



## Our Approach to Environmental Sustainability

Our environmental sustainability strategy aims to achieve productivity gains and economic benefits, as well as improved environmental outcomes, by integrating new and innovative sustainable practices into our business and retail operations.

Our sustainability strategy has four imperatives:

- **Optimize Productivity:** drive product and operations value chain improvements;
- **Develop Innovation:** create and reinvent better processes, products and services;
- **Enhance the Brand:** protect and enhance banner brands and corporate reputation; and
- **Drive Company Engagement:** engage employees through integration of sustainability practices into everyday business operations.

## Highlights

CTC's GHG intensity, measured as tonnes CO<sub>2</sub>e per unit revenue, decreased 5% in 2016 compared to 2015. Our success in achieving business growth outpaced our environmental impact and our absolute emissions decreased 1.5%. A reduction in emissions from the resource extraction, processing and manufacturing required to make the products we sell is driving this improvement. A warmer 2016 winter also contributed to our positive emissions performance as less fuel was needed to heat CTC's buildings.

We continued to expand our waste program and achieved a 2% increase in our diversion rate.

## Reading Our Report

In this report, we often refer to Canadian Tire Corporation, Limited as "CTC" or the "Company". When we use the words "we" and "our", we are similarly referring to Canadian Tire Corporation, Limited. Acronyms and other capitalized terms are defined the first time they are used or in the Glossary of Terms (Appendix 5).

## Our 2016 Environmental Footprint Report

This report outlines our **2016 Environmental Footprint**, which provides a view of the environmental impact of the Company.

Prior to this year, CTC was disclosing its environmental footprint with a one-year lag relative to the Company's financial performance. CTC is now disclosing the most recent year's environmental footprint concurrent with the disclosure of its current financial results.

DNV GL Business Assurance USA, Inc. has carried out an independent verification of CTC's 2015 environmental footprint claims and assertions. Their limited assurance statement is available [here](#). Assurance of the 2016 environmental footprint is underway.

## 2016 Environmental Footprint

Each year, CTC measures its energy, carbon, water and waste footprint across its own buildings, operations and parts of its extended value chain.

### 2016 Summary Results

The following tables summarize the Company's 2016 environmental footprint as compared to a 2015 baseline. Additional detail on the energy and GHG portion of the footprint can be found in Appendices 1 through 3. For a complete list of measurement gaps and a glossary of terms refer to Appendices 4 and 5, respectively.

#### ENERGY CONSUMPTION



	2016 Energy Use (GJ)	2015 Energy Use (GJ)*	Change (B) / W
Product & Packaging	47,319,241	48,300,768	(2.0%)
Product Transport	3,619,384	3,611,173	0.2%
Business & Retail Operations	4,599,185	4,749,044	(3.2%)
<b>TOTAL</b>	<b>55,537,810</b>	<b>56,660,985</b>	<b>(2.0%)</b>
Intensity (GJ / \$1,000 revenue)	4.4	4.6	(5.1%)

Overall, 2016 energy use decreased 2.0% and energy intensity, measured as gigajoules (GJ) per \$1,000 of revenue, decreased 5.1%. For a detailed breakdown of energy use and intensity by business segment, refer to Appendices 1 and 2, respectively.

\*Baseline energy use has been restated. See Appendix 3 for details.

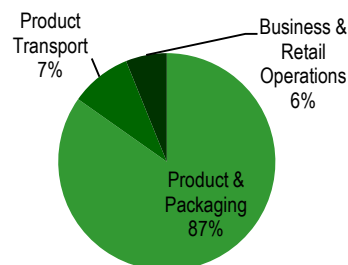
#### GREENHOUSE GAS (GHG) EMISSIONS



	2016 GHG Emissions (t CO <sub>2</sub> e)	2015 GHG Emissions (t CO <sub>2</sub> e)*	Change (B) / W
Product & Packaging	3,339,270	3,387,597	(1.4%)
Product Transport	255,342	254,450	0.4%
Business & Retail Operations	248,042	260,070	(4.6%)
<b>TOTAL</b>	<b>3,842,653</b>	<b>3,902,116</b>	<b>(1.5%)</b>
Intensity (kg CO <sub>2</sub> e / \$1,000 revenue)	303.0	317.8	(4.7%)

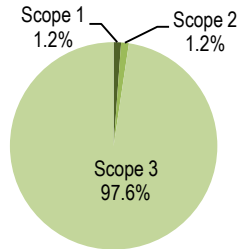
Overall, 2016 GHG emissions decreased 1.5% and emissions intensity, measured as kilograms of carbon dioxide equivalents (kg CO<sub>2</sub>e) per \$1,000 of revenue, decreased 4.7%. For a detailed breakdown of emissions and intensity by business segment, refer to Appendices 1 and 2, respectively.

\*Baseline emissions have been restated. See Appendix 3 for details.



## GREENHOUSE GAS (GHG) EMISSIONS (cont'd)

CTC's greenhouse gas footprint is prepared in accordance with the GHG Protocol Corporate and Scope 3 Standards. CTC follows the operational control organizational boundary approach, defined as 'having the full authority to introduce and implement operating policies at the operation'. As shown in the figure below, the vast majority of emissions are from activities outside of the Company's operational control. For a complete breakdown of emissions by GHG Protocol category, refer to Appendix 2.



	2016 GHG Emissions (t CO <sub>2</sub> e)	% contribution
Scope 1	44,345	1.2%
Scope 2	46,312	1.2%
Scope 3	3,751,996	97.6%

## WATER CONSUMPTION



	2016 Water Use (m <sup>3</sup> )	2015 Water Use (m <sup>3</sup> )	Change (B) / W
Product & Packaging	58,244,170	55,703,725	4.6%
Intensity (m <sup>3</sup> / \$1,000 revenue)	5.00	4.97	0.7%

In 2016, CTC measured the water consumption embedded in its products and packaging. In that period, water use increased 4.6% and water intensity, measured as cubic metres (m<sup>3</sup>) of water per \$1,000 of revenue, increased 0.7%.

## WASTE GENERATION



	2016 Waste Generated (t)	2015 Waste Generated (t)	Change (B) / W
Corporate Locations & Greater Toronto DCs	27,345	27,323	n/a*
Intensity (t / site)	39.6	40.7	(2.7%)
# locations measured	690	671	2.8%
Diversion Rate	76%	74%	2.2%

\*Year-over-year performance cannot be compared since historical data is not available for added locations.

In 2016, CTC continued to expand upon its waste recycling program for corporate locations. The scope of the program expanded from 671 corporate locations to 690. The program continues to produce positive results, with the average waste generated per site decreasing 2.7% in 2016, and the diversion rate improving 2.2%. The Greater Toronto Area Distribution Centres (DCs) continued to achieve a 92% diversion rate as a result of recycling efforts at our Resource Recovery Centre.

## Appendix 1

### CTC's Corporate and Supply Chain Energy Use and GHG Emissions Footprint by Business Segment

		2016	Baseline	Change		2016	Baseline Year	Change		Comments
		Energy Use (GJ)	Year (2015) Energy Use (GJ)	(GJ)	%	GHG Emissions (t CO <sub>2</sub> e)	(2015) GHG Emissions (t CO <sub>2</sub> e)	(t CO <sub>2</sub> e)	%	
PRODUCT & PACKAGING	<b>Sub-Total (Canadian Tire, PartSource, Mark's, FGL Sports, Petroleum)</b>	<b>47,319,241</b>	<b>48,300,768</b>	<b>(981,527)</b>	<b>(2.0%)</b>	<b>3,339,270</b>	<b>3,387,597</b>	<b>(48,327)</b>	<b>(1.4%)</b>	Energy use and GHG emissions from product & packaging are calculated using a model based in US dollars. Foreign exchange fluctuations and US dollar inflation reduced the purchasing power of the Canadian dollar relative to the US dollar in 2016 versus 2015, resulting in a decrease in the calculated energy use and GHG emissions. Reduced spend on intensive products also decreased (e.g. (1) sporting goods at FGL, (2) workboots at Mark's, and (3) Cooking and Winter Passenger tires at CTR).
PRODUCT TRANSPORT	Corporate - CTC Fleet and PartSource Commercial Deliveries	229,420	188,888	40,531	21.5%	16,255	13,386	2,869	21.4%	Energy use and GHG emissions from corporate transport increased due to the addition of 15 vehicles to CTR's fleet in Alberta, resulting in an increase in kilometres travelled by corporate vehicles.
	Third Party Road, Rail, Ocean and Air (Canadian Tire and Petroleum)	3,389,965	3,422,285	(32,320)	(0.9%)	239,086	241,063	(1,977)	(0.8%)	Energy use and GHG emissions from third-party transport decreased slightly, primarily due to decreased distance travelled by road. This was offset by an increase in product weight shipped by rail.
	<b>Sub-Total</b>	<b>3,619,384</b>	<b>3,611,173</b>	<b>8,211</b>	<b>0.2%</b>	<b>255,342</b>	<b>254,450</b>	<b>892</b>	<b>0.4%</b>	Overall, energy use and GHG emissions from product transport increased slightly, primarily due to increases in CTR's fleet.
BUSINESS & RETAIL OPERATIONS	Offices and Distribution Centres (DCs) (Canadian Tire, PartSource, Mark's, FGL Sports, Petroleum)	758,111	734,891	23,220	3.2%	38,246	36,500	1,746	4.8%	Overall, energy use and GHG emissions from offices and DCs increased due to added square footage.
	<i>Corporate</i>	538,486	510,435	28,051	5.5%	24,807	23,398	1,409	6.0%	
	<i>Third Party Operated Offices and DCs</i>	219,625	224,456	(4,831)	(2.2%)	13,439	13,102	337	2.6%	
	Stores (Canadian Tire, PartSource, Mark's, FGL Sports, Petroleum)	3,706,997	3,903,697	(196,701)	(5.0%)	184,043	198,371	(14,328)	(7.2%)	Overall, energy use and GHG emissions from stores decreased, primarily due to a warmer winter resulting in less fuel used for heating.
	<i>Corporate</i>	809,005	851,220	(42,215)	(5.0%)	49,595	53,467	(3,873)	(7.2%)	
	<i>Dealers, Franchises and Agents</i>	2,897,992	3,052,477	(154,485)	(5.1%)	134,448	144,904	(10,456)	(7.2%)	
	CTREL and Petroleum investment properties	66,989	46,577	20,412	43.8%	2,550	1,699	852	50.1%	Energy use and GHG emissions from investment properties increased due to increased square footage.
	Emissions related to electricity transmission and distribution (T&D) loss	N/A	N/A	N/A	N/A	18,645	19,160	(515)	(2.7%)	GHG emissions from T&D losses decreased due to a lower emission factor in most provinces.
	Emissions related to business air travel	67,088	63,879	3,208	5.0%	4,558	4,340	218	5.0%	Energy use and GHG emissions from business air travel increased due to increased passenger-kilometres travelled.
<b>Sub-Total</b>	<b>4,599,185</b>	<b>4,749,044</b>	<b>(149,859)</b>	<b>(3.2%)</b>	<b>248,042</b>	<b>260,070</b>	<b>(12,028)</b>	<b>(4.6%)</b>	Overall, energy use and GHG emissions from buildings and operations decreased, primarily due to a warmer winter resulting in less fuel used for heating.	
<b>TOTAL</b>	<b>Corporate and Supply Chain</b>	<b>55,537,810</b>	<b>56,660,985</b>	<b>(1,123,175)</b>	<b>(2.0%)</b>	<b>3,842,653</b>	<b>3,902,116</b>	<b>(59,463)</b>	<b>(1.5%)</b>	<b>The primary drivers for overall energy use and GHG emissions reductions at CTC in 2016 were (1) the product footprint, which was impacted by the lower purchasing power of the Canadian dollar, and (2) the buildings and operations footprint, which was driven by a warmer winter.</b>

## Appendix 2

### CTC's Corporate and Supply Chain Energy and GHG Contribution and Intensity by Business Segment

	Energy Contribution & Intensity	2016	Baseline Year (2015)	Change (B) / W	GHG Contribution & Intensity	2016	Baseline Year (2015)	Change (B) / W
PRODUCT & PACKAGING	Energy use as % Total Corporate & Supply Chain Energy use	85.20%	85.25%	-0.1%	GHG emissions as a % of Total Corporate & Supply Chain Footprint	86.9%	86.8%	0.1%
	Energy use per \$1,000 banner revenue <sup>1</sup> (GJ / \$1,000 revenue)	4.1	4.3	-5.7%	GHG emissions per \$1,000 banner revenue <sup>1</sup> (kg CO <sub>2e</sub> / \$1,000 revenue)	286.8	302.2	-5.1%
PRODUCT TRANSPORT	Energy use as % Total Corporate & Supply Chain Energy use	6.5%	6.4%	2.3%	GHG emissions as a % of Total Corporate & Supply Chain Footprint	6.6%	6.5%	2.0%
	Energy use per cubic metre shipped (GJ / m <sup>3</sup> )	0.5	0.6	-3.5%	GHG emissions per cubic metre shipped (kg CO <sub>2e</sub> / m <sup>3</sup> )	38.2	39.6	-3.4%
	Energy use per tonne-kilometre (GJ / tkm)	0.00034	0.00035	-2.9%	GHG emissions per tonne-kilometre (kg CO <sub>2e</sub> / tkm)	0.0237	0.0244	-2.7%
BUSINESS & RETAIL OPERATIONS	Energy use as % Total Corporate & Supply Chain Energy usage	8.3%	8.4%	-1.2%	GHG emissions as a % of Total Corporate & Supply Chain Footprint	6.5%	8.3%	-22.1%
	Energy use per square metre (GJ / m <sup>2</sup> )	0.76	0.78	-3.2%	GHG emissions per square metre (kg CO <sub>2e</sub> / m <sup>2</sup> )	41.0	43.0	-4.6%
<b>TOTAL</b>	<b>Energy use per \$1,000 CTC consolidated revenue (GJ / \$1,000 revenue)</b>	<b>4.4</b>	<b>4.6</b>	<b>-5.1%</b>	<b>GHG emissions per \$1,000 CTC consolidated revenue (kg CO<sub>2e</sub> / \$1,000 revenue)</b>	<b>303.0</b>	<b>317.8</b>	<b>-4.6%</b>

### CTC's Corporate and Supply Chain GHG Footprint by Greenhouse Gas

Scope 1 & 2 Emissions by Gas:

	2016	Baseline Year (2015)	Change (B) / W
Carbon Dioxide (t CO <sub>2</sub> )	89,724	89,359	0.4%
Methane (t CH <sub>4</sub> )	4.56	4.57	(0.2%)
Nitrous Oxide (t N <sub>2</sub> O)	2.61	2.47	5.4%
Carbon Dioxide Equivalent (t CO <sub>2e</sub> )	90,657	90,251	0.4%

### CTC's Corporate and Supply Chain GHG Footprint by GHG Protocol Category

Total Emissions by Scope:

	2016	Baseline Year (2015)	Change (B) / W
Scope 1 Emissions (t CO <sub>2e</sub> )	44,345	42,662	3.9%
Scope 2 Emissions (t CO <sub>2e</sub> )	46,312	47,589	(2.7%)
Scope 3 Emissions (t CO <sub>2e</sub> )	3,751,996	3,811,865	(1.6%)

<sup>1</sup> Only revenue from banners included in the Product & Packaging Energy Use and GHG Emissions Footprint is included (Canadian Tire, FGL Sports, Mark's and Petroleum).

Breakdown of Emissions by Scope:

	Description	Methodologies and factors used	Percentage of primary data used	2016 GHG Emissions (t CO <sub>2</sub> e)	Justification of measurement gaps	
CORPORATE EMISSIONS	Scope 1	Emissions from fuel used by 85 fleet trucks and 407 PartSource commercial delivery vehicles. Emissions from on-site fuel used by 693 corporate stores, 25 offices and 24 DCs, depot or storage facilities.	Buildings & Operations calculations are derived from a sampling strategy. A statistically representative sample of energy data was collected by business unit, type of building and regional area to estimate the overall Business & Retail Operations energy usage. Where no actual data is readily available, energy usage is estimated based on building size and type. Canadian Tire fleet and PartSource commercial delivery vehicle calculations are derived from a fuel volume based methodology.	35%	44,345	Hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs) from refrigeration units; deemed immaterial.
	Scope 2	Emissions from electricity used by 693 corporate stores, 25 offices and 24 DCs, depot or storage facilities.	Emission factors from Environment Canada National Inventory 1990-2015 Report were used. IPCC 5th Assessment Report, 100 years, Global Warming Potentials (GWP) were used.	77%	46,312	No known measurement gaps.
UPSTREAM EMISSIONS (Scope 3)	Purchased Goods and Services	Emissions associated with the extraction, production and transportation (cradle-to-gate) of products sold at Canadian Tire, FGL Sports, Mark's, Petroleum and PartSource stores.	Canadian Tire, PartSource, FGL Sports and Mark's calculations are derived from the Economic Input-Output Life Cycle Analysis (EIO-LCA) Model developed by Trucost. Petroleum calculations are derived from the US Department of Energy Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation (GREET) 2015 Model ( <a href="http://greet.es.anl.gov">http://greet.es.anl.gov</a> ) and the GHGenius 4.03 Model ( <a href="http://www.ghgenius.ca">http://www.ghgenius.ca</a> ). IPCC 5th Assessment Report, 100 years, Global Warming Potentials (GWP) were used.	0%	3,339,270	Financial Services, Gas+ kiosk and Canadian Tire non-corporate products; deemed immaterial.
	Capital Goods	Emissions associated with the extraction, production and transportation (cradle-to-gate) of capital goods purchased.	n/a	n/a	n/a	Capital goods are not included due to data unavailability and immateriality.
	Fuel and Energy related activities (not included in scope 1 & 2)	Emissions associated with the extraction, production and transportation of a) fuels consumed b) electricity consumed c) electricity transmission and distribution loss	Electricity transmission and distribution loss is calculated based on electricity consumption and emission factors from the Environment Canada National Inventory 1990-2015 Report. IPCC 5th Assessment Report, 100 years, Global Warming Potentials (GWP) were used.	59%	18,645	Items a) and b) are not included due to data unavailability.
	Upstream Transportation and Distribution	Emissions associated with third party transportation of products from tier 1 suppliers to DC's and from DC's to stores. This category also includes emissions from third party operated DC's.	Canadian Tire and Petroleum third party transportation calculations are derived from a distance-weight methodology. Emission factors from (i) the US Environmental Protection Agency Emission Factors for Greenhouse Gas Inventories, Nov. 19, 2015, (ii) the International Marine Organization (IMO), Second GHG Study 2009, and (iii) Environment Canada National Inventory 1990-2015 Report. Energy conversion factors were also used for pipeline transportation from the National Energy Technology Laboratory; Development of Baseline Data and Analysis of Life Cycle Greenhouse Gas Emissions of Petroleum-Based Fuels. Third party operated DCs fall under the Business & Retail Operations segment and therefore follow the same methodology when energy use data is unavailable. See methodology on Scope 1 & 2 emissions for further detail. IPCC 5th Assessment Report, 100 years, Global Warming Potentials (GWP) were used.	100%	252,159	Emissions from FGL Sports, Mark's, Gas+ kiosk, less than 10% of Canadian Tire activity, Canadian Tire non-corporate products, some Canadian Tire packaging weight (e.g. pallets), HFCs and PFCs from pipeline leakages and refrigerated trucks are not included due to data unavailability.
Waste Generated in Operations	Emissions from third party disposal and treatment of waste generated through business operations.	n/a	n/a	n/a	Emissions from waste generated in operations are not included due to data unavailability.	

UPSTREAM EMISSIONS (Scope 3) (Cont'd)	Business Travel	Emissions from business air travel.	CTC business air travel emissions are derived from a distance-passenger (passenger-kilometre) methodology. Emission factors from the World Resources Institute GHG Protocol tool for mobile combustion, version 2.6 (2015) were used. IPCC 5th Assessment Report, 100 years, Global Warming Potentials (GWP) were used.	100%	4,558	Emissions from business travel using modes other than air.
	Employee Commuting	Emissions from employee commuting.	n/a	n/a	n/a	Emissions from employee commuting are not included due to data unavailability.
	Upstream Leased Assets	Emissions associated with the operation of three leased offices which do not fall under the Company's operational control.	Upstream leased assets fall under the Business & Retail Operations segment and therefore follow the sampling strategy methodology. See methodology on Scope 1 & 2 emissions for further detail.	5%	366	HFCs and PFCs from refrigeration units; deemed immaterial.
DOWNSTREAM EMISSIONS (Scope 3)	Downstream Transportation and Distribution	Emissions associated with the transportation of sold products from retail stores to customers' homes.	n/a	n/a	n/a	Emissions from downstream transportation and distribution are not included due to data unavailability.
	Processing of Sold Products	Emissions associated with the processing of sold products.	n/a	n/a	n/a	Not applicable.
	Use of Sold Products	Emissions associated with the usage of sold products that directly consume energy.	n/a	n/a	n/a	Emissions from downstream use of sold products are not included due to data unavailability.
	End-of-Life Treatment of Sold Products	Emissions associated with the disposal of consumer products sold at all business units.	n/a	n/a	n/a	Emissions from downstream end-of-life treatment of sold products are not included due to data unavailability.
	Downstream Leased Assets	Emissions associated with 66 investment properties (buildings owned but not operated by CTC).	Downstream leased assets fall under the Business & Retail Operations segment and therefore follow the sampling strategy methodology. See methodology on Scope 1 & 2 emissions for further detail.	0%	2,550	HFCs and PFCs from refrigeration units; deemed immaterial.
	Franchises	Emissions associated with the operations of 1,050 non-Corporate stores including Canadian Tire, Mark's, FGL Sports and Petroleum agent sites.	Franchises fall under the Business & Retail Operations segment and therefore follow the sampling strategy methodology. See methodology on Scope 1 & 2 emissions for further detail.	23%	134,448	HFCs and PFCs from refrigeration units; deemed immaterial.
	Investments	Emissions associated with equity and debt investments and project finance.	n/a	n/a	n/a	Emissions from investments are not included due to data unavailability and immateriality.

## Appendix 3

### CTC's Corporate and Supply Chain Energy Use and GHG Emissions Footprint Baseline Recalculation and Restatement

CTC's recalculation and restatement policy is as follows:

- "The recalculation of base year environmental impacts is triggered if one or the cumulative effect of the following causes for recalculation modifies the business segment (Product & Packaging, Product Transport and Business & Retail Operations) by +/- 10%.
- Causes of recalculation: structural changes, changes in methodology, measurement gap closings and corrections.
- Timing of recalculation: at the release of the new Environmental Footprint."

Although the restatement outlined in the below table does not result in a material change (+/- 10%), they are reflected in the baseline energy and emissions data reported above to ensure accuracy and transparency.

	Published June 2017 2015 Energy Use (GJ)	Published February 2017 2015 Energy Use (GJ)	Change (B) / W	Published June 2017 2015 GHG Emissions (t CO <sub>2e</sub> )	Published February 2017 2015 GHG Emissions (t CO <sub>2e</sub> )	Change (B) / W	Justification of recalculation
PRODUCT & PACKAGING	48,300,768	48,300,768	0.0%	3,387,597	3,387,597	0.0%	No restatement
PRODUCT TRANSPORT	3,611,173	3,611,173	0.0%	254,450	254,450	0.0%	No restatement
BUSINESS & RETAIL OPERATIONS	4,749,044	4,730,973	0.4%	260,070	245,038	6.1%	Restatement due to (1) corrected energy use figures for some locations, (2) restated T&D loss emission factors with finalized Environment Canada data.
<b>TOTAL</b>	<b>56,660,985</b>	<b>56,642,914</b>	<b>0.0%</b>	<b>3,902,116</b>	<b>3,887,085</b>	<b>0.4%</b>	



## Appendix 4

### CTC Environmental Footprint Glossary, including Measurement Gaps

AREA OF MEASUREMENT	DEFINITIONS	MEASUREMENT GAPS
Corporate and Supply Chain Environmental Footprint	Environmental impacts and resources used throughout CTC's extended value-chain from raw material acquisition, product manufacturing, product transportation, buildings operations, business travel, product use and product end-of-life disposal. Metrics currently measured are energy, carbon and water from raw material acquisition to buildings operations.	Emissions related to non-retail products and waste; Employee commuting; Product use and product end-of-life.
Energy used and GHG emissions from Products	Energy used and GHG emissions from raw material acquisition and processing, transport to manufacturing site and manufacture of retail products. This includes all consumer units of Canadian Tire, PartSource, Mark's and FGL Sports retail products received in a given year by a store, distribution centre or third party warehouse on the Company's behalf. Includes energy used and GHG emissions from crude oil extraction, transport to refining sites and refining of fuels sold at Petroleum sites in a given year.	Gas+ kiosk products, Canadian Tire non-corporate products (products ordered directly from vendors by stores), Financial Services products, FGL Sports Corporate product shipped direct to stores.
Water used from Products	Water consumed from raw material acquisition and processing, transport to manufacturing site and manufacture of retail products. This includes all consumer units of Canadian Tire, PartSource, Mark's and FGL Sports retail products received in a given year by a store, distribution centre or third party warehouse on the Company's behalf.	Petroleum, Gas+ kiosk products, Canadian Tire non-corporate products (products ordered directly from vendors by stores), Financial Services products, FGL Sports Corporate product shipped direct to stores.
Energy used and GHG emissions from Product Transport	Energy used and GHG emissions from Canadian Tire fleet trucks and vehicles for the transport of Canadian Tire and PartSource products. Energy used and GHG emissions from third party vendors to transport Canadian Tire and PartSource retail products from the manufacturing vendor (Freight-on-Board (FOB) Point) to the store. Energy used and GHG emissions from third party vendors to transport Petroleum fuels from refining sites to stations.	FGL Sports, Mark's and Gas+ kiosk product transport. Less than 10% of Canadian Tire transport activity. Canadian Tire shipping packaging weights. Canadian Tire non-Corporate product transport. Hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs) from pipeline leakages and refrigerated trucks.
Energy used and GHG emissions from Business & Retail Operations	Energy used and GHG emissions from the operation of CTC's buildings and business air travel. This includes all operations across Canada including offices, distribution centres (DCs), Corporate/Franchise/Dealer/Agent stores within Canadian Tire, PartSource, Financial Services, Mark's, FGL Sports, Gas+ sites and Investment Properties.	HFCs and PFCs from refrigeration at Corporate and non-corporate locations. Canadian Tire and Petroleum fuel leakages.
Waste Generated at Corporate Locations & Greater Toronto DCs	Waste generated from the operation of Corporate locations and Greater Toronto Distribution Centres for which waste data was available. This includes offices, Petroleum, PartSource, Mark's, FGL Sports stores and Greater Toronto DCs.	Canadian Tire stores, Sport Expert and Mark's franchise locations, retail locations found in shopping malls where waste is consolidated, some Petroleum locations. Hazardous waste at the DCs, waste at non-Greater Toronto DCs.
Diversion Rate	Percentage of total waste disposed of in a manner excluding landfill. This includes recycling, incineration and organic waste composting.	No known measurement gaps.
Scope 1 emissions	Direct emissions from the combustion of on-site and mobile fuels that occur at, or are associated with, facilities and operations under the Company's operational control.	HFCs and PFCs from refrigeration units.
Scope 2 emissions	Indirect emissions that occur off-site from the production of energy, such as electricity, which is then purchased for use at facilities and operations under the Company's operational control.	No known measurement gaps.
Scope 3 emissions	Other indirect emissions from the Company's supply chain, such as emissions from non-corporate locations (Dealer/Franchise/Agent stores), product transport by third party and product manufacture by third party.	See Energy used and GHG emissions from Product, Product Transport and Business & Retail Operations comments in rows 3, 5 and 6 of this table.

## Appendix 5

### Glossary of Terms

#### Sustainability Terms

TERM	DEFINITIONS
Business Sustainability	An innovation strategy that aims to achieve productivity gains and economic benefits from enhanced environmental and social outcomes by integrating sustainability into business operations. Through its Business Sustainability strategy, the Company aims to serve its customers, communities, employees and shareholders, both now and in the future.
Carbon Dioxide Equivalents (CO <sub>2</sub> e)	Carbon dioxide equivalent expresses all greenhouse gases in the measurement of carbon dioxide by adjusting other types of greenhouse gases (methane, nitrous oxide, sulphur, hexafluoride, hydrofluorocarbons, and perfluorocarbons) to their carbon dioxide equivalent based on their relative Global Warming Potential (GWP). In this report, CO <sub>2</sub> e is measured in either tonnes (t, or t CO <sub>2</sub> e) or kilograms (kg, or kg CO <sub>2</sub> e).
Cradle-to-gate	The stages of a product's life cycle from raw material extraction (i.e. cradle) to the factory gate (i.e. before it is transported to CTC).
Emission Factors	Calculation factor used to measure greenhouse gases (GHG) released from the production/use of raw material/energy.
GHG Protocol	A multi-stakeholder collaboration facilitated by the World Business Council on Sustainable Development (WBCSD) and the World Resources Institute (WRI) to establish and promote business standards for GHG accounting and reporting. CTC's Sustainability Reporting follows the GHG Protocol Corporate, Project and Value-Chain (Scope 3) Accounting Standards.
Global Warming Potential (GWP)	Calculation factor used to measure CO <sub>2</sub> e from different greenhouse gases. A relative measure of how much heat a greenhouse gas traps in the atmosphere.
Greenhouse Gas (GHG)	Represents one or a combination of the following gases: carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ), nitrous oxide (N <sub>2</sub> O), sulphur hexafluoride (SF <sub>6</sub> ), hydrofluorocarbons (HFCs), and perfluorocarbons (PFCs).
Heating Degree Day (HDD)	The number of degrees that a day's average temperature is below 65° Fahrenheit (18° Celsius), the temperature below which buildings need to be heated.
Intergovernmental Panel on Climate Change (IPCC)	The leading international body for the assessment of climate change established to provide the world with a clear scientific view on the current state of knowledge on climate change and its potential environmental and socio-economic impacts.
Tier 1 Supplier	A manufacturer that provides products directly to CTC.
World Business Council for Sustainable Development (WBCSD)	A CEO-led, global association of some 200 companies dealing exclusively with business and sustainable development, providing companies a platform to explore sustainable development, share knowledge, experiences and best practices.
World Resource Institute (WRI)	A global environmental think tank that works with governments, companies, and society to build solutions to urgent environmental challenges.

#### Other Terms

TERM	DEFINITIONS
"CTC", "Company", "Corporation", "Enterprise"	Canadian Tire Corporation Limited.
Canadian Tire	Refers to the Company's general merchandise retail business.
Canadian Tire Real Estate Limited (CTREL)	A wholly owned subsidiary of CTC that manages CTC's real estate portfolio.
Change (B) / W	A negative change indicates a reduction in energy use and/or GHG emissions which is an improvement and indicated as Better (B), versus a positive change which indicates an increase in energy use and/or GHG emissions and is indicated as Worse W.
DC	Distribution Centre.
FGL Sports	Refers to the Company's retail business carried on by FGL Sports Ltd.
Financial Services	Refers to the business carried on by the Company's financial services division.
Gas+	Petroleum operates under the banner "Gas+".
Gigajoules (GJ)	A unit of measurement for energy use.
kg	Kilogram - the International System of Units base unit of mass.
m <sup>2</sup>	Square metres - the International System of Units measure for area.

TERM	DEFINITIONS
m <sup>3</sup>	Cubic metres - the International System of Units measure for volume.
Mark's	Refers to the Company's retail business carried on by Mark's Work Wearhouse Ltd.
PartSource	Refers to the Company's specialty automotive retail business.
Passenger-kilometres	A measure of distance-passenger calculated as the distance travelled by passengers in kilometres multiplied by the number of passengers on the journey. Used in the calculation of the business travel carbon and energy footprint.
Petroleum	Refers to the Company's retail petroleum business.
Square metres	Measurement of the buildings functional area. Canadian Tire retail store functional area includes ground coverage, mezzanine areas, other floors, and second level racking system. Garden Centres are excluded. For Canadian Tire Petroleum stations this includes convenience kiosks, gas bar canopies, car washes, and Pit-Stops. For Mark's, FGL Sports, PartSource and Financial Services locations, functional area is the equivalent of the gross leasable area.
t	Tonne (metric ton) - a unit of mass equal to 1,000 kilograms.
Tonne-kilometres	A measure of distance-weight calculated as the distance travelled from vendor to stores in kilometres multiplied by weight of products and related equipment in tonnes. Used in the calculation of the product transport carbon and energy footprint.