

BUSINESS SUSTAINABILITY



Our Approach to Business Sustainability

Canadian Tire's approach to sustainability goes beyond being a 'green initiative'— it's embedded into how we operate our business. Our sustainability strategy helps drive innovation, profitability and growth, with three aspirations:

1. **Energy and Climate** – Profitably grow our business without increasing the net carbon footprint of the economy
2. **Waste** – Eliminate unnecessary packaging while sending zero waste to landfills
3. **Products and Services** – Provide innovative products and services that meet our customer's needs without compromising the needs of future generations

This is reflected in our commitment to lead sustainable business practices, as demonstrated by:

Energy and Climate

- Implementing transportation practices that increase fuel economy, lower our operating costs, reduce greenhouse gasses and contribute to a cleaner environment;
- Partnerships with utility companies, community organizations and the government to promote the use of environmentally preferable products;
- Proactively addressing environmental issues as they relate to our business, such as assessing our carbon footprint and implementing a strategy to reduce it; and
- Designing and building the next generation of energy efficient stores that will be 75% more energy efficient than those built in 2010. The first of these stores opened in May 2011.

Waste

- Maintaining our participation, in partnership with our Dealers, in over 40 environmental stewardship programs for products such as used tires, batteries, oil, pesticide containers, leftover paint, and electronics;
- Since 2007, we have eliminated or recycled more than 4,000 tonnes of cardboard, plastic and metal, in addition to approximately 13 million pounds of lead acid batteries.
- Contributed \$17.9 million in 2010 to community blue box and industry product stewardship and recycling programs.

Products and Services

- Expanding our exclusive Blue Planet® brand to include new innovative products;

- Right-sizing our product packaging to ensure the correct amount of packaging is allotted to our products, which will help reduce the waste that we produce and reduce the GHG emissions associated with transporting products to stores.
- Product Stewardship takes an active role in ensuring that the products that we sell meet the expectations of our customers and stakeholders with respect to product safety, performance, industry standards, regulations and sustainability, through the product's lifecycle from its manufacture, use and end-of-life disposition.

Our approach to sustainability involves looking at our extended value chain and the life cycle of products – including product sourcing, transporting product to stores, the design and operation of stores, and the eventual “end-of-life” product disposal and recycling – in the most energy efficient and cost efficient manner. The end result is a strategy that advances our business while directly benefiting both customers and the environment.

PRODUCTS AND PACKAGING

As a trusted community partner, we are always working to provide our customers with better alternatives that meet their needs today, and for the future. At Canadian Tire, we work with our vendors, our customers, our employees and our partners to develop innovative solutions that help conserve resources, reduce waste to landfill, and minimize packaging and emissions from our products.

Products and Services

Through our environmentally preferable selection of products, we help customers identify and choose products that have proven environmental benefits when compared to traditional alternatives. To be considered “environmentally preferable,” products must meet our strict criteria that we developed in partnership with a leading environmental consulting firm. Our criteria require that our vendors provide evidence to support their environmental claims and that products demonstrate at least one of the following benefits during the “use” phase of their lifecycles:

- Reduce waste
- Conserve water
- Conserve energy
- Be a certified non-toxic or low VOC product
- Be made with rapidly renewable or biobased material

PRODUCT TRANSPORT



Canadian Tire transports a substantial amount of consumer products across the country in the most efficient way possible, from both an operational and environmental perspective. In 2010 Canadian Tire's Transport team developed an industry leading greenhouse gas emissions model that tracks the energy and carbon footprint of its corporate fleet as well as all modes of transport related

to third party transport. The model provides the ability to understand changes in CO₂eq emissions, energy consumption and energy cost data.

Some of the ways we are reducing greenhouse gas emissions on the road include:

- CTR Transport has strategically routed more trips via the CP Expressway rail line between Milton and Montreal to manage increasing volumes across the Ontario/Quebec corridor. We increased the number of expressway loads in 2010 by 21% to approximately 11,500 loads, with the added benefit of all of these loads taken off highway 401.
- 30 of Canadian Tire's fleet trucks were replaced in 2010 with new fuel efficient models, equipped with catalytic reduction technology and an efficient transmission solution. These 30 new trucks are forecasted to annual avoid 3,205 GJ of energy use and 231 tonnes of greenhouse gas emission.
- Canadian Tire championed the use of Long Combination Vehicles (LCV) which combines two 53 foot trailers pulled by one tractor, in Ontario and the Maritimes. We were the first to run LCVs between Ontario and Quebec and the first company to arrange LCV runs between Nova Scotia and Ontario. With our Ontario Operations we are keeping trucks off the roads at peak traffic times in the Greater Toronto Area (thus preventing congestion, idling and saving fuel).
- Shifting time of day delivery adds to our fuel efficiency. We perform all rail drays at night (no traffic) reducing idling time in line ups and deliver automotive hard parts at night to every store when there is no idling in traffic.
- Tire pressure monitoring is maintained through a driver's circle check process. The training that drivers receive on this initiative provides guidelines for monitoring and correction of tire pressure to optimal pressure which results in improved fuel mileage.

Canadian Tire's work towards improving its efficiency and sustainable practices has garnered attention from Fleet Challenge Ontario, who award the Company with the 2011 Green Fleet Leadership Award.

BUILDINGS AND OPERATIONS



Canadian Tire is working to improve our operational footprint through innovative solutions to reduce the amount of energy we use in our buildings and related greenhouse gas emissions. In fact, we recently opened the doors to our most energy-efficient store to date – 75% more efficient than stores opened in 2010, setting the standard for new building construction that has minimal impact on the environment.

Canadian Tire Real Estate Limited conducts environmental site assessments for all of our real estate acquisitions, including our Canadian Tire Retail (CTR) stores and Petroleum gas bar properties.

Our new CTR stores boast the latest in energy efficiencies:

- Our buildings have incorporated green innovations to become increasingly eco-friendly over the years, but the new Kemptville location, which is 75% more efficient than stores built in 2010, packs all the latest and greatest features in one store, which will serve as a new design platform for all new stores being built. Everything from the store's new lighting, hydronic heating systems and energy recovery ventilation technology has resulted in dramatic decreases in annual energy consumption compared to other stores of similar scale.
- At our Ontario Distribution Centres, we've reduced our energy consumption by over 15 per cent since implementing a new lighting and automated energy control system, which will minimize energy consumption both during and outside store hours.
- Approximately 200 stores are currently being equipped with computer-based Central Energy Management (CEM) technology, bringing the total number of stores with CEM up to 300. The CEM system automates and controls the energy needs of the store, including temperatures, thermal comfort, and lighting adjustments. The energy saved in the CEM equipped stores will reduce annual greenhouse gas emissions by an estimated 7,629 metric tonnes – equivalent to removing 1,149 cars from the road.



- Sixteen stores will have rooftop solar systems installed by the end of this year, with a further 24 scheduled for completion by the end of 2013. To date, the program has generated more than \$875,000 in service revenue from third-party partners. When all 40 sites are complete, the total renewable energy generated will produce enough electricity to power 1,000 average-sized Ontario homes each year.

Canadian Tire's automotive centres operate with the environment in mind, with equipment that properly stores products and collects and manages waste generated during car repair operations, including:

- Certified bulk storage tanks for new oil, glycol, and other automotive products;
- Collection of waste oil and waste glycol for recycling;
- Centres are designed to collect, store and properly dispose of used tires, batteries, mufflers and oil filters, and they are equipped with oil water interceptors for all of our waste water.

Canadian Tire Petroleum uses state of the art equipment & fuel inventory monitoring technology and tests its petroleum product storage tank integrity on an ongoing basis, to help detect tank leaks before they create an environmental problem. To assist in these efforts and to minimize the risk of undetected leaks, the Petroleum team has been regularly replacing underground steel storage tanks with double-wall underground fibreglass tanks, whenever possible. As a result of this replacement program, combined with systematic site inspections, Canadian Tire Petroleum continues to be a leader in environmental practices in the industry.

OUR PERFORMANCE REPORTS

Our Environmental Footprint Reports

- [Corporate and Supply Chain Environmental Footprint, Posted February 2013](#)
- [Corporate and Supply Chain Environmental Footprint, Posted March 2012](#)
- [Corporate and Supply Chain Environmental Footprint, Posted April 2011](#)
- [Community and Business Sustainability Report 2009, Posted February 2010](#)

Our Quarterly Business Sustainability Performance Reports

- [2012 Q4 and year-end Performance Report](#)
- [2012 Q3 Performance Report](#)
- [2012 Q2 Performance Report](#)
- [2012 Q1 Performance Report](#)
- [2011 Q4 and year-end Performance Report](#)
- [2011 Q3 Performance Report](#)
- [2011 Q2 Performance Report](#)
- [2011 Q1 Performance Report](#)
- [2010 Q4 and year-end Performance Report](#)
- [2010 Q3 Performance Report](#)
- [2010 Q2 Performance Report](#)

External Letters of Review for Business Sustainability

- [The Delphi Group and Corporate Knights Review - 2012 Q4 Performance Report](#)
- [The Delphi Group and Corporate Knights Review - 2012 Q3 Performance Report](#)
- [The Delphi Group and Corporate Knights Review - 2012 Q2 Performance Report](#)
- [Delphi Group and Corporate Knights Review - 2012 Q1 Performance Report](#)
- [Ernst & Young Case Study - How Sustainability has expanded the Role of the CFO](#)
- [Delphi Statement of Confidence \(Part 1\) for Footprint Posted March 2012](#)
- [Delphi Statement of Confidence \(Part 2\) for Footprint Posted March 2012](#)
- [Delphi Group Review - 2011 Q4 Performance Report and Environmental Footprint](#)
- [Delphi Group Review - CTC Transport Model, Nov 3 2010](#)
- [CBSR Review - 2011 Q3 Performance Report](#)
- [CBSR Review - 2011 Q2 Performance Report](#)
- [CBSR Review - 2011 Q1 Performance Report](#)
- [CBSR Review - 2010 Q4 Performance Report and Environmental Footprint](#)

- [CBSR Review - 2010 Q3 Performance Report](#)