

CBSR Viewpoint: Canadian Tire 2011 Second Quarter Report

Canadian Tire continues to demonstrate strong business sustainability performance results moving into the Third Quarter of 2011. The Second Quarter results represent the fourth consecutive quarterly business sustainability performance reporting by Canadian Tire. With a total of 281 improvements year-to-date in the second quarter, and the following year-to-date forecasted figures - avoided energy of 58,923 GJ, 3,967 tonnes of carbon emissions, and 1,673 tonnes of waste - Canadian Tire expects a total of \$3,283,551 in avoided costs resulting from year-to-date Q2 initiatives.

The Second Quarter results are largely attributed to the significant number of projects and the corresponding net effect of energy avoidance. More specifically, significant achievements include an increase in the number of packaging and product initiatives; Canadian Tire's opening of its most energy efficient store in Kemptville, Ontario; construction launch of 16 rooftop solar installations to be completed in 2011; and the Go Eco program in Quebec, which enables improved vehicle performance as well as 100% recycling and responsible disposal of automotive consumables as well as their more efficient use.

Notably, Canadian Tire has made commendable strides to address recommendations that CBSR put forward in the review of First Quarter results – mainly focusing on valuation methodologies to account for actual savings and avoidance in addition to forecasts and overview of internal control processes. In response, the Management, Discussion and Analysis disclosure controls are now in effect and documented, a dedicated financial analyst is streamlining business sustainability accounting into corporate accounting processes, and a new calculation policy is in place to address adjustments of actual versus forecasted figures for selected projects.

For future quarterly reporting, CBSR recommends to expand on Canadian Tire's aspirational goals by documenting annual targets and specific long-term plans (e.g. projects) that will assure stakeholders of Canadian Tire's continuous improvement on its business and sustainability performance. Furthermore, CBSR looks forward to seeing the actual impacts of realized projects - in the company's carbon footprint - documented in the next annual report.

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Canadian Business for Social Responsibility