Our primary goal is to reinforce a culture of workplace health and safety within the Group by taking steps to raise awareness of these issues. We will also capitalise on the exemplary work of the supermarkets division by conducting similar activities in the Group’s other divisions.”

ÉLODIE BRESSAUD

Group Special Assistant
for Health and Safety



With this information in mind, proposals for future action have been presented in collaboration with human resources personnel in each division. The results of the study have been widely disseminated internally to ensure the participation of all relevant employees. Various initiatives to improve our occupational safety performance have been undertaken and will be implemented over the course of 2007. Particular emphasis will be placed on educating the workforce, since employee support for the initiative will be key to ensuring that we meet our objectives in reducing the number of workplace accidents.

PREVENTING THE RISKS POSED BY ADDICTIONS

Prompted by a concern for the health and safety of our employees, we decided in late 2006 to tackle a difficult topic: the prevention of alcohol-related risks and, more broadly, all risks posed by addictions

in the workplace. In order to examine the topic of addiction in all its complexity, we have called on a network of specialists from a variety of disciplines (physicians, legal experts, consultants, etc.). Over the course of 2007, a ten-member steering group representing the Group’s senior management will receive in-depth training, provided by outside experts, in issues relating to alcohol and substance abuse. Working in partnership with our insurance provider, MIEL, this steering group will be responsible for preparing a range of media designed to raise employee awareness and for developing targeted, informative campaigns for spreading a preventive message and breaking taboos.

CONTINUING A POLICY OF PSYCHOLOGICAL SUPPORT

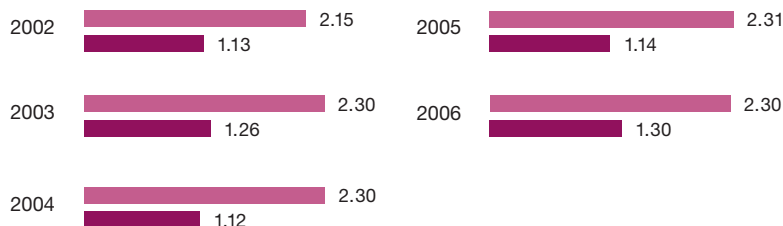
Since 2001, we have been arranging for outside professionals to provide psychological support services to employees who are the victims of workplace violence, through our collaboration with the Violence, Work, Environment (VTE) association. In 2006, the psychological support unit intervened in 82 separate cases and provided services to 351 employees. The increased use of these support services has, unfortunately, been prompted by a rising incidence of workplace violence.



Lost-time accident severity rate

in number of days lost per thousand hours worked⁽¹⁾

● Casino France
● Monoprix



Despite our efforts, we have not yet reached our target severity rate of 2 or less. Workplace accidents remain a major cause of absenteeism: in each year since 2002, accidents on the job have been responsible for over 10% of employee absences.

⁽¹⁾ These figures include occupational disease.



CONSULTING ENGINEER FOR THE DEPARTMENT OF OCCUPATIONAL RISK AND NATIONAL LIAISON TO MASS RETAILERS, REGIONAL HEALTH INSURANCE AGENCY (CRAM) FOR SOUTHEASTERN FRANCE
Vincent Baud

"Ensuring the health of its employees over time should be a key element in a company's sustainable development policy — that seems obvious. Nonetheless, it's not unusual to find that the section of the policy devoted to corporate commitments in this area is not as extensive — not as well developed — as the other sections. And that's unfortunate, because in order to make a real commitment to sustainable development and truly assert that commitment, you need to have a genuine policy for protecting workplace health. That's the challenge the Casino Group has set for itself in coming to work with our institution. In terms of designing work sites, Casino has been out in front in signing a country-wide pledge with the Department of Occupational Risk at the National Health Insurance Agency for Wage Earners. Moreover, they have developed a methodology for preventing in-store workplace accidents and occupational illness which they tested and then deployed throughout their network. And that's an essential key to success: ensuring that a policy for managing workplace health is a permanent fixture at each site. It's at the heart of the challenge we face."

MARKING A MILESTONE: A MODEL RISK PREVENTION POLICY IN THE SUPERMARKETS DIVISION

Listening to employees: an essential first step

Having fallen short in previous efforts to eliminate occupational hazards, in 2005 the Group's supermarkets division, with the support of the Regional Health Insurance Agency (CRAM) for southeastern France, adopted an innovative policy founded on employee feedback. The first step was to conduct an analysis of professional risks based on individual meetings with each employee. By posing practical, realistic questions and refraining from criticism, researchers were able to conduct a thorough review of managerial procedures while enhancing workplace dialogue. Every situation with the potential for risk was documented and ranked using a rigorous methodology. Directors were then able to prioritise risks and take action accordingly.

The initial phase of gathering information from employees was carried out on a pilot basis at three supermarkets in Marseille. In 2006 the project was expanded to include 20 supermarkets in the region, and in 2007 all 300 of the Group's supermarkets in France will be conducting this assessment.

In support of the initiative, a steering committee was appointed to examine the human, financial and penal issues involved as well as the company's brand image, and the entire process has been the subject of an intensive internal communications campaign. After one year, the results are unmistakable: the accident frequency rate at the 20 supermarkets taking part in the pilot study has fallen by 30%. But beyond just the numbers, the project has forged a new bond between Casino and its employees, who now feel they are valued more highly and are more motivated to lend their support to corporate initiatives.

A National Code of Commitment

On 21 June 2006, Casino Supermarkets signed a code of commitment with France's National Health Insurance Agency for Wage Earners (CNAM-TS), in which the division pledges to make specific engineering adaptations intended to reduce risks when designing or renovating our stores. This commitment marks a first among France's major grocery retailers. The pledge covers seven basic areas: flooring, cleaning and drainage, lighting, roofing, deliveries, storerooms and employee access to stores. Another major component of the agreement is the Group's commitment to working with each CRAM on a systematic basis from the earliest stages of every project.

An added benefit is that this national agreement defines uniform practices for working with each of the regional insurance agencies on an identical basis. The partnership is due to last three years, but hopes are that the code can be revised over time to incorporate new issues of concern and become a truly dynamic tool for prevention.

The process has already been validated by two pilot projects carried out in southern France in 2006: the construction of a new store in Redessan, and the expansion of a supermarket in Salernes.



PROMOTING DIVERSITY IN THE WORKFORCE

Casino believes that a diverse workforce boosts innovation, creativity and performance throughout the Group.

COMBATTING DISCRIMINATION ON THE JOB

A clear commitment

The need to combat all forms of discrimination and promote equal opportunity is a major component of our corporate policy. Beyond mere compliance with legal obligations, we intend to foster model practices for managing diversity and combating all forms of racism, xenophobia, homophobia and intolerance of difference in general. This objective is clearly spelled out in our sustainable development policy. It is also reflected in the numerous external charters the Group has signed, such as the Corporate Diversity Charter, and our participation in the European Social Fund's EQUAL Initiative, aimed at promoting new approaches to fighting discrimination and inequality in the workplace (see page 31). In 2005 we reaffirmed this commitment by signing a Group-wide agreement on "promoting equal opportunity and diversity and combating discrimination by

furthering social cohesion within the Group and its subsidiaries". As part of our urban policy, a new agreement was signed in 2006 with the Ministry for Employment, Social Cohesion and Housing that calls on the Group to redouble its efforts in eliminating discriminatory practices from every aspect of our human resources management, from hiring to career development.

A dedicated support structure

If we are to encourage a wide range of backgrounds and perspectives, we must be able to speak openly about differences and identify forms of prejudice. Consequently, it is essential that management practices be made fully consistent with the Group's values, through the development of appropriate support resources. This is the role of the Group Diversity Committee, established in 2006. Composed equally of seven employee representatives and

seven members of the Group's senior management, the committee meets at least once each year and can be convened at any time to address issues of current concern. Individual cases are examined by joint employee relations committees in the presence of the Group's Director of Diversity and Equal Opportunity. In order to educate our employees regarding issues and best practices in diversity management, we have also created a dedicated training module. Over 100 employee representatives and HR managers have already participated in this training, which will be cascaded to employees throughout the Group.



AN EXEMPLARY COMMITMENT TO EQUAL OPPORTUNITY

On 17 July 2006, Mansour Zobéri, the Casino Group's Director of Urban Policy, Solidarity, Diversity and Equal Opportunity, was named a Chevalier de l'Ordre National du Mérite by the French government. This honour was conferred in recognition of Mr Zobéri's consistent commitment to equal opportunity and the fight against discrimination. In attendance at the ceremony was Azouz Begag, French Minister for the Promotion of Equal Opportunities, who hailed our colleague as a "exemplary architect of diversity".



Casino likes diversity and we're spreading the word

In order to raise public awareness of its commitment to diversity, Casino launched a major promotional campaign in late 2006.

Advertisements highlighting the diversity of its workforce were disseminated widely in the media and displayed as posters internally.

Tools for measuring our progress

Consistent with the study of family names conducted in France in 2005, we are continuing our participation in the EQUAL AVERROES project (Action for employment and service quality without regard to race, religion or place of origin) to establish a methodology for measuring progress in achieving diversity within the Group's entities. With the support of our workplace partners, we initiated a self-assessment programme within our subsidiaries in France in late 2006. Our testing method consists of isolating discriminatory hiring practices by submitting bogus job applications from candidates who differ in only one respect (such as their place of origin). In this way we can measure the gap between our commitments and actual practice, in order to improve our hiring process. The tests will be conducted between March 2007 and March 2008, and their results will be made public.

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

OPENING OUR DOORS TO THE DISABLED

In 2006 we captured yet another milestone in our pledge to provide employment opportunities for the disabled with the signing of the new Handipacte accord. Applicable to all of the Group's French subsidiaries (with the exception of Monoprix, Franprix and Leader Price, which operate autonomously), the agreement marked the culmination of extensive dialogue with employee representatives. Covering the years 2006-2010, it lays the foundation for numerous programmes that will be carried out over time in four areas of priority concern.

Recruiting and hiring

The accord establishes a target of hiring at least 300 disabled employees between now and 2010. Partnerships with government authorities and specialised organisations will be developed for this purpose. Resources will also be established to ensure a smoother orientation process for newly hired disabled workers. We hired 232 disabled employees during the whole of 2006; under the terms of France's new law, only 86 of these new hires will be counted towards our goal.

Promoting training and skills development

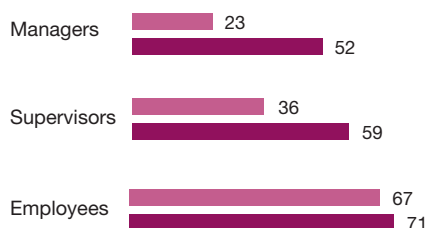
Our objective is to host at least 350 interns between 2006 and 2010. In 2006 we hosted 72 disabled interns. The agreement also calls for an expansion in combined work/study training programmes (apprenticeships, professional training).

Retaining disabled employees

The 2006-2010 agreement reaffirms our strong commitment to maintaining disabled employees, or those who become disabled, in our workforce to the extent allowed by their disability. A number of additional measures can be taken for this purpose: workstations can be configured to employees' needs in collaboration with ergonomists; new career plans can be developed, including career assessments and training; resources such as tutoring programmes can be mobilised to facilitate the disabled employee's transition to a new position; and closer partnerships can be developed with experts in occupational medicine. In 2006 we took action in 89 cases to retain disabled employees.

Percentage of women in the workforce in France, by job category

- Casino France
- Monoprix



TRAINING OUR WORKFORCE TO PREVENT DISABILITIES

In line with actions undertaken in the supermarkets division to eliminate hazards in the workplace, the Handipacte taskforce joined forces with the Group's training institute and supermarkets in 2006 to develop a training programme in disability prevention, with an emphasis on maintaining proper ergonomics (both at home and on the job) and effectively managing stress. This training was provided to 154 employees at supermarkets in southeastern France during late 2006 and is projected to take place at all of the Group's supermarkets in France during 2007.



ASSESSING THE IMPACT OF FRANCE'S LAW OF 11 FEBRUARY 2005

ON "EQUAL RIGHTS AND OPPORTUNITIES, PARTICIPATION AND CITIZENSHIP OF DISABLED PERSONS"

Like France's earlier 1987 legislation, the law passed in February 2005 requires that disabled workers comprise 6% of each company's workforce. However, the methods used to tally this figure have been changed. Specifically, the law no longer distinguishes between the severely and mildly disabled: each disabled employee counts as one "unit". Moreover, employees can be included in the tally only if they were in the workplace for six consecutive months during the previous twelve months.

Educating the workforce

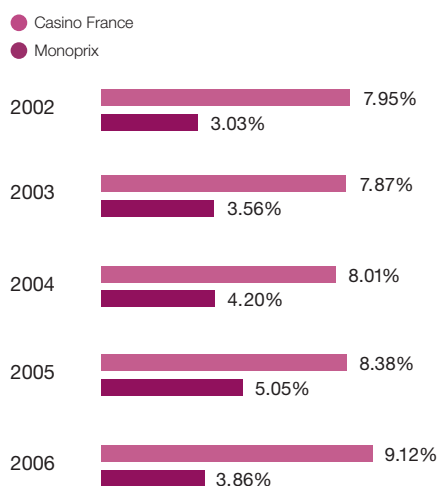
The success of this programme will rest primarily on enlisting the support of every Casino employee. First and foremost, this will require a proper understanding of the nature of a disability, to ensure a smoother transition to the workplace for disabled employees. Fifty workshops were held during the past year at Casino supermarkets, Géant hypermarkets, cafeterias and after-sales service platforms to raise awareness of the issue among managerial staff. The 706 participants in these two-hour sessions were given the opportunity to learn more about what constitutes a disability, the requirements of the 2005 law and the agreement signed by the Group. Additional workshops will be held in 2007 at the other subsidiaries in France. A training package that includes a CD-Rom and a guide to facilitating meetings has been provided to site directors, who will be responsible for organising informational meetings with employee representatives.

An instructional brochure describing the agreement was prepared and distributed to all French employees in early 2007. In addition, a poster has been delivered to each site (supermarkets, hypermarkets, cafeterias, warehouses and after-sales service platforms).

To learn more, visit the "Handipacte" section of our Web site:
www.groupe-casino.fr



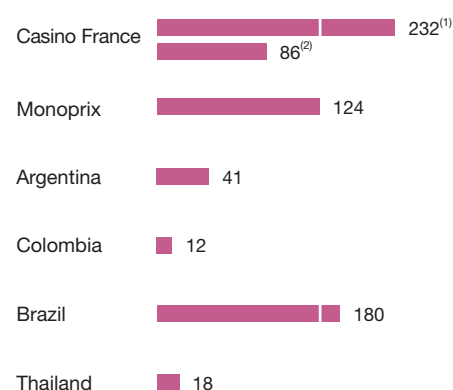
Disabled employees in France



A CONCERN THAT TRANSCENDS BORDERS

A number of our international subsidiaries are also taking steps to encourage the hiring of disabled employees. In Argentina, for example, over 40 people with a mental or physical disability have been added to the workforce in a variety of positions (see page 53). And disabled customers are receiving special attention in Brazil (see page 54).

Number of disabled persons hired, by country



(1) Previous tallying method.
(2) New tallying method.

ROADMAP

2007-2010

Principal objectives	Target date
EMPLOYEE RELATIONS	
Sign the Distribution Casino France (DCF) agreement on job reclassifications to reflect changing job-skills requirements in the retailing industry	2007
Begin negotiations on forward-looking management of jobs and skills	2007
SKILLS DEVELOPMENT	
Establish a training programme in international management for expatriate employees	2007
WORKPLACE HEALTH AND SAFETY	
Continue deployment of the workplace accident prevention programme in each division, building on the results in the Group's supermarkets	2007
Conduct campaigns to raise awareness of workplace health and safety issues	2007
Enhance and streamline the process for tracking occupational injuries and disease	2007
Introduce the Health and Addictions in the Workplace preventive campaign	2007
DIVERSITY	
Expand training to include all managers and interested employee representatives	2007
Conduct a self-assessment project within the Group's subsidiaries in France	2007-2008
Hire at least 300 disabled persons	2010
Provide training to at least 350 disabled interns	2010

RESPONSIBLE, community-minded retailing





A BALANCED DIET

Casino remains committed to its nutritional health programme. **p. 38**



SOCIAL AND ETHICAL AFFAIRS: A STRONGER PARTNERSHIP

Casino and Amnesty International are working more closely together to promote respect for human rights. **p. 44**



CREATING OPPORTUNITY FOR RESIDENTS OF DISADVANTAGED AREAS

Urban policy: new agreements to foster social cohesion and economic development in disadvantaged areas. **p. 45**



MEETING
THE NEEDS OF
OUR CUSTOMERS

AN UNCEASING ATTENTION TO PRODUCT
QUALITY AND SAFETY

The products that carry the Casino name are a pivotal factor in the Group’s development. For many years, the safety and quality of the products we sell have been our core concern. With the help of a comprehensive network of resources, we can ensure that the products we sell are safe, healthy and enjoyable, even if risks can never be completely eliminated.

Ensuring the safety of the food
we sell

Our Risk Prevention Committee, created over three years ago, meets every other month to assess potential risks to the food we supply. Thanks to scientific monitoring, conducted by an outside consultant, we can anticipate and manage risks to our business more effectively. Accordingly, we have taken steps to ensure that our products respond to concerns regarding food allergies, the spread of obesity and other issues. Moreover, consistent with this precautionary approach, we chose to exclude all genetically modified organisms and their derivatives from our own-brand products as early as 1997. Our audit of manufacturers chosen to supply Casino-brand products is now

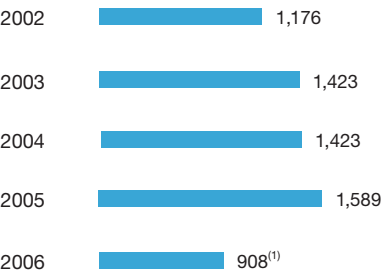
conducted in accordance with the International Food Standard common to all French and German retailers. This audit is designed to certify the level of food safety at our manufacturers’ sites. Inspections are performed on a regular basis in our stores and warehouses to verify that established procedures and guides to best practices are in place. Particular emphasis is given to training. A number of audit criteria, such as site and employee hygiene and adherence to cold-chain standards, are measured to yield relevant indicators as part of a commitment to continuous improvement.

Enhanced traceability for
a faster response

Thanks to monitoring tools that can be speedily mobilised for action, such as our laboratory inspections and Consumer Information Centre, we can issue immediate recalls of products on store shelves at any time. For example, cosmetic products can sometimes cause a reaction under normal use conditions

even when they have been subjected to dermatological testing. As a result, Casino relies on a cosmetics product safety resource, “Cosmétovigilance”, which tracks, analyses and addresses any problems that consumers may encounter after using Casino-brand cosmetics. Products that do not comply with specifications but present no danger to consumers are removed from store shelves. By contrast, if a product poses a risk of any kind to the health or safety of our customers, it is recalled and consumers are notified of this danger through a variety of media: in-store displays, radio and newspaper advertising, etc. Our resources for handling product recalls and withdrawals were enhanced in 2006 by the implementation of a system for verifying that a given recall and/or withdrawal has been properly carried out in each store, thereby reinforcing traceability in our actions. In addition, we have continued to deploy our “Trace One” solution, a tool used collaboratively by Casino and its food product manufacturers to manage product specifications. Over 90% of our manufacturers are now taking part in the Trace One system.

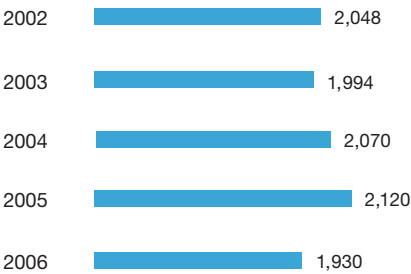
Audits of Casino product
manufacturing facilities, 2002-2006
France



(1) A number of products were eliminated in 2006, resulting in fewer supplier audits.



Number of in-store quality audits,
2002-2005 Casino France
(excluding convenience stores)





The Consumer Information Centre handles customer complaints and processes requests for information.

Enjoyable, healthy products

In addition to meeting obvious demanding standards for food safety, we are equally determined to offer products whose taste and aroma live up to our customers' expectations. Sensory and organoleptic testing is conducted on a continual basis to ensure that this level of quality is maintained over time. For over 15 years, Casino has drawn on the services of its internal sensory evaluation laboratory. Additional sensory testing is conducted in conjunction with an outside service provider. And in the face of rising obesity rates and related health issues, we made significant efforts to enhance the nutritional quality of our products in 2006 (see page 38).

Casino cafeterias: a unique commitment to quality

Casino Cafeteria has consistently been guided by the conviction that every consumer has the right to safe, nutritionally balanced food at the best possible price. This day-to-day commitment is rooted in a quality and safety policy adapted to the

specific needs of cafeterias and extended to our areas of diversification (*Saveurs d'Événements* catering, R2C foodservice operations, *Cœur de Blé* sandwich shops). The Department of Quality, Health and Nutrition for Casino cafeterias is committed to ensuring each day that customers find impeccably clean conditions. Changes in regulatory requirements are carefully monitored, and training in hygiene is routinely provided to all our employees. With regard to traceability, Casino Cafeteria is establishing a dynamic database that notably includes traceability data to verify the absence of GMOs as well as allergen information and nutritional values by product, above and beyond the standard required under EU law. In addition, our dietician is focused on the need to provide balanced meals. She provides recommendations to our R2C corporate foodservice subsidiary and our *Saveurs d'Événements* prepared meals service.

Detailed information on product ingredients

Our product presentation is critical to ensuring that consumers can make a quick and informed decision. An entire team of personnel is responsible for designing explicit packaging that informs consumers about the product's characteristics and its method of use. Moreover, for every cleaning product we sell in our Casino and value-brand product lines, we provide customers with a data sheet listing the product's ingredients at our Web site, www.produits-casino.fr. Customers can search for products by barcode or product name.

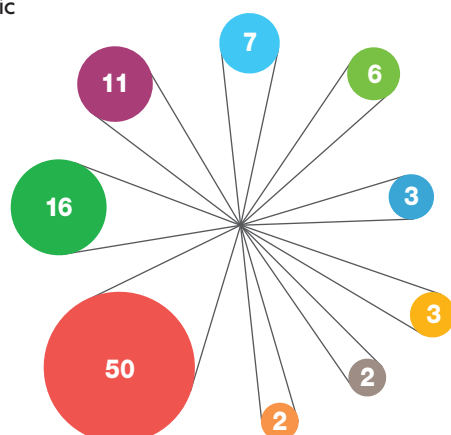
ATTENDING TO CUSTOMERS TO ENSURE THEIR SATISFACTION

Our Consumer Information Centre, established in 1991, handles customer complaints and processes requests for information. It is an essential resource in our drive towards continuous improvement of products and services. Customers can contact the centre free of charge via telephone (in France: 0800133016), e-mail (sceconso@groupe-casino.fr), post or the Internet. In 2006 the Consumer Information Centre received over 53,000 communications and handled more than 28,000 service requests. With the goal of ongoing improvement in our response to customers' expectations, a satisfaction survey was conducted among customers who contacted the Consumer Information Centre. The survey will be repeated every two years to measure changes in the quality of service we offer.

Breakdown of service requests handled by the Consumer Information Centre in 2006, by topic

as a percentage

- Value-brand products
- National-brand products
- Convenience stores
- Casino products
- Casino Géant hypermarkets
- Miscellaneous
- Casino supermarkets
- Cdiscount
- After-sales service





In the category of dairy
and soy products and desserts

NUTRITIONAL ENJOYMENT: products that should play a prominent role in any diet.

TRADITIONAL ENJOYMENT: products to rely on for your daily meals.

GOURMET ENJOYMENT: products to be enjoyed on an occasional basis.



NUTRITIONAL HEALTH: A CRITICAL CHALLENGE

The rapid rise in obesity and excess weight poses a true public health challenge throughout the developed countries. Dietary habits and increasingly sedentary lifestyles are major factors in the spread of obesity. Bearing in mind our responsibility as a retail group, since 2005 we have been conducting an ambitious nutritional health campaign designed to encourage proper eating habits among both our customers and employees. This campaign has several objectives:

- to enhance the nutritional quality of Casino products, notably those targeted to children, by limiting their fat, salt and sugar content;
- to encourage greater consumption of fruits and vegetables;
- to develop activities for informing and communicating with customers at our retail locations;
- to maintain a dynamic Group-wide policy for promoting a balanced diet and an active lifestyle.

In early 2007 Casino entered a new phase of its commitment by formally signing on to the National Nutritional Health Programme (PNNS) created by France's Ministry of Health. Casino is one of nine companies whose voluntary charter declaring our commitment to proper nutrition was signed by the Health Minister, Xavier Bertrand, on 26 February 2007.

ENHANCING THE NUTRITIONAL VALUE OF OUR PRODUCTS

As part of an ongoing objective to improve the nutritional quality of our own-brand products, we have created a product selection tool, used to evaluate tenders from potential producers for the Group, that incorporates criteria on nutritional value. We are making positive changes in our recipes to reduce their sugar, fat and salt content in particular. For example, salt content has been reduced in nearly

170 products since 2003 by a minimum of 5% and an average of 10%. Over a hundred products were reformulated in 2006. These changes have reduced our use of salt by three million metric tons, our use of sugar by 176 metric tons and our use of fats by 48 metric tons. This project will continue into 2007. In addition to sugar, salt and fat content, we are committed to upgrading the nutritional value of our products by increasing our use of certain ingredients—for example, by replacing palm oil with canola oil, which has greater nutritional benefits.

PROVIDING CONSUMERS WITH BETTER INFORMATION ABOUT PRODUCT NUTRITION

To help consumers make knowledgeable decisions when choosing their products, we have created a table of nutritional values per 100 g and per serving that appears on our product labels.

When space permits, we also provide a nutrition insert that describes the product's nutritional value and offers a sample balanced menu consistent with PNNS recommendations. In order to meet our customers' expectations

INTRODUCING OUR FOODSERVICE DIETITIAN

Our foodservice dietitian provides added value to our business customers and in our restaurants by developing tasty, balanced meals. She can also prepare multi-week meal plans. The dietitian plays an active role even before a contract is signed, since professional customers have increasingly stringent requirements when it comes to nutrition. She visits our restaurants to advise chefs and customers alike, and maintains ties with professional associations (ADRA⁽¹⁾, ADLF⁽²⁾) while staying abreast of developments in her field (at the Conference of Francophone Dietitians in Strasbourg, for example). These hands-on activities reflect a genuine interest in each person's diet and a desire to help everyone fulfil their nutritional needs. Six such visits have already taken place, including one to the restaurant at Casino's corporate headquarters, and more are scheduled in 2007.

(1) Association of Rhône-Alpes Regional Dietitians. (2) Association of Francophone Dietitians.





regarding nutritional information, we were the first to display, on all Casino-brand food products, the Nutritional Cursor®, a simple and innovative new nutritional information tool created and developed by two nutritional physicians, Jean-Michel Cohen and Patrick Serog.

The Nutritional Cursor serves as a general buying guide that rates every product from a given food group according to three criteria, based on the specific nutritional data for that group of products:

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

ENCOURAGING A BALANCED DIET

The “Balanced Nutrition” guide, endorsed by the PNNS

Casino is the first mass retailing group to offer a guide that complies with France’s National Nutritional Health Programme (PNNS). The guide is designed to provide the general public with a basic introduction to proper nutrition, including the essential elements of a balanced diet as well as practical advice for day-to-day use and helpful cooking tips. It is available from our Web site, www.produits-casino.fr, or can be delivered by post free of charge to customers who call and request it. Each of our employees in France has received a copy of the guide along with a quick reference card identifying the key components of a balanced diet.

Promoting a “fresh attitude”

Since 2000, Casino supermarkets and Géant hypermarkets have been taking part in a campaign to encourage consumers to eat “five fruits and vegetables a day”. The stores use an extensive variety of resources to educate their customers: quizzes, guides, in-store advertising, the “Nice and Healthy” calendar produced by the French League Against Cancer. A new concept has been introduced in 72 hypermarkets and 50 supermarkets to encourage consumption of fruits and vegetables by highlighting the attractiveness, quality and local origins of the produce on display.

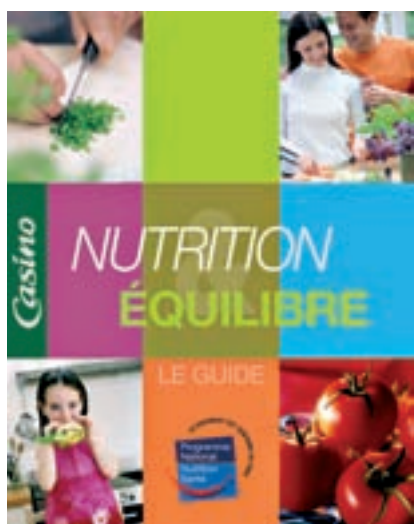


A Consumer Information Centre devoted to nutritional topics

In 2006 we introduced the first call centre specifically designed to answer customers’ questions about nutrition. This “Nutrition Hotline” service is available to the general public, for the price of a local call, Monday through Friday from 9:00 am to 6:00 pm. Dietitians are available online to respond to general questions about proper dietary habits or specific concerns about a Casino product. Consumers who call the Nutrition Hotline receive a follow-up letter by post summarising the information that was provided over the phone and enclosing a copy of our “Balanced Nutrition” guide. We are currently the only retailer to offer such a service.

Personalised coaching

Drawing on recommendations by the PNNS, we began offering a personalised coaching service in 2006. This service, available from the Casino product Web site (under “Nutrition”), involves a nutritional assessment in which users can evaluate the quality of their diet by responding to a number of questions about their personal eating habits.



SHARING OUR RESULTS WITH SUPPLIERS

A TRANSPARENT RELATIONSHIP BETWEEN EQUALS

Armed with the results of this assessment, they can then ask to receive personalised coaching via e-mail over a period of three to six weeks. Each week they receive advice, helpful tips and recipe ideas to help them improve their eating habits. Participants can receive information on their children's dietary needs as well...

An annual nutrition event

To help our customers and employees learn more about how nutrition affects their health, we instituted an annual event in 2006 in all of our hypermarkets and supermarkets in France. The 2006 nutrition fair took place from 19 to 29 April. Dietitians were on hand for two days in each of our 107 hypermarkets and in 50 supermarkets to answer customers' questions about proper eating habits and to distribute the "Balanced Nutrition" guide endorsed by the PNNS. The 2007 event will include an innovative educational campaign targeted to children, who will have the opportunity to win a board game on nutrition along with an instructional package for their schools.

For more information, visit the
"Nutrition" page of our product
Web site: www.produits-casino.fr

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

- **Providing suppliers with maximum visibility** concerning our organisation as well as changes in economic and market conditions and the constraints we face as a result. For this purpose, we provide access to targeted informational tools such as our central purchasing agency Web site, www.emc.groupe-casino.fr, and our Casino Connect portal for suppliers. Annual supplier conventions provide an additional opportunity to forge closer links with our partners by sharing with them our Group strategy.
- **Promoting a quality dialogue**, specifically with the help of services provided by our EMC Distribution central purchasing agency.
- **Supporting suppliers in their efforts to expand both in France and in the international marketplace**, with assistance from International Retail & Trade Services (IRTS) and the Partenariat France association.
- **Sharing our expertise** by organising regular meetings on specific current topics or major areas of concern such as food safety.

PROMOTING GROWTH AMONG SMALL AND MEDIUM-SIZED ENTERPRISES (SMEs)

Seventy-five percent of all Casino-brand products are produced by SMEs. To nurture growth among these critical partners, we have established a special support structure that includes:

- **A dedicated SME contact person:** Since 1998, an SME contact person assigned to our EMC Distribution central purchasing agency has been working to enhance relations between SMEs and Casino personnel on an ongoing basis. The coordinator helps SMEs gain access to the Group's markets, by meeting with non-certified SMEs to explain Casino's policies and, when appropriate, put them in contact with the relevant buyer.
- **Immersion sessions:** For several years, Casino has organised daylong immersion sessions to give its buyers an opportunity to learn more about SME operations and concerns. SMEs among our certified suppliers hosted immersion sessions for two buyers in 2006.





- **Worldwide support:** Casino provides support to SMEs looking to expand internationally in three ways:
 - through the Casino brand in France and the Netherlands or via direct certification at Laurus (Netherlands);
 - through the services of IRTS, which advises SMEs seeking to expand into the international market by helping them identify potential markets and develop a business plan;
 - through the Partenariat France network, which hosts SME employees in areas where the Group has a presence. This allows SMEs to build a list of contacts and test the market.
- **Support for local suppliers:** We have developed close ties with the Federation of SMEs in France's Rhône-Alpes region (CGPME) to provide area SMEs with greater access to the Group's markets. A pre-certification package is made available to CGPME members to facilitate their efforts. In addition, working in collaboration with the Regional Associations of the Food Processing Industry (ARIA), we launched a number of initiatives in 2006 to create stronger partnerships between stores and local suppliers. These efforts will continue during 2007.

FOSTERING GROWTH IN FAIR TRADE

Our values of local service, social responsibility and respect find strong expression in the principles of fair trade. For the past few years, our stores have been offering a number of products that are the result of fair trading practices, including several that are marketed directly

under the Casino name. For example, our Casino Bio product line includes coffee that bears the Max Havelaar label, a leading brand of products that have received fair trade certification. We are also conducting campaigns, notably to coincide with the Fair Trade Weeks event, to help our customers learn more about the issue.

WHAT IS FAIR TRADE?

The concept of fair trade first emerged in the 1960s through the work of non-governmental organisations in England and the Netherlands. Its primary goal is to help provide a basis for sustainable development among marginalised producers (such as farmers and artisans) in developing countries. For this purpose, producers are guaranteed fair compensation for their work so they can more effectively fulfil their basic needs (health, education, housing) and contribute to the development of their communities (through investment in equipment, the construction of schools and hospitals, etc.). Under the terms of the French standards association's January 2006 agreement (AFNOR AC X 50-340), which Casino helped to draft, fair trade is based on adherence to three fundamental, complementary and inseparable principles:

Principle 1: A balanced trade relationship between contracting business partners.

Principle 2: Support for associations of producers and/or workers engaged in fair trade.

Principle 3: Information and awareness-raising for consumers, customers and, more broadly, the general public regarding fair trade.



Although a growing number of consumers express their support for the values behind fair trade, actual fair trade purchases have been slow to materialise over the years, and the French market in this area is just beginning to expand. In response to rising demand, we plan to introduce several fair-trade products under the Casino brand name in 2007.

Beyond the issue of brands or labels, we believe that a long-term commitment to responsible trade requires, first and foremost, that we develop preferred partnerships with local producers.

For the past five years, our Cativen subsidiary in Venezuela has been developing a programme whose goal is to boost local agriculture and promote fair and profitable trade. Established in 2002, the Timotes distribution platform provides local farmers with direct access to Cativen's commercial markets, eliminating the need to rely on intermediaries. Through its pledge to provide fair and timely compensation, Cativen is encouraging farmers to invest in and expand their agricultural activities.



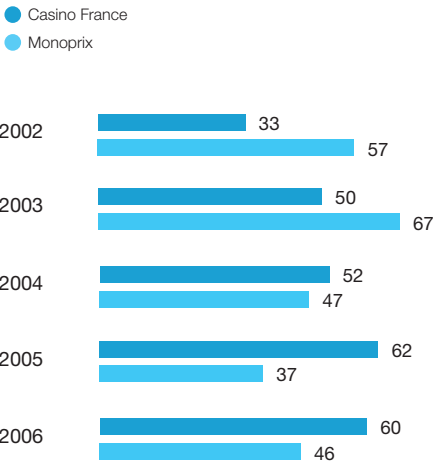
The Timotes project has led to the creation of some thirty farming cooperatives that have directly or indirectly generated more than 500 new jobs. In light of this success, Cativen opened a second platform in 2005 in the western Venezuelan city of Maturín, and is also providing support to expand coastal fishing in the Puerto Cumarebo region. In Colombia, Exito is also moving to assist small-scale local producers, who make up 85% of its suppliers. For example, Exito has invested over US\$50,000 in aid for expanded artisanal fishing on the Caribbean coast. The project is designed to foster growth in fishing communities that are especially isolated from major trade networks by providing them with guaranteed markets. Exito is also supporting efforts to develop products that offer an alternative to the illegal economy, by ensuring the purchase of these products for sale in its stores (see page 55).

HELPING LOCAL COMMUNITIES TO GROW AND DEVELOP

The Caras do Brasil ("Faces of Brazil") programme is designed to encourage members of disadvantaged communities to remain in the villages where they were raised by offering a commercial outlet for the crafts they produce. Since the project was launched in 2002, over 170,000 products have been purchased from 72 local producers throughout Brazil, providing income totalling over €500,000 to approximately 12,500 Brazilians.



Total number of social audits of suppliers





SOCIAL AND ETHICAL AFFAIRS: MONITORING CONDITIONS WHERE OUR PRODUCTS ARE MADE

Since 2000, Casino's central purchasing agency has adopted an array of measures designed to promote and monitor respect for human rights in the workplace among its suppliers in emerging countries.

SOCIAL COMPLIANCE AUDITS

The specially trained auditors who conduct our social compliance audits gather evidence and data for the purpose of assessing the quality of each entity's social conditions. In their performance of this task, the social auditors appointed by EMC Distribution are guided by internationally recognised principles contained in the Universal Declaration of Human Rights, the UNICEF Convention on

the Rights of the Child, the conventions and recommendations of the International Labour Organization, social regulations in force in each country and the minimum criteria defined in the code of ethics.

A MIXED RECORD

In each country worldwide, the quality of factory working conditions depends primarily on national or local laws governing workplace conditions and proper monitoring of compliance with those laws. When official labour inspections are inadequate or non-existent, factories will tend to favour market considerations alone, and private social auditors can do no more than record instances of non-compliance. As in 2005, China and Bangladesh are the principal sources of our direct imports. Consequently, the audits conducted in 2006 focused primarily on these two countries and revealed several facets of each one.

China: Moving in opposite and increasingly irreconcilable directions

In order to capture new customers, Chinese suppliers must maintain a competitive price structure while meeting higher wage demands among workers in the most economically dynamic regions of the country; at the same time, increased production is having a negative impact on the environment. China is introducing numerous initiatives to encourage corporate social responsibility, but the "world's workshop" has been slow to address the problems raised by the mingong, the migrant workers from China's rural areas who are driving the country's economic miracle but continue to be deprived of basic rights. Although there is evidence to suggest that China is making progress overall, social audits reveal that this progress is still far from apparent in the country's factories. Freedom of association remains illegal, the typical workweek far exceeds the mandatory limit of 40 hours per week plus 36 hours of monthly overtime, compensation still falls below the legal minimum (particularly with regard to overtime pay) and plant safety is all too often considered a luxury.

Breakdown of Casino's social audits by country (2006)

	China	Bangladesh	Thailand	Pakistan	Tunisia	Morocco	Total
Initial	28	11	4	1	1	1	46
Follow-up	11	3	0	0	0	0	14
Total	39	14	4	1	1	1	60

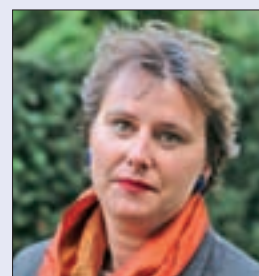


Bangladesh: An eventful year

Bangladesh was marked by violence in 2006, including mass protests (hartal), factory fires, roadblocks, attacks on individuals and production shutdowns as a result of power cuts and factory sit-ins. From an economic standpoint, the country's low minimum wage has been the primary factor behind these expressions of public anger. This environment has frequently hampered social auditors in performing their investigations. Their reports indicate that the progress which was evident in 2005 has largely been halted, notably with regard to workplace hygiene, health and safety. Concerns remain about violations of provisions governing work hours (the workweek is legally capped at 60 hours, including a standard 48-hour week) and poor compensation.

EXPANDED COOPERATION WITH AMNESTY INTERNATIONAL

In 2006 the Casino Group was seeking to expand its collaboration with Amnesty International to bring about further progress in the realm of social and ethical issues. Acting on a mutual desire to lend greater visibility to these joint efforts, the two partners organised a series of events, such as campaigns to raise buyers' awareness of human rights issues and celebrations to mark the anniversary of the signing of the Universal Declaration of Human Rights, the latter held in shopping centres accompanying Casino Géant stores. At Amnesty's request, our Group took part in the first Global Economic and Social Forum for a Responsible Globalisation, held in Lyon on 26 October 2006. Casino also agreed to serve as a founding member of Businesses for Human Rights (EDH), an initiative by a group of francophone companies inspired by BLIHR (Business Leaders Initiative on Human Rights). Additionally, we have continued our reflections on the "Draft norms on the responsibilities of transnational corporations and other business enterprises with regard to human rights" proposed by the United Nations.



**PRESIDENT, AMNESTY
INTERNATIONAL FRANCE**
Geneviève Sevrin

"Amnesty International has been working with the business community for many years. Our organisation believes that corporations, and transnational corporations in particular, by virtue of their activities and geographical presence, can drive social and economic growth. At the same time, however, we find that certain business activities can have extremely deleterious consequences for human rights.

For us, it became quite apparent that simply denouncing abuses was not enough — that we had to work with companies so that together, as with other entities which have an impact on human rights, we could protect, respect and promote these rights.

Our task, then, is to make a joint commitment to moving forward and developing principles that can govern a mutual partnership. And to encourage a sense of corporate social responsibility, we recommend an approach that combines both regulatory action (in accordance with United Nations norms) and voluntary action on the part of businesses as they develop strategies (for educating their buyers, for example) and resources. This is what makes the work we do with Casino so rewarding, to ensure that human rights are a universal reality for everyone, as part of a respect for each person's values."

WHAT AMNESTY INTERNATIONAL EXPECTS FROM BUSINESSES

That companies will:

- show respect for the full range of human rights in their business dealings
- exercise their influence on behalf of human rights
- be held responsible for their direct or indirect complicity in any violation of human rights
- adopt policies and practices that formally acknowledge the issue of human rights
- incorporate a concern for human rights into their investment strategy



Three new agreements were signed in 2006.

CONTRIBUTING TO SOCIAL COHESION AND ECONOMIC DEVELOPMENT IN DISADVANTAGED AREAS

Young people from immigrant backgrounds face significant obstacles in their efforts to enter the job market, either as a direct hire or through a combined work/study programme or even as a trainee. In addition, various studies have shown that foreign-born employees or those from immigrant families, and women in particular, often find it difficult to obtain training, skills and responsibilities during their professional careers. In light of these findings, for over a decade we have been actively asserting our policy for urban affairs and solidarity through concrete steps to combat discrimination and promote social cohesion. Notably, as part of a partnership agreement signed with the Ministry of Urban Affairs, we have been taking steps in recent years to boost economic growth in the disadvantaged neighbourhoods that we serve and expand employment opportunities for local residents.

In addition, since 2002 we have been partners to the European Union's EQUAL projects, LUCIDITE and AVERROES, aimed at finding new solutions for eliminating discrimination and inequities in the labour market. Labour representatives are playing an active role in these projects and in all of the campaigns currently underway within the Group to prevent discrimination.

Our commitment to this goal is reflected in three new agreements that were signed in 2006:

- A framework agreement on promoting equal opportunity and diversity and eliminating discrimination was signed in February 2006 with the Department of Population and Migration (DPM) within the Ministry for Employment, Social Cohesion and Housing and the National Agency for Social Cohesion and Equal Opportunity (ACSE). This three-year agreement provides support for Group-wide dissemination of a comprehensive anti-discrimination plan that covers everything from hiring to career management.
- A new agreement with France's national employment agency, the ANPE, was signed in May 2006 for a three-year period,

reinforcing existing regional accords aimed at assisting job-seekers on a country-wide level. Under the agreement, Casino agrees in particular to use the "recruitment by simulation" method for selecting candidates on the basis of their skills rather than their experience or university degrees, as a means of promoting a wide range of backgrounds within the Group's workforce.

- An agreement was signed in June 2006 with the National Council of Local Missions (CNML) to provide young people with greater access to employment opportunities within the Group. Specifically, the agreement calls on Casino to offer more information about our industry and operations and to provide for the creation of a sponsorship network designed to benefit young jobseekers.

In addition, a new agreement with the Ministry of Social Cohesion and Parity is currently being drafted and will be signed in 2007.

To learn more, visit the "Urban policy and equal opportunities" page of our Web site: www.groupe-casino.fr



TALENTS DES CITÉS: SUPPORTING ENTREPRENEURSHIP IN PRIORITY NEIGHBOURHOODS

Casino has been a sponsor of the Talents des Cités competition since its inception in 2002. Jointly organised by the French Senate and the Ministry for Employment, Social Cohesion and Housing, Talents des Cités is designed to encourage economic initiative and bestow recognition on examples of entrepreneurial drive in disadvantaged neighbourhoods. Some 40 prizewinners are named each year. In 2006 Casino announced its sponsorship of Mustafa Seghioeur, the young founder of a firm in Dijon's Chênôve neighbourhood that conducts nutritional assessments, consulting and training.

OBJECTIVES OF THE 2006 FRAMEWORK AGREEMENT BETWEEN THE CASINO GROUP, THE DPM AND THE ACSE

- 1/ Coordinate the development of a plan for:
 - training managers in methods of preventing discrimination and managing diversity within the company, so as to guarantee equal treatment of applicants seeking employment;
 - training employee representatives, thereby continuing the joint trade union actions undertaken as part of the EQUAL LUCIDITE and AVERROES projects.
- 2/ Disseminate resources generated from the EQUAL programmes throughout the company.
- 3/ Expand employment opportunities for recent high-school graduates from immigrant backgrounds.
- 4/ Promote access to company internships for students.
- 5/ Inform the workforce and employee representatives of actions taken to prevent discrimination.
- 6/ Define and deploy indicators for measuring progress.

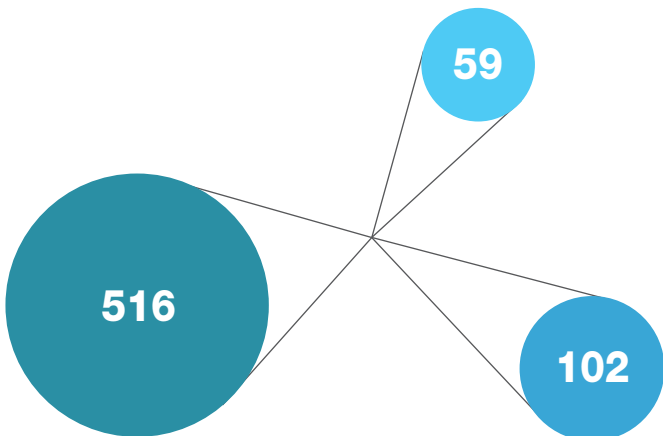
A COMMUNITY- MINDED BUSINESS

Our long tradition of humanitarian initiatives and philanthropy is visible at the local, national and international level. Each year our stores take part in numerous local community activities on behalf of disadvantaged groups. At the national level, we provide support for the work of several humanitarian organisations, including the SAMU Social emergency aid service, the Red Cross, Restaurants du Cœur, the Food Bank and France's national Telethon. Internationally, our programme of aid for disadvantaged children is managed through our *Écoles du Soleil* association, the recipient of an annual grant that is distributed among foundations operated by our subsidiaries in Colombia (Exito Foundation), Venezuela (Cativen Foundation) and Thailand (Big C Foundation) and a partner association in France. We also fund activities carried out by the Little Bamboo Foundation in the Philippines.

To learn more, visit the "Corporate sponsorship" page of our Web site: www.groupe-casino.fr
For more information on activities at our international subsidiaries, see pages 50-59.

In 2006

- Number of apprentices born outside France or from disadvantaged neighbourhoods
- Number of newly-hired managers or supervisors born outside France or from disadvantaged neighbourhoods
- Number of interns from sensitive urban areas and/or non-visible minorities hosted as part of the "Objectif Stages" programme: includes 80 disabled persons





COLOMBIA: FEEDING MINDS AND BODIES

For several years, the Exito Foundation has been financing programmes that provide food and nutritional education to children from disadvantaged backgrounds. The budget for these programmes totalled US\$9 million in 2006. Among its many initiatives, Exito provides funding for dining halls that provide meals to 3,163 children and lends operational support to 25 food banks nationwide. In addition, it presents an annual award to individuals and organisations that are working to provide proper nutrition for mothers and their children.

BRAZIL: ENCOURAGING TRAINING AND EMPLOYMENT OPPORTUNITIES FOR YOUNG PEOPLE

Over the past eight years, the Pão de Açúcar Institute for Human Development has instituted numerous programmes to provide educational and employment opportunities for children and teenagers aged 7 to 18. Over 63,000 youths have taken part in the Institute's activities since its founding. Instructional programmes are adapted to each age bracket and include a wide range of activities: language study, computer technology, sports, music and training for vocational opportunities. These courses are offered at training centres known as "Casas", located near Group stores in the states of São Paulo, Rio de Janeiro and Ceará. The Institute is working in partnership with government and social service organisations to expand its programmes to the rest of the country.



URUGUAY: PROVIDING CHILDREN WITH WINGS

In Uruguay, our Disco subsidiary is a major supporter of the Niños con Alas ("Kids with Wings") Foundation. The campaign originated in efforts to combat segregation at five public schools, all located in impoverished sections of Montevideo. Today, 2,500 children receive an education, meals, books and computers in a peaceful and animated environment.



THAILAND: SUPPORTING FLOOD VICTIMS

Two years after the tsunami that ravaged Thailand's coastline in December 2004, the country was once again hit with severe flooding in the fall of 2006. The Big C Foundation lent its support to flood victims by donating food and other basic goods valued at 500,000 baht (approximately €10,500). Donation collection centres were set up in Big C stores to allow customers to show their solidarity. In November 2006 the Foundation presented Thailand's Prime Minister, Surayud Chulanont, with a cheque in the amount of 1 million baht (€21,000) in aid for the flood victims.



ROADMAP

2007-2008

Principal objectives	Target date
PRODUCT QUALITY AND SAFETY	
Obtain the participation of 98% of own-brand suppliers	2007
CUSTOMER SATISFACTION	
Develop a new tool for processing customer comments in order to improve the Consumer Information Centre's handling of service issues	2007-2008
Repeat the Consumer Information Centre satisfaction survey every two years to identify changes in the quality of service provided	2008
NUTRITION	
Continue to reduce sugar, salt and fat content in our Casino-brand products	2007
SUPPLIER RELATIONS	
Pursue business transactions with local suppliers	2007-2008
SOCIAL AND ETHICAL AFFAIRS	
Continue to perform social audits at a rate of 60 to 70 per year	2007
URBAN POLICY	
Sign a new agreement with the Ministry of Urban Affairs	2007

SUSTAINABLE DEVELOPMENT

at our subsidiaries

France

The Netherlands

Argentina

Brazil

Colombia

Uruguay

Venezuela

Thailand

Vietnam

Our sustainable development policy is adapted to meet local needs and challenges in each of the countries where we operate. Every Casino Group subsidiary is moving forward with sustainable development activities that respond to the concerns of local stakeholders, consistent with the Group's commitments. In the following pages we present some examples of recent activities carried out by our principal subsidiaries.

France

As the birthplace of the Casino Group, France accounts for 73% of its consolidated revenue and 38% of the Group's workforce. Activities in France extend across a full range of store formats, from hypermarkets to neighbourhood convenience stores, through its Casino Géant, Casino Supermarket, Monoprix, Franprix, Leader Price, Spar, Vival, Petit Casino and Casino Cafétéria banners. EMC Distribution, the Group's central purchasing agency, handles procurement for the principal banners. Distribution to each store is the responsibility of Easydis, a dedicated logistics and transport subsidiary.

Key figures

Area: 552,000 sq. km
Population: 63,000,000
GDP per capita: 30,093 international dollars⁽¹⁾

THE CASINO GROUP IN FRANCE

Date established: 1898

7,962 stores:

- 128 Casino Géant hypermarkets
- 367 Casino supermarkets
- 5,667 convenience stores
- 637 Franprix stores
- 471 Leader Price stores
- 310 Monoprix stores
- 267 Casino cafeterias and R2C restaurants

Net revenue, 2006:

€17,599 million
(78% of Group revenue)

Employees, 2006:

74,851 FTE (full-time equivalent),
38% of the Group's workforce

Web sites:

www.groupe-casino.fr
www.produits-casino.fr
www.geant.fr
www.supercasino.fr
www.casino-proximite.fr
www.leader-price-int.com
www.franprix.fr
www.monoprix.fr
www.casino-cafeteria.fr
www.r2c-restaurant.fr
www.saveurs-devenements.com

EXAMPLES OF SUSTAINABLE DEVELOPMENT ACTIVITIES IN 2006

Gaël: A model warehouse

The new Easydis warehouse that opened in late 2006 in Gaël, near the city of Rennes in Brittany, is a showcase of best practices in Sustainable Development. The facility was built on a site that lies equidistant from each of the stores it serves, so as to reduce delivery times and distances travelled and thereby limit greenhouse-gas emissions. Boasting full WiFi coverage, the warehouse relies entirely on virtual data exchange and storage: there's no paper or ink, but response times and service quality are enhanced. Thanks to cold rooms that have three temperature zones, a variety of fresh products can be stored at optimal temperature to preserve their flavour more effectively. The building's architecture incorporates numerous advances in environmental technology: solar panels for heating hot water, rainwater collection tanks, integration into the landscape. Surrounded by 6.5 hectares of green space, the site is completely invisible to the onlooker. The recruitment process was the subject of considerable attention as well, with priority given to local residents (of whom 240 were hired) and a wide range of employee backgrounds through use of the skills-based hiring methodology established in cooperation with France's national employment agency,

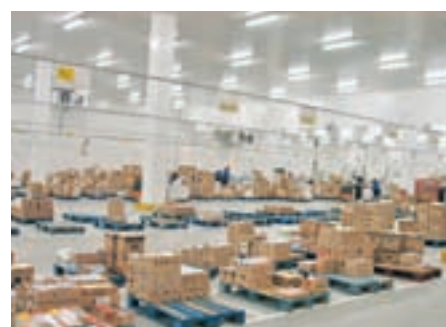
the ANPE. With women filling 36% of the positions that are typically held overwhelmingly by men, the site represents an excellent example of gender equality as well! Finally, employee health and safety have also been the subject of careful study at the site, which includes traffic patterns designed to eliminate the risk of a collision between pedestrians and vehicles.

Supermarkets: "Getting to the heart of our customers"

During 2006, all Casino supermarket employees had the opportunity to take part in a training programme entitled "Getting to the Heart of Our Customers", designed to focus employee attention on store customers. This highly participatory training activity used role-playing exercises to motivate participants to evaluate their own actions more closely and identify those "little extras" that would improve the quality of customer service.

To learn more about activities underway at our divisions in France, visit our Web site: www.groupe-casino.fr where a special descriptive brochure will be available in the near future.

(1) The international dollar is the monetary unit used to define the purchasing power of a given currency. Figures expressed in international dollars are calculated on the basis of purchasing power parity (PPP) exchange rates, which are intended to reflect differences in price levels from one country to another.



The Netherlands

Our Laurus subsidiary is firmly established in the Dutch food retailing sector, notably through its Super de Boer stores. Including both company-owned and franchised outlets, the banner offers a wide assortment of products to urban and rural customers, with a special focus on fresh foods.

Key figures

Area: 41,530 sq. km
Population: 16,300,000
GDP per capita: 31,143
international dollars

THE CASINO GROUP IN THE NETHERLANDS

Date established: 2002

380 stores:

357 Super de Boer stores
 2 Konmar stores
 21 Edah stores

Net revenue, 2006:
€3,215 million

Employees, 2006:
4,545 FTE (full-time equivalent),
3% of the Group's workforce

Web site:
www.laurus.nl

EXAMPLES OF SUSTAINABLE DEVELOPMENT ACTIVITIES IN 2006

Compostable corn-based packaging

Since late 2005, Super de Boer stores have been using packaging made entirely from corn for about forty different fruits and vegetables. Known as "Natuur Plastic", the packaging is CO₂-neutral (in other words, it generates no CO₂ emissions at any point in its lifecycle) and requires 68% less fossil-fuel energy than traditional plastic packaging. After use, the packaging can be composted or incinerated. The CO₂ emissions generated from incinerating the packaging are offset by the quantity of CO₂ that is absorbed in growing the corn.

Healthy, ecofriendly products

Laurus has been taking steps over several years to improve the environmental quality and health benefits of its products. For example, the company has been working with Greenpeace to verify through regular inspection that each of its own-brand products is GMO-free. In addition, all stores have discontinued sales of eggs from caged hens. Customers are treated to an extensive selection of organic fruits and vegetables, and a line of organic meats is also undergoing rapid development. All Super de Boer stores sell bananas that are certified by the Rainforest Alliance, indicating they were cultivated using sustainable farming methods; the banner's entire range of own-brand coffees is currently awaiting certification by the Rainforest Alliance as well.



Argentina

Casino has been present in Argentina since 1998 through its acquisition of Libertad, a banner primarily located in mid-sized cities that is highly popular with the Argentine public. We subsequently opened a number of Leader Price stores in Greater Buenos Aires.

Key figures

Area: 2,766,890 sq. km
Population: 38,700,000
GDP per capita: 13,331 international dollars

THE CASINO GROUP IN ARGENTINA

Date established: 1998

62 stores:

13 Libertad stores

25 Leader Price stores

24 other stores (Hiper Casa, Apetito)

Net revenue, 2006:

€252 million

Employees, 2006:

3,444 representing 2% of the Group's workforce

EXAMPLES OF SUSTAINABLE DEVELOPMENT ACTIVITIES IN 2006

Helping children learn about our workplace

"My father works here, sir." That's a phrase commonly heard in Libertad stores. In order to make the workplace more accessible to employees' offspring, the banner regularly sets aside days for children to accompany their employee-parents. These visits provide an important educational experience, since there is no true substitute for parents instructing their children, especially in order to teach them useful and practical information. As a result, each visit to a hypermarket becomes doubly interesting for the child. The instructional format we have created, which uses the day-to-day experiences of parents as its starting point, begins with a conceptual description of our operations that is adapted to a child's understanding. The children then get to play an active role in discovering this new environment. This twofold approach is designed to enhance their methods of interacting with the world around them and help them learn about human activity in the process. In 2006, 3,300 children from across Argentina and ranging widely in age took part in the programme. Specially trained employees supervise these young people as they learn about our jobs. In this way Libertad hopes to be an active participant in educating its employees' children. And the process works both ways: children help us to learn as well, by strengthening the company's direct links with our community.

Providing more opportunities for disabled workers

For the past several years, Libertad has maintained an active policy of hiring disabled workers. Close ties have been established in each region with organisations that work to provide vocational opportunities for the disabled. This commitment yields benefits for the entire company, by enhancing team spirit, communication, flexibility and mutual understanding while improving the quality of customer service. Libertad currently employs over 40 people with physical or mental disabilities, working in a wide variety of positions ranging from bakery products and fast food to billing, customer service and accounting.



Brazil

As a long-time presence in Brazil's retail market, **Compagnie Brésilienne de Distribution (CBD)** is indisputably a household name among Brazilians with its Extra hypermarkets, the Pão de Açúcar and CompreBem supermarket chains, Sendas convenience stores, Extra and Eletro, an appliance retailer.

Key figures

Area: 8,512,000 sq. km
Population: 184,000,000
GDP per capita: 8,140 international dollars

THE CASINO GROUP IN BRAZIL

Date established: 1999

551 stores:

- 84 Extra stores
- 165 Pão de Açúcar stores
- 62 Sendas stores
- 186 Comprebem stores
- 50 Eletro stores

Net revenue, 2006:

€1,737 million

Employees, 2006:

63,607 representing 32% of the Group's workforce

Web sites:

www.cbd-ri.com.br
paodeacucar.com.br
www.extra.com.br
sendas.com.br
comprebem.com

EXAMPLES OF SUSTAINABLE DEVELOPMENT ACTIVITIES IN 2006

A company fully mobilised on behalf of Sustainable Development

The Pão de Açúcar Group has fully incorporated the principles of Sustainable Development into its growth strategy. A signatory of the United Nations Global Compact since 2001, its aim is to be viewed as a model of corporate social responsibility and an exemplary contributor to local economic growth. In addition to the Global Compact, Pão de Açúcar is active in several country-wide initiatives in Brazil, such as the National Movement for Citizenship and Solidarity, a collection of businesses focused on meeting the Millennium Development Goals (www.un.org/millenniumgoals). Campaigns to raise awareness of the issues involved are organised on a regular basis both internally and externally. A community service programme also encourages employees to take part in voluntary activities to benefit their local community.



Shaping responsible consumers

Pão de Açúcar has implemented a programme for children aged four to twelve designed to teach them to be critical and responsible citizen-consumers by learning more about the operation of supermarkets and hypermarkets.

Making stores accessible to the disabled

A number of steps have been taken to ensure that Pão de Açúcar stores are accessible to customers with specific needs. In addition to providing specially adapted equipment, stores train their personnel to provide the best possible welcome for their disabled customers.

Encouraging efforts to recycle waste packaging

The Group's stores provide customers with access to several recycling stations. To encourage customers to recycle their waste packaging, 34 Extra stores have created a loyalty points system: each time they return plastic packaging or aluminium cans for recycling, customers receive coupons for store discounts. During the four years of the programme's existence, more than 60 million packing containers have been recycled and kept out of landfills. Pão de Açúcar stores are also testing the use of a biodegradable shopping bag as part of a pilot project that is currently being extended to other banners in the country. Reusable bags are available to customers as well, with a portion of the proceeds going to the Fondation SOS Mata Atlântica, an environmental NGO.

Colombia

Our Exito subsidiary is the top retailer in Colombia, with a multi-format offering and a presence in 32 cities that places it in a privileged position in the country's food retail market.

Key figures

Area: 1,140,000 sq. km
Population: 43,000,000
GDP per capita: 7,319 international dollars

THE CASINO GROUP IN COLOMBIA

Date established: 1999

111 stores:

- 47 Exito stores
- 58 Ley, Pomona and other stores
- 6 Q'precios stores

Net revenue, 2006:
€1,410 million

Employees, 2006:
13,845 representing 7% of the Group's workforce

Web sites:

exitocom.co
ley.com.co
pomona.com.co
virtualexito.com

EXAMPLES OF SUSTAINABLE DEVELOPMENT ACTIVITIES IN 2006

Helping employees acquire a home

Anxious to improve the welfare of its employees and their families, Exito has developed a programme to make it easier for its workers to become homeowners. The "Mi casa" (My house) programme was introduced in late 2004, when Exito created a social fund to finance measures benefiting its employees. The fund offers each employee an attractive financing solution tailored to his or her financial resources and family needs. Sixty percent of Exito employees now own their own homes as a result of the programme.

Recycling: A win-win solution

The Exito Foundation has implemented a waste recycling programme in each of its divisions. A total of over 6,000 metric tons of materials was recovered between January and August 2006, in a campaign that prevented 83,735 trees from being cut down and saved 185 million litres of water. The project has also been instrumental in streamlining internal procedures, yielding savings in 2006 of US\$400,000—a sum that was then reinvested in nutritional and educational projects for disadvantaged children.

Supporting a move towards alternative crops

The task of eradicating illegal crops poses a critical challenge in Colombia. To help communities in affected regions earn a living from legal crops, Exito is funding the development of alternative sources of income. For example, the Group is providing a market for yoghurts produced by the Asociación de Ganaderos Ecológicos del Guaviare, an association of 150 "eco-friendly livestock" breeders in

Guaviare that was founded in 1997 to help stamp out illegal crops. Over 4,300 yoghurt products were sold in 2006 in the Group's Exito, Pomona and Ley stores. Exito is also selling fruits and vegetables produced by cooperatives of small-scale farmers in various regions of the country. Over 2,300 metric tons of produce were purchased in 2006, valued at nearly US\$1 million.

Helping disadvantaged children celebrate Christmas

For the third consecutive year, our Colombian subsidiary Exito organised a campaign to provide Christmas gifts to children from impoverished communities. The Navidad Regala Sonrisas ("Give a Smile for Christmas") holiday gift drive enabled the collection of over 250,000 toys.



Uruguay

The Disco Group has been recognised for years as Uruguay's leading mass retailer, with three banners that are familiar to every shopper in the country: Disco, Devoto and Géant. Drawing on the Casino Group's experience and expertise, the Disco Group opened Uruguay's first (and to this day only) hypermarket in 1999, an 11,000-sq.m Géant store.

Key figures

Area: 176,200 sq. km
Population: 3,500,000
GDP per capita: 9,630 international dollars

THE CASINO GROUP IN URUGUAY

Date established: 1998

48 stores:

1 Géant store
25 Disco stores
22 Devoto stores

Revenue, 2006:

€176 million (5% of Group revenue)

Employees, 2006:

5,543 representing 3% of the Group's workforce

Web site:

geant.com.uy

EXAMPLES OF SUSTAINABLE DEVELOPMENT ACTIVITIES IN 2006

A hypermarket on the cutting edge of quality

Our Géant hypermarket in Uruguay was the first anywhere in the world to receive certification for its "system of quality management in the production and sale of perishable goods and industrial fresh food products". Since 2002 it has symbolised the Disco Group's goal of becoming a standard-bearer in the area of Sustainable Development. With recertification inspections every three years and annual follow-up audits, the store has amply demonstrated that it can consistently maintain the standards required for certification. As a result, LATU Systems⁽¹⁾ (Technological Laboratory of Uruguay) —the country's most important certification body, a partner to Austria's ÖQS⁽²⁾ and a member of IQNET⁽³⁾— has once again certified that Uruguay's Géant store meets the ISO 9001 standard (2000 version). To ensure continued success, LATU Systems has provided training in quality management to 130 of our employees, enabling procedures for handling perishable food products to be analysed and streamlined.

Food safety: an absolute priority

A campaign to promote greater awareness of food safety issues has been undertaken in every Disco Group store. Onsite posters along with articles in the Group's internal newsletter are helping employees to learn more about standards and best practices. Special training has been provided to the 1,390 staff members who work directly with perishable goods. The topic of food safety has also been incorporated into the orientation programme for newly hired staff.

The next step has been to train workgroups responsible for improving food safety procedures and establishing a continuous improvement system based on self-diagnostic analyses and corrective action. Fourteen of these food safety taskforces were appointed in 2006. In the final stage of the project, quality audits will be set up for tracking progress in each business unit on a regular basis.

Providing support to local communities

Disco provides substantial financial support to a range of charitable associations and community development programmes. For example, it helps to fund Uruguay's Centres for Child and Family Support (Centros de Atención a la Infancia y a la Familia), which offer educational opportunities and social services (notably regarding nutrition and health) to over 10,000 disadvantaged children and their families. The Group has also provided backing for the construction of a fire station and child nutrition centre in an especially crime-ridden district of Montevideo and for the tomography centre at a local children's hospital.

(1) Uruguayan certification body.
(2) Austrian certification body.
(3) International Certification Network.



Venezuela

Our Cativen subsidiary is the leading player in Venezuela's supermarket industry. By acquiring a majority share in Cativen, we have been able to pass on our expertise in multi-format retail networks and develop new outlets. As a result, six Exito hypermarkets and 19 Q'Precios discount stores have been added to the country's 40 existing Cada supermarkets.

Key figures

Area: 912,050 sq. km
Population: 26,000,000
GDP per capita: 6,104 international dollars

THE CASINO GROUP IN VENEZUELA

Date established: 2000

65 stores:

6 Exito stores
40 Cada stores
19 Q'Precios stores

Net revenue, 2006:
€473 million

Employees, 2006:
5,385 representing 3% of the Group's workforce

Web sites:

www.cativen.com
www.cada.com.ve
www.hipermercadoexito.com.ve

EXAMPLES OF SUSTAINABLE DEVELOPMENT ACTIVITIES IN 2006

A very active foundation

Our Niños del Sol (Children of the Sun) Foundation was created with the aim of fostering social integration among the most disadvantaged children in Venezuelan society by helping to provide them with educational opportunities. Among its many activities and partnerships:

- The School of Hope, located in the Baruta district of Caracas, has been a pioneering project for the Foundation, providing meals to 240 disadvantaged students at the centre plus an additional 100 children who do not attend school but receive a lunch there.
- The Foundation also helps to fund the Luisa Cáceres de Arismendi kindergarten, located in the Baruta district, by supplying the ingredients for a breakfast and afternoon snack for 61 children aged 3 to 5 and by financing the cost of two teachers and a cook.
- The Petare project, launched in 2004 with help from the Light and Life Foundation, has proven a highly rewarding experience thanks to the stability and knowledge of our partners. We helped to create 24 remedial classrooms for 900 children in the parish of Petare, subsidised the cost of 10 teachers, supplied the ingredients for 250 breakfasts, provided teaching materials and cooking utensils and assisted with psychological and nutritional evaluations of each child, among other projects.
- The Congregation of La Madre de San José, located in Maracay in the state of Aragua, is a charitable association that aids mothers with small daughters who face extreme poverty. The project has provided support for 50 young girls aged 7 to 14.

Training for everyone

Cativen offers its employees a variety of opportunities for career development. Since 2005, Cativen's vocational institute has added training in seafood to its bakery and meat programmes. Six students have taken courses in this new field and will provide training in turn to our staff. Cativen's school for Leaders in Action, Escala, has administered training to 787 supervisory employees in time management, leadership, service quality and management techniques, designed to give participants the tools for driving organisational change. In addition, the Emeritus programme targets the company's top talents, with a curriculum that extends across traditional and innovative fields, from sporting and technical subjects to artistic expression. The goal? To help employees adapt to the demands of a market that is constantly changing. Emeritus is the culmination of a long-term cooperative effort between Cativen and the Instituto Gerencial de Estudios Avanzados (Institute of Advanced Management Studies). The year-long training programme offers participants the opportunity to advance to supervisory, managerial and executive positions with the company.



Thailand

Our Big C subsidiary—Thailand's second-largest food retailer—offers an appealing mix of quality food and non-food products at a widely affordable price.

Key figures

Area: 514,820 sq. km
Population: 64,200,000
GDP per capita: 8,373
international dollars

THE CASINO GROUP IN THAILAND

Date established: 1999

55 stores:

49 Big C stores

6 Leader Price stores

Net revenue, 2006:

€1,271 million

Employees, 2006:

13,836 representing 5%
of the Group's workforce

Web site:

www.bigc.co.th

EXAMPLES OF SUSTAINABLE DEVELOPMENT ACTIVITIES IN 2006

Schooling on the job

Big C's "Schooling on the job" programme, an innovative form of continuous education launched in 2003, offers free courses to employees as well as access to classrooms and instructors. Some 2,550 staff members have already received primary, secondary and higher education while maintaining their professional careers thanks to support with time management. The project is being conducted in close partnership with various governmental and educational institutions. When Big C decided to expand the scope of the initiative to include a two-year university degree programme, over 130 employees signed up for the first-year curriculum, offered jointly with Sukhothai Thammathirat Open University.

This opportunity is available to all Big C employees, including newly hired staff. The policy provides obvious benefits not just to employees but also to the company, which gains a more highly skilled workforce. It also helps to enhance a sense of corporate loyalty.

Preparing students for their future careers

Big C's civic-mindedness extends to students as well, with the goal of helping to develop and train a qualified labour force that can sustain Thailand's strong economic growth. Since 2000, the company has been operating a Dual Vocational Training programme in collaboration with Thailand's Commission for Vocational Education.

The programme is a cooperative effort with vocational institutions to help trainees and instructors develop skills that match

the company's needs. Since the programme was started, over 600 teachers have taken part in workshops held at Big C locations designed to given them a better understanding of the nuts and bolts of mass retailing. Big C also sends delegates to seminars hosted by the Commission for Vocational Education, where they offer a detailed perspective on problems specific to the industry.

An award-winning commitment to workplace health and safety

At Big C, the health and safety of its employees are an absolute priority. For over thirteen years, working in cooperation with Thailand's Department of Labour Protection and Welfare, the company has maintained a workplace risk prevention programme in every one of its stores. The array of national awards bestowed on company stores since 2003 is testament to a remarkable performance in ensuring employee health and safety on the job, as determined by the Department's stringent criteria. For example, in order to receive recognition a store must have recorded zero serious accidents or accidents resulting in a disability during the year in question, and its rate of absenteeism from workplace accidents must be below 2%. Fourteen stores were honoured with this award in 2006, compared with 11 in 2005. Of these 14 stores, five received the National Award of Excellence in workplace health and safety in 2006, conferred on stores that receive a score of over 90 out of 100.



Vietnam

Our Vindémia subsidiary was the first retailer in Vietnam to open a French-style hypermarket, constructed in Dong Nai in 1998. In 2001 the Group chose Ho Chi Minh City as the site of two more hypermarkets of similar size. Now operating under the Big C banner, which was already used by the Casino Group's Thai subsidiary, the Vietnamese hypermarkets boast a very positive reputation among their customers.

Key figures

Area: 331,041 sq. km
Population: 84,200,000
GDP per capita: 3,298 international dollars

THE CASINO GROUP IN VIETNAM

Date established: 1998

5 Big C stores

Net revenue, 2006:
€39 million

Employees, 2006:
1,028 representing 0.3% of the Group's workforce

EXAMPLES OF SUSTAINABLE DEVELOPMENT ACTIVITIES IN 2006

Encouraging career development among Vietnamese managers

Big C Vietnam employs over 100 Vietnamese managers, all of whom speak French and hold a university degree. They enjoy the company because it gives them the opportunity to speak the language in which they were trained—a major aspect of life at the subsidiary, which has not lagged behind when it comes to employee instruction. Classes to help employees maintain their French skills have been offered for several years. And a number of French expatriates have been quick to volunteer their services, providing instruction in both grammar and analysis of financial documents. They also provide information on hypermarket management, including calculating margins, handling losses from theft and controlling costs.

In addition, about twenty managers have enrolled in MBA-level training at Vietnam's CFVG school of business. Classes are held two afternoons a week over the course of a year. The cost is borne entirely by Big C Vietnam, with an agreement in principle that the employee will remain with the company. Most impressive of all, not a single absence has been recorded to date.



2006 SUSTAINABLE DEVELOPMENT INDICATORS

INDICATORS	UNIT	FRANCE CASINO	FRANCE MONOPRIX	ARGENTINA
Energy consumption by source				
• Electricity	MWh	1,294,177	279,153	177,537
• Natural gas	MWh	141,049	23,752	19,330
• Fuel	MWh	–	28,330	–
Water consumption	cubic metres	2,452,901	271,928	–
Greenhouse-gas emissions attributable to transport of goods (between warehouses and stores)	C-equiv. metric tons	129,156	48,288	–
Sorted waste collected for recovery (for fuel or reuse)	metric tons	24,938	18,979	1,534
Quality audits on supplier production sites	number	908	–	–
Quality audits in stores	number	2,120	–	–
Total workforce at 31 December	number	49,585	18,951	3,744
Permanent contracts (annual average)	number	45,446	16,753	3,248
Limited-term contracts (annual average, excl. temporary staff)	number	5,083	1,904	496
Temporary staff (monthly average)	number	1,595	–	294
• Percentage of women managers	%	23.00	52.00	–
• Percentage of women supervisors	%	36.00	59.00	22.00
• Percentage of women employees	%	67.00	71.00	41.00
Turnover of employees with permanent contracts	%	15.48	17.00	4.00
Employees hired to permanent contracts	number	8,458	3,600	496
Employees hired to limited-term contracts	number	29,319	12,564	62
Redundancies for economic reasons	number	67	20	0
Redundancies for other reasons	number	2,053	867	–
Net increase (loss) in jobs with permanent contracts	number	– 416	671	– 293
Average workweek for part-time employees	hours	23.92	24.56	–
Average workweek for full-time employees	hours	33.90	35.00	–
Part-time employees in the total workforce	%	37.00	42.00	52.00
Total salary and wages paid during the fiscal year	thousands of €	1,004,036	354,392	24,062
Employees covered by a profit-sharing agreement	%	100.00	100.00	–
Employees covered by an incentive-bonus agreement	%	100.00	–	7.00
Disabled employees	%	9.12	3.86	0.97
Disabled employees hired during the year	number	232	124	41
Meetings with employee representatives	number	9,861	3 418	156
Work accident frequency rate in accidents per million hours worked	number	46.18	53.03	47.25
Work accident severity rate in number of days lost per thousand hours worked	number	2.30	1.30	27.60
Employees receiving safety training during the year	number	8,102	3,147	776
Average training per employee	hours	7.10	3.90	28.16
Employees promoted during the year	number	485	731	87
Internal promotion rate	%	1.10	3.90	2.70
Total payments to the works council	€	11,516,374	2,868,202	–
Total donations	€	5,299,590	–	–

This table lists the primary indicators from our various subsidiaries in 2006.

Data from previous years as well as additional indicators can be found at our Web site: www.groupe-casino.fr

COLOMBIA	VENEZUELA	URUGUAY	VIETNAM	THAILAND	UNITED STATES	BRAZIL	INDIAN OCEAN
221,740	89,368	66,558	15,467	–	176,862	1,040,000	58,536
23,986	–	6,579	1,911	–	584,626	1,870	–
96,274	–	1,841	965	–	–	4,980	–
3,192,461	217,533	150,041	94,478	4,020,000	10,125,000	2,540,000	124,723
–	–	–	47,280	–	–	6,400	16,145
11,488	–	–	–	–	–	4	–
231	123	–	–	–	23	104	–
9,900	144	–	–	2	12	5,854	–
16,873	5,734	6,218	1,194	13,834	5,765	69,804	2,904
14,711	–	5,022	432	11,784	5,765	62,298	2,169
2,162	–	152	514	2,050	0	7,506	648
–	–	0	–	1,786	–	–	–
41.00	–	0.47	9.00	50.00	16.00	–	18.00
48.00	–	2.89	44.00	59.00	17.00	–	32.00
53.00	–	48.13	60.00	52.00	38.00	–	53.00
6.00	43.00	4.00	14.00	50.00	44.00	35.00	6.00
2,409	83	729	70	5,811	2,805	–	43
5,801	146	2,553	975	21,441	–	3,474	1,406
53	–	0	48	0	2	3,715	0
362	–	143	15	4,821	2,536	19,205	55
908	– 146	298	10	122	267	24,033	–
30.00	40.70	28.93	37.19	–	24.62	28.00	25.50
48.00	44.00	44.00	48.00	46.00	37.04	42.00	36.82
48.00	66.00	24.22	61.00	–	61.90	6.27	24.00
113,871	–	–	–	39,625	126,996	232,656	81,214
0.00	100.00	–	–	–	0.25	0.30	95.00
28.00	66.00	–	–	92.00	24.96	4.40	99.00
–	–	0.51	–	0.30	–	2.84	–
12	–	0	–	18	–	180	9
21	128	26	–	0	–	210	250
3.30	7.80	48.40	6.91	–	14.76	5.75	23.60
24.28	–	1.14	0.08	–	–	0.23	0.28
320	114	1,325	354	15,496	7,824	28,532	534
131.00	–	10.30	12.80	23.10	15.50	6.00	8.60
501	243	389	228	1,202	271	6,188	770
3.40	4.20	7.80	52.70	10.20	4.70	25.00	35.50
43,161	–	–	–	–	–	337,109	410,871
3,138,657	72,831	128,258	5,769	410,515	193,894	11,810,503	–

SCOPE OF REPORTING

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

IN FRANCE

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

IN INTERNATIONAL MARKETS

- All Casino Group subsidiaries and holdings in the following countries or geographical areas: Argentina, Brazil, Colombia, Indian Ocean, Thailand, United States, Uruguay, Venezuela.
- All data for these subsidiaries are included on a 100% basis and presented on pages 60-61 of this report.

EXCLUSIONS

Because of a lack of operational control, data for franchised properties (notably Franprix/Leader Price stores) have not been included in the 2006 scope of reporting.

SIGNIFICANT CHANGES IN THE 2006 SCOPE OF REPORTING

Data for the Netherlands and Poland, which were included in 2005, were not included in the 2006 scope of reporting.

REPORTING METHODOLOGY

Procedures for collecting, calculating and consolidating Sustainable Development indicators were formalised in 2003 in a measurement and reporting protocol that was updated in 2004 and distributed in French, English and Spanish to everyone involved in the reporting process in France and in foreign subsidiaries. The environment portion of the protocol was updated in the French version in 2006.

The protocol defines:

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

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

REPORTING PERIOD

The Casino Sustainable Development Report is published once a year. The results mentioned in this report concern 2006.

The indicators are generally collected over a period extending from 1 January to 31 December of the reporting year. However, the majority of the social indicators cover the period from 1 December 2005 to 30 November 2006. To facilitate comparison and analysis of the Group's performance, historical data for at least the immediate prior year is included for most indicators.

NOTES REGARDING THE PUBLISHED DATA

With regard to the methodology used to calculate the Sustainable Development data, it should be noted that the accuracy of these data may be affected by:

- the absence of internationally accepted definitions for the following indicators: disabled employees and the number of disabled employees hired, work accident frequency rate and severity rate, average hours of training per employee, quality audits, rate of internal promotion;
- the use of estimated values for water consumption (water consumption at 23% of hypermarkets and 44% of supermarkets is estimated by applying an average consumption rate calculated on the basis of water meter statements from the other stores) and energy consumption (which was extrapolated from a sampling);
- ongoing changes in the number of sites over the course of the year, which hinders precise monitoring of a given indicator's full scope;
- the inclusion of occupational diseases when calculating the workplace accident frequency rate and severity rate, which tends to yield an overestimate for these rates.

AREAS FOR IMPROVEMENT

To further enhance the accuracy of Casino's Sustainable Development reporting protocol, a list of consolidated entities should be added as an appendix to the reporting protocol as a means of defining the general theoretical scope of non-financial reporting. In addition, as part of a process of continuous improvement, the protocol should be implemented more vigorously, specifically through the use of awareness-raising activities.

Opinion of the Internal Auditors on Casino's Sustainable Development process and reporting system and its monitoring of Sustainable Development action plans

AUDIT OBJECTIVES

The 2007 internal audit is part of an annual, ongoing effort to solidify the Casino Group's Sustainable Development Policy and ensure the reliability of its data. It was therefore designed to:

- verify the status of the action plans described in the 2005 Sustainable Development report;
- validate the reliability of the corresponding indicators and quantitative data;
- ensure that the Casino Group deploys adequate resources to guarantee the long-term viability of its Sustainable Development commitment.

SCOPE

The scope of the review extended to the following:

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

ACTIVITIES PERFORMED

A review of the 2006 Sustainable Development Report's action plans and indicators and its general consistency was performed:

- The Group's Internal Audit department measured the extent to which the 75 objectives for 2006 contained in the 2005 Sustainable Development Report had been fulfilled and provided its assessment of the relevant level of internal auditing performed. Forty-three action plans culminated in a publication at the Group's corporate Web site.
- In addition, an analytical review was conducted by means of a consistency audit of the indicators provided by the international subsidiaries.

CONCLUSIONS

2006 ACCOMPLISHMENTS

Based on our examination of the explanations and supporting evidence that were provided, we have verified the existence and materiality of the action plans reported to have been performed in this report and at the Group's corporate Web site. For 26 action plans, we requested a change in formulation and/or recommended additional work.

INTERNATIONAL INDICATORS

With regard to the indicators submitted by the international subsidiaries and presented in the report, the reporting protocol was used by all of the Group's international subsidiaries. Nonetheless, given variations in local conditions, no systematic guarantee can be offered regarding the uniformity of the data. The level of recovery for the requested indicators as a whole was 63%; for the indicators published in the 2006 Sustainable Development Report, this figure was 72.5%.

ORGANISATION

The general organisation of the Sustainable Development process did not change significantly within the Group in 2006. The long-term viability of the Sustainable Development process has been ensured in the future by capitalising on the experience gained since 2003.

The Internal Audit Department

APPENDICES

Outside opinion on the procedures for collecting certain Sustainable Development indicators



In response to its request and in our capacity as the Statutory Auditors for the accounts of Casino, Guichard-Perrachon, we have reviewed the reporting procedures for the Sustainable Development indicators for the 2006 fiscal year contained in the Group's Sustainable Development Report.

These procedures, together with the social and environmental information that appears in the report, were prepared under the responsibility of Casino's executive management. It is our responsibility to present our findings following the activities described below.

NATURE AND SCOPE OF THE ACTIVITIES

As agreed, we have carried out the following activities:

- We have familiarised ourselves with the procedures and reviewed their precision, clarity, objectivity, exhaustiveness and pertinence with regard to Casino's activities.
- We conducted ten interviews with personnel involved in implementing the procedures for the collection and consolidation of indicators at the headquarters and in the divisions in order to gain a complete understanding of these procedures and test their application.
- With the use of surveys, we evaluated the application of the procedures and tested in detail ten indicators in France only, excluding Monoprix, in which we compared the indicator data with supporting documentation and verified the use of calculation formulas.
- We reviewed the consistency and proper reporting of the data provided by the countries in the table of Sustainable Development indicators (Casino France, Monoprix, Argentina, Brazil, Colombia, Indian Ocean, Thailand, United States, Uruguay, Venezuela, Vietnam).

To perform these activities, we called on the services of Ernst & Young personnel with a specialised knowledge of Sustainable Development. In accordance with the auditing standards contained in the International Standard on Assurance Engagements, work of this nature does not include all controls appropriate to an audit designed to provide a guarantee of the data, but it does provide a basis on which to formulate findings with regard to the procedures.

FINDINGS

- The data collection procedures have been formally defined in French and English and constitute appropriate guidelines. The French version has been updated with regard to the environmental indicators reviewed. For the indicators relating to disabled workers, the procedures should be modified to reflect regulatory changes.
- The relevance of the indicators has been improved to address Casino's environmental impact more effectively, notably by defining environmental performance indicators regarding logistics: the ratio of CO₂ emissions to the number of pallets transported, the share of the dedicated fleet that meets the Euro 3, Euro 4 and Euro 5 standards. The publication of additional indicators in the area of product offerings, packaging, CO₂ emissions not resulting from logistics, supplier compliance with Casino's environmental requirements and waste production and recovery levels among stores and customers would enable a more comprehensive assessment of Casino's performance.
- The findings obtained from our activities are consistent with the methodology described by Casino on page 62 and specifically with the limits on the scope of reporting, which does not include franchised operations such as Franprix and Leader Price.

- Continued efforts to improve Sustainable Development reporting reliability will involve an increase in the number of stores reporting their water and energy consumption and more stringent internal auditing on the recovery of data from French and international entities. In addition, improved appropriation of reporting procedures, particularly by contributors outside of France, will ensure quantitative data of more uniform quality over time and will make it possible to consolidate certain data to yield a Group-wide figure.

Lyon and Paris-La Défense, 30 April 2007

ERNST & YOUNG Audit
Ernst & Young
Jean-Luc Desplat

ERNST & YOUNG
Environment and Sustainable Development
Éric Duvaud

The Sustainable Development Committee

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Annie Ayel
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Manager, Web and Audiovisual
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Traditional Fresh Products

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Christine Maisonnnette
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Daniel Marque
Director, Corporate Legal Affairs

Gérard Massard
Human Resources Director,
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Gérard Massus
Director,
Group Employee Relations

Jean-Paul Morin
Director, Traditional
Fresh Products Channels

Évelyne Pacoret
Director, Headquarters
Maintenance and Security

Éric Pacquet
Quality Director,
Convenience Stores Division,
and Group Environment Director

Bernard Pascal
Property Management Director,
Casino Géant Division

Jean-Jacques Pataud
Director, Group Insurance

Corinne Picard
Manager, Environment
and Packaging

Philippe Precheur
Director, Initial Training

Nathalie Raillard
Communications Manager,
Immobilière Casino

Pierre Ragey
Accounting, Divisions
and Subsidiaries

Emmanuel Reynaud
Buyer

Olivier Suss
Marketing and Communications
Manager, Casino Géant

Joël Tronchon
Director, Human Resources,
International Business

Dominique Vaccarezza
Quality and Concept Service,
Codim 2

Philippe Zander
National Maintenance
Coordinator, Supermarkets

Mansour Zobéri
Director of Urban Policy,
Solidarity and Diversity

FOR MONOPRIX

Catherine Bachelot
Director, Exterior Relations
and Sustainable Development

INTERNATIONAL

Rosangela Bacima Quilia
(Brazil)
Executive Director,
Pão de Açúcar

Quynh Trang Duong
(Vietnam)
Administration

Frédéric Colognon
(Indian Ocean)
Administration

Al Hrubeniuk
(USA)
Director, Prevention

Juan Carlos Isoardi
(Argentina)
Director, Administration
and Finance

Carlos Loaiza
(Colombia)
Human Resources Department

Quang Nguyen
(Thailand)
Director, Administration
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Miguel Penengo
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This report is intended as a tool to facilitate dialogue and continuous improvement. For additional information about the Casino Group and its sustainable development commitments or to share your observations and comments, please contact:

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www.groupe-casino.fr

Casino Group corporate Web site in English

www.produits-casino.fr

Information about Casino products