

## Independent Assurance Statement

---

### Introduction

DNV GL Business Assurance USA, Inc. (DNV GL) has been commissioned by the management of Canadian Tire Corporation (CTC) to carry out an independent verification of its 2016 environmental footprint claims and assertions relating to GHG emissions (Scope 1, 2 and 3), energy consumption, water consumption embedded in products sold, and waste generated and diverted from landfill. These assertions are relevant to the 2016 calendar year.

CTC has sole responsibility for preparation of the data and external report. DNV GL, in performing assurance work, is responsible to the management of CTC. The assurance statement, however, represents DNV GL's independent opinion and is intended to inform all stakeholders including CTC.

### Scope of Assurance

- 2016 Greenhouse Gas (GHG) emissions inventory Scope 1 and 2
- 2016 Scope 3 GHG emissions
  - Category 1 – Purchased Goods & Services
  - Category 3 – Fuel and Energy Related Activities (not included in Scope 1 and 2)
  - Category 4 – Upstream Transportation and Distribution
  - Category 6 – Business Travel
  - Category 8 – Upstream Leased Assets
  - Category 13 – Downstream Leased Assets
  - Category 14 – Franchises
- 2016 Energy Consumption
- 2016 Water Consumption embedded throughout the product Supply Chain
- 2016 Waste Generated and Waste Diverted from Landfill

### Organizational Boundary for Reporting Energy Use and GHG emission

- Energy Use and GHG Emissions
  - Operational Control
  - Global sites
- Water
  - Water consumption throughout the product supply chain
- Waste
  - Distribution Centre's (GTA DCs)
  - Canadian Tire Corporate Sites (CT Corp)

### Reporting Protocols against which verification was conducted:

- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard (Scope 1 & 2)
- WRI/WBCSD Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3)

- Principles of materiality, completeness, neutrality, and reliability (the Principles), as set out in the DNV GL Verification Protocol for Sustainability Reporting

#### **Verification Protocols used to conduct the verification:**

- DNV GL Protocol for Verification of Sustainability Reporting, VeriSustain™
- International Standard on Assurance Engagements (ISAE) 3000 revised – ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’;

#### **Level of Assurance**

##### Limited

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Limited Assurance is a commonly used assurance level across multinational companies reporting to global sustainability standards.

DNV GL applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **Verification Methodology**

DNV GL used a risk-based approach throughout the assurance engagement, concentrating on the areas that we believe are most material for both CTC and its stakeholders.

The following methods were applied during the verification of CTC’s environmental footprint inventories and management processes, the data that supports the company’s environmental footprint inventories including assertions and claims presented by the company:

- Review of documentation, data records and sources relating to the corporate environmental footprint data claims and GHG emission assertions;
- Review of the processes and tools used to collect, aggregate and report on all environmental data and metrics;
- Interview of managers and data users representing relevant functions for supporting the environmental inventory management process at both the corporate and site levels;
- Assessment of environmental information systems and controls, including:
  - Selection and management of all relevant environmental data and information;
  - Processes for collecting, processing, consolidating, and reporting the environmental data and information;

- Systems and processes that ensure the accuracy of the environmental data and information;
- Design and maintenance of the environmental information system; and
- Systems and processes that support the environmental information system;
- Performed sample-based audits of the processes for generating, gathering and managing the quantitative and qualitative data;
- Examination of the environmental data and information to develop evidence for the assessment of the environmental claims and assertions made;
- Confirmation of whether or not the organization conforms to the verification criteria; and
- Evaluation of whether the evidence and data are sufficient and support CTC's environmental claims.

## Data Verified

- Greenhouse Gas Emissions
  - Scope 1 Emissions 44,345 (MtCO<sub>2</sub>e)
  - Scope 2 Emissions 46,312 (MtCO<sub>2</sub>e)
  - Scope 3 Emissions (Business Travel) 3,751,996 (MtCO<sub>2</sub>e)
  
- Energy
  - Consumption of energy (Total): 55,537,810 GJ / 15,427,169 MWh
  - Scope 1 (direct energy consumption): 772,760 GJ /214,655 MWh
  - Scope 2 (indirect energy consumption): 804,151 GJ /223,375 MWh
  - Scope 1 and Scope 2 energy combined: 1,576,911 GJ/ 438,030 MWh
  - Scope 3 (Non-Corp. Energy Use): 53,960,900 GJ/14,989,138 MWh
  
- Water
  - Consumption embedded throughout product supply chain 58,244,170 m<sup>3</sup>
  
- Waste
  - Waste generated from GTA DCs and CTC Corp: 27,345 metric tons
  - Waste diverted from landfill: 20,647 metric tons

## Assurance Opinion:

DNV GL through the verification confirms that the CTC emissions report is in line with WRI/WBSCD Protocol requirements. The organizational boundaries are determined correctly and all data and emissions sources are identified and included in the inventory. There was no evidence that environmental data assertions are not materially correct and are not a fair representation of environmental data and that the information and GHG quantification, monitoring and reporting have not been prepared in accordance with WRI/WBSCD Protocol.

**DNV GL Business Assurance USA, Inc.**  
**Oakland, California**  
**11/12/2017**



**Tom Gosselin**  
**Project Director**



**Natasha D'Silva**  
**Independent Reviewer**



**Shruthi Poonacha Bachamanda**  
**Lead Verifier**

The purpose of the DNV GL group of companies is to promote safe and sustainable futures. The USA & Canada Sustainability team is part of DNV GL Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. [www.dnvgl.com/sustainability](http://www.dnvgl.com/sustainability)