

## CORPORATE AND SUPPLY CHAIN ENVIRONMENTAL FOOTPRINT REPORT

### How the Company reports on Business Sustainability

As part of its Business Sustainability strategy, the Company annually reports on the following: (i) energy and carbon footprint and (ii) business sustainability initiatives completed. The energy and carbon footprint provides a view of the environmental performance for the Company and its extended value-chain. The summary of completed business sustainability initiatives provides a forward-looking view of the anticipated benefits resulting from implementation of these initiatives. The Footprint aids the Company in identifying opportunities for improvement and the initiatives aim to reduce the Company’s footprint. Together, this reporting is the quantitative basis for measuring performance of the Business Sustainability strategy in the context of the Company’s strategic objective “to build a high-performing organization”.

In this section the results of the Energy and Carbon Footprint are presented. For information on sustainability initiatives completed this year, refer to the quarterly on-line reports.

### EXECUTIVE SUMMARY

In 2012, Canadian Tire completed its most recent carbon and energy footprint, enabling a view to the implications of projects implemented since the business sustainability strategy was launched. The data collection and subsequent review exercise for determining the Company’s environmental footprint is a rigorous one that is normally completed after the close of the calendar year. As such, the Company’s most recent environmental footprint is for 2011.

### Results and Key Highlights

The Company is focused on productivity to ensure the business continues to grow while minimizing our environmental footprint through more efficient operations. Overall, 2011 normalized emissions, which are measured per unit of revenue, remain constant. Product transport normalized emissions, which are measured per unit of tonne-kilometre, dropped by 11.1 per cent due to an increase in the use of ocean shipping.

The corporate and supply chain footprint totals 4.8 million tonnes CO<sub>2</sub>-eq. As illustrated in Figure two, only two percent of Canadian Tire’s footprint is based on operations controlled by the Corporation with the remainder related to third-party product manufacturing, transport service providers, and stores operated by dealers and franchisees.

Regardless of the type of greenhouse gas emissions (scope 1, 2 or 3), the Business Sustainability Strategy at Canadian Tire is best served by examining the source of emissions associated with our three key segments of the value chain. As illustrated in figure one, this value chain includes product composition and manufacturing retail products (85.8% of emissions); product transport (8.6% of emissions) and buildings/operations (5.6% of emissions).

Figure One:

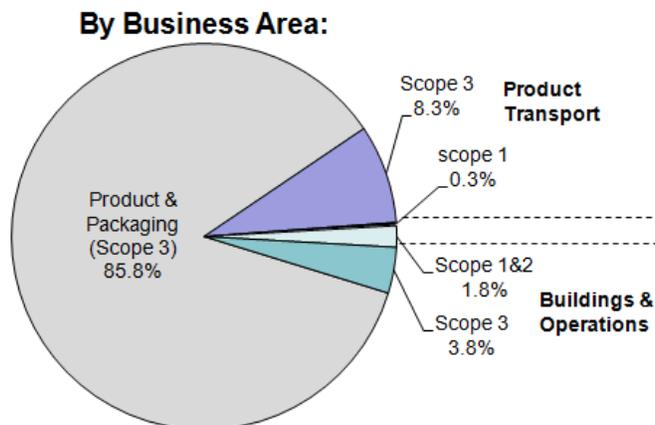
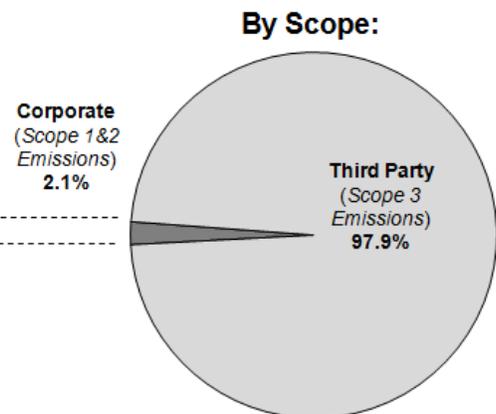


Figure Two:



## Reporting Frameworks

The Corporate and Supply Chain Environmental Footprint was prepared by Certified Greenhouse Gas inventory Quantifiers and produced in accordance with the WBCSD/WRI GHG Protocol Corporate and Scope 3 Standard as well as the Company's Environmental Footprint Corporate Directive.

Canadian Tire's Internal Audit Services (IAS) completed an audit to assess whether processes were adequately designed and operating effectively to manage risks related to the accuracy and completeness of data disclosed in sustainability reporting. Overall, IAS found our processes satisfactory.

Additionally, the Delphi Group and Corporate Knights assessed Canadian Tire's 2012 Business Sustainability Performance Reports and 2011 Environmental Footprint to provide CTC stakeholders with an independent review. The objective of this review is to determine if the appropriate due diligence is in place for accurate public disclosures. In addition, CTC's sustainability reporting was reviewed against a set of its industry peers to assess how it was performing with regards to public disclosures. Finally, Canadian Tire's 2011 greenhouse gas emissions (GHGs) and energy use was benchmarked against industry peers to assess their performance. For further details, please refer to the Delphi Group & Corporate Knights Q4 2012 letter of review on our website.

The reporting period covered is 2011 calendar year as compared to the 2010 Baseline. Canadian Tire uses a rolling Base year approach in accordance with Canadian Tire growth strategy to facilitate the comparison and recalculation process.

The Company's recalculation policy is stated in its Environmental Footprint Corporate Directive 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 segments of the value-chain (Product, Product Transport and Buildings & Operations) by +/- 10% .

Causes of recalculation: structural changes, changes in methodology, gap closings and discovery of errors.

Timing for recalculation: At the same time the new Environmental Footprint is released. "

In accordance with the Company's recalculation policy the 2010 baseline was restated. For further details refer to table six.

The Corporation's organizational boundary for the Environmental Footprint inventory is based on the "operational control". The GHG Protocol defines operational control as "having the full authority to introduce and implement operating policies at the operation". Locations and operations that fall under the operational control include corporate offices, distribution centres (DC), stores and vehicles.

## Content

The following pages include:

- The Environmental Footprint glossary of terms and disclosure of gaps;
- A breakdown of Canadian Tire's Corporate and Supply chain footprint by Business Segments, listing both total and intensity values in tables one & two;
- A breakdown of scope 1 & 2 emissions by gas in tables three & four;
- A breakdown of Canadian Tire's Corporate and Supply chain Environmental Footprint by GHG Protocol Categories in table five;
- The base year recalculation details in table six;
- The estimated overall margin of error in table seven;
- A glossary of terms.

## ENVIRONMENTAL FOOTPRINT GLOSSARY OF TERMS

AREAS OF MEASUREMENT	DEFINITIONS	GAPS
<b>Corporate &amp; Supply Chain Environmental Footprint</b>	<b>Environmental impacts and resources used throughout Canadian Tire’s extended value-chain from raw material acquisition, product manufacturing, product transportation, buildings operations, product use and product end-of-life. Metrics currently measured are energy and carbon from raw material acquisition to buildings operations.</b>	<b>Product use and product end-of-life. See below for other footprint categories.</b>
Energy used (GJ) and GHG emissions from Products	<ul style="list-style-type: none"> <li>• 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 CTR, PS and FGL retail products received in a given year by a store, distribution centre or 3rd Party warehouse on CTC’s behalf. Shipments include all products received including damaged products and customer returns.</li> <li>• This also 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.</li> </ul>	Mark's (~9% of CTC consolidated revenue), FGL National Sports and Athlete World Banners (~9% of FGL revenue), Gas+ kiosk products and CTR non-corporate products (products ordered directly by stores to the vendors).
Energy used and GHG emissions from Product Transport	<ul style="list-style-type: none"> <li>• Energy used and GHG emissions from Canadian Tire fleet trucks and vehicles for the transport of CTR and PS products.</li> <li>• Energy used and GHG emissions from 3rd party vendors to transport CTR and PS retail products from the manufacturing vendor (overseas is from FOB Point) to the store.</li> <li>• This also includes energy used and GHG emissions from 3rd party vendors to transport Petroleum fuels from refining sites to stations.</li> </ul>	FGL (~13% of CTC consolidated revenue), Mark's (~9% of CTC consolidated revenue) and Express Auto Parts (~2% CTC consolidated revenue) retail product transport. CTR Legacy direct shipments (~1% of direct shipments). Gas+ kiosk product transport. CTR shipping packaging weights and CTP Ocean container weights in tonne-kilometre calculations. HFCs and PFCs from pipeline leakages and refrigerated trucks.
Energy used and GHG emissions from Business and Retail Operations	Energy used and GHG emissions from the operation of Canadian Tire's owned and leased building, equipment, and owned & leased vehicles such as yard trucks, company cars and service vans (excluding product transport captured separately). This includes all operations across Canada including offices, distribution centres, Corporate/franchise/dealer/agent stores within CTC, CTR, PS, CTFS, Mark's, FGL and Gas+ sites.	CTP investment properties. HFCs and PFCs from refrigeration at Corporate and non-corporate locations. CTR and CTP fuel leakages.
Scope 1 emissions	Direct emissions from the combustion of on-site and mobile fuels, and other sources that occur at, or are associated with facilities and operations controlled by Canadian Tire Corporation.	HFCs and PFCs from refrigerated 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 controlled by Canadian Tire Corporation.	No known gaps
Scope 3 emissions	Other indirect emission from the corporation's supply chain, such as emissions from non-corporate locations (dealer/franchise/agent stores), product transport by 3rd party and product manufacture by 3rd party.	See Energy used and GHG emissions from Products, Product Transport and Business & Retail operations comments.

**TABLE ONE - 2011 CORPORATE AND SUPPLY CHAIN TOTALS & BASELINE COMPARISON**

		2011 Greenhouse Gas Emissions	2011 Energy Use	Baseline Year (2010) Greenhouse Gas Emissions	Variance		Baseline Year (2010) Energy Use	Variance		Comments
By Value-Chain Segments:		CO <sub>2</sub> e tonne	GJ	CO <sub>2</sub> e tonne	CO <sub>2</sub> e tonne	%	GJ	GJ	%	
PRODUCT	CTR & PS products	2,581,195	37,411,173	2,401,622	179,573	7.5%	34,546,264	2,864,909	8.3%	Product emissions and energy use increase is mainly due to more units sold in CTR Living and Auto categories as well as SportCheck Banner.
	FGL sports	493,927	6,885,956	474,816	19,111	4.0%	6,618,732	67,223	4.0%	
	CTP fuels	1,007,686	12,227,704	1,009,481	-1,795	-0.2%	11,838,905	388,799	3.3%	
	Sub-Total	4,082,808	56,524,833	3,885,919	196,889	5.1%	53,003,901	3,520,932	6.6%	
PRODUCT TRANSPORT	CTR Product Transport	317,459	4,370,061	309,105	8,354	2.7%	4,253,493	116,568	2.7%	Product Transport emissions and energy use increase is primarily due to increased sourcing from overseas.
	Canadian Tire Fleet	10,206	145,629	10,122	84	0.8%	144,432	1,196	0.8%	
	3rd-party Road, Rail, Ocean and Air	307,253	4,224,432	298,983	8,270	2.8%	4,109,060	115,372	2.8%	
	CTP Fuel Transport (third-party)	86,192	1,174,411	48,836	37,356	76.5%	699,386	475,024	67.9%	
	PartSource Commercial Delivery	2,630	37,442	2,887	-257	-8.9%	41,100	-3,658	-8.9%	
Sub-Total	406,281	5,581,914	360,828	45,452	12.6%	4,993,980	587,934	11.8%		
BUSINESS & RETAIL OPERATIONS	Offices (for all SBU's)	9,803	147,625	9,926	-124	-1.2%	155,969	-8,344	-5.3%	Overall Business & Retail operations emissions and energy use remain constant.
	Corporate Offices	9,748	146,271	9,872	-124	-1.3%	154,626	-8,354	-5.4%	
	3rd party operated Offices	55	1,354	55	1	1.1%	1,343	11	0.8%	
	Distribution Centers (for all SBU's)	29,900	582,324	31,551	-1,651	-5.2%	548,072	34,252	6.2%	
	Corporate DC's	16,171	397,257	15,696	475	3.0%	365,459	31,797	8.7%	
	3rd party operated DC's	13,729	185,067	15,855	-2,126	-13.4%	182,613	2,454	1.3%	
	Corporate Vehicles (Non-Shipment)	763	10,832	808	-44	-5.5%	11,462	-630	-5.5%	
	CTR dealer stores	132,674	2,443,437	132,649	24	0.0%	2,452,026	-8,590	-0.4%	
	Mark's	25,851	365,777	25,367	484	1.9%	360,172	5,605	1.6%	
	Corporate stores	24,088	326,143	23,654	434	1.8%	320,456	5,687	1.8%	
	Franchise stores	1,763	39,633	1,713	50	2.9%	39,716	-82	-0.2%	
	FGL Sports	35,436	605,654	35,308	128	0.4%	621,099	-15,445	-2.5%	
	Corporate stores	30,484	431,474	30,218	266	0.9%	438,183	-6,709	-1.5%	
	Franchise stores	4,951	174,180	5,090	-139	-2.7%	182,916	-8,735	-4.8%	
	PartSource	5,402	80,115	5,216	187	3.6%	77,308	2,807	3.6%	
	Corporate stores	3,830	60,323	3,622	208	5.7%	57,129	3,194	5.6%	
	Franchise stores	1,573	19,792	1,594	-21	-1.3%	20,179	-387	-1.9%	
CTP Agents	13,738	279,926	13,574	165	1.2%	273,997	5,929	2.2%		
CTREL investment properties	1,959	45,283	1,902	56	2.9%	44,297	986	2.2%		
Emissions related to electricity transmission and distribution loss	12,133	N/A	12,426	-293	-2.4%	N/A	N/A	N/A		
Sub-Total	267,659	4,560,971	268,727	-1,068	-0.4%	4,544,402	16,569	0.4%		
TOTAL	Corporation & Supply Chain	4,756,748	66,667,718	4,515,474	241,273	5.3%	62,542,283	4,125,436	6.6%	Overall increase is mainly due to emissions embedded in products.

**TABLE TWO - INTENSITY VALUES**

By Value-Chain Segments:		GHG ratios			Energy ratios			
		2011	2010	Change		2011	2010	Change
PRODUCT	GHG emissions as a % of Total Corporate and Supply Chain Footprint	85.8%	86.1%	-23 bps	Energy usage as % Total Corporate & Supply Chain Energy usage	84.8%	84.7%	4 bps
	GHG emissions per \$1,000 in-scope SBU revenues (CO2-eq kg)	443.2	443.9	-0.15%	Energy usage per \$1,000 in-scope SBU revenues (GJ)	6.1	6.1	1.34%
PRODUCT TRANSPORT	GHG emissions as a % of Total Corporate and Supply Chain Footprint	8.5%	8.0%	55 bps	Energy usage as % Total Corporate & Supply Chain Energy usage	8.4%	8.0%	39 bps
	GHG emissions per cubic metre shipped (CO2-eq kg)	63.9	58.2	9.75%	Energy usage per cubic metre shipped (GJ)	0.9	0.8	8.95%
	GHG emissions per tonne-kilometre (CO2-eq kg)	0.0349	0.0393	-11.07%	Energy usage per tonne-kilometre (GJ)	0.00048	0.00054	-11.72%
BUSINESS & RETAIL OPERATIONS	GHG emissions as a % of Total Corporate and Supply Chain Footprint	5.6%	6.0%	-32 bps	Energy usage as % Total Corporate & Supply Chain Energy usage	6.8%	7.3%	-42 bps
	GHG emissions per square metre (CO2-eq kg)	48.6	49.0	-0.79%	Energy usage per square metre (GJ)	0.828	0.828	-0.03%
Corp. & Supply Chain	GHG emissions per \$1,000 CTC consolidated Revenue (CO2-eq kgs)	424.7	424.1	0.1%	Energy usage per \$1,000 CTC Consolidated Revenue (GJ)	5.95	5.87	1.3%

**TABLE THREE - EMISSIONS BY SCOPE**

Estimated tonnes of CO <sub>2</sub> e by Scope:	2011	Baseline (2010)	Change
Scope 1 Emissions	42,209	40,146	5.1%
Scope 2 Emissions	55,711	56,732	-1.8%
Scope 3 Emissions	4,658,828	4,418,596	5.4%

**TABLE FOUR - SCOPE 1 & 2 EMISSIONS BY GAS**

Estimated tonnes	2011	Baseline (2010)	Change
Carbone Dioxide (CO <sub>2</sub> )	96,950	95,901	1.1%
Methane (CH <sub>4</sub> )	4.16	4.20	-0.9%
Nitrous Oxide (N <sub>2</sub> O)	2.91	2.93	-0.8%
Carbone Dioxide Equivalent (CO <sub>2</sub> e)	97,920	96,878	1.1%

**TABLE FIVE - 2011 CORPORATE AND SUPPLY CHAIN TOTALS PER GHG PROTOCOL CATEGORY**

	Description	Methodologies and factors used	Percentage of primary data used	2011 Greenhouse Gas emissions CO <sub>2</sub> e Tonnes	Justification of exclusions	
<b>By GHG Protocol Category:</b>						
CORPORATE EMISSIONS	Scope 1	<p>Emissions from fuel used by 70 fleet trucks, 262 PS commercial delivery vehicles and 53 operational vehicles. Emissions from on-site fuel used by 750 corporate stores, 32 offices, 9 DCs, depot or storage facilities.</p>	<ul style="list-style-type: none"> <li>Buildings &amp; Operations calculations are derived from a sampling strategy. A statistical representative sample of energy data was collected by Business Unit, type of building and regional area to estimate the overall Business &amp; Retail Operations energy usage. The last sampling strategy was performed in 2010 for all SBUs except for FGL for which the sampling strategy was performed in 2011. During non-sampling years, only readily available energy usage data is collected. Where no actual data is readily available, energy usage is estimated based on previous year and heating and cooling degree days.</li> <li>Canadian Tire Fleet and PS commercial delivery vehicle calculations are derived from a fuel volume based methodology.</li> </ul>	70%	42,209	HFCs and PFCs from refrigerated units which was deemed non-material.
	Scope 2	<p>Emissions from electricity used by 750 corporate stores, 32 offices, 9 DCs, depot or storage facilities.</p>	<ul style="list-style-type: none"> <li>Emissions factors from Environment Canada National Inventory 1990-2009 Report were used.</li> <li>IPCC 4th Assessment Report, Climate Change 2007, table AR4 - 100 years, Global Warming Potentials (GWP) were used.</li> </ul>	39%	55,711	No known gaps
UPSTREAM EMISSIONS (Scope 3)	Purchased Goods and Services	<p>Emissions associated with the extraction, production and transportation (cradle-to gate) of products sold at CTR, FGL Sports, CTP and PS stores.</p>	<ul style="list-style-type: none"> <li>CTR, PS and FGL calculations are derived from the Economic Input-Output Life Cycle Analysis (LCA) Model (<a href="http://www.eiolca.net">www.eiolca.net</a>) developed by the Carnegie Mellon University.</li> <li>CTP calculations are derived from the US Department of Energy Greet 2012 Model (<a href="http://greet.es.anl.gov">http://greet.es.anl.gov</a>) and the GHGenius 4.1 Model (<a href="http://www.ghgenius.ca">http://www.ghgenius.ca</a>).</li> <li>IPCC 4th Assessment Report, Climate Change 2007, table AR4 - 100 years, Global Warming Potentials (GWP) were used.</li> </ul>	0%	4,082,808	Mark's products are not included due to data unavailability and CTFs products are not included as they are deemed non-material.
	Capital Goods	<p>Emissions associated with the extraction, production and transportation (cradle-to gate) of capital goods purchased.</p>	n/a	n/a	n/a	Capital goods are not included due to data unavailability and materiality assessment.
	Fuel and Energy related activities (not included in scope 1 & 2)	<p>Emissions associated with the extraction, production and transportation of a) fuels consumed b) electricity consumed c) electricity transmission and distribution loss</p>	<ul style="list-style-type: none"> <li>Electricity transmission and distribution loss is calculated based on electricity consumptions and emission factors from Environment Canada National Inventory 1990-2009 Report.</li> <li>IPCC 4th Assessment Report, Climate Change 2007, table AR4 - 100 years, Global Warming Potentials (GWP) were used.</li> </ul>	22%	12,133	Items a) and b) are not included due to data unavailability.
	Upstream Transportation and Distribution	<p>Emissions associated with third-party transportation of products from tier 1 suppliers to distribution centres and from distribution centres to stores. This category also includes emissions from third-party operated distribution centres.</p>	<ul style="list-style-type: none"> <li>CTR and CTP third-party transportation calculations are derived from a distance-weight methodology. Emission factors from (i) the US Environmental Protection Agency Climate Leaders, Optional Emissions from Commuting, Business Travel and Product Transport, May 2008, (ii) the International Marine Organization (IMO), Second GHG Study 2009, and (iii) Environment Canada National Inventory 1990-2009 Report. Energy conversion factors were also 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.</li> <li>Third-party operated DCs fall under the business &amp; retail operations segment and therefore follow the sampling strategy methodology. See methodology on scope 1&amp;2 for more details.</li> <li>IPCC 4th Assessment Report, Climate Change 2007, table AR4 - 100 years, Global Warming Potentials (GWP) were used.</li> </ul>	1%	407,174	Emissions from FGL, Mark's, Express Auto Parts, CTR Legacy direct shipments and Gas+ kiosk product transport are not included due to data unavailability. Also, HFCs and PFCs from pipeline leakages and refrigerated trucks are not included due to data unavailability.

	Waste Generated in Operations	Emissions from 3rd-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 and materiality assessment.
	Business Travel	Emissions from business travel	n/a		n/a	n/a	Emissions from business travel are not included due to data unavailability and materiality assessment.
	Employee Commuting	Emissions from employees commuting to offices, Distribution Centres and stores.	n/a		n/a	n/a	Emissions from employee commuting are not included due to data unavailability and materiality assessment.
	Upstream Leased Assets	Emissions associated with the operation of one leased office which does 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 for more details.	100%		31	HFCs and PFCs from refrigerated units which was deemed non-material.
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	Not applicable	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 transportation and distribution 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 transportation and distribution are not included due to data unavailability.
	Downstream Leased Assets	Emissions associated with 36 CTR investment properties and one office (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 for more details.	1%		1,983	Emissions from CTP investment properties are not included due to data unavailability.
	Franchises	Emissions associated with the operations of 1,078 non-Corporate stores including CTR dealer stores, Marks, FGL and PS franchise stores and CTP agent's sites.	Franchises fall under the business & retail operations segment and therefore follow the sampling strategy methodology. See methodology on scope 1&2 for more details.	16%		154,699	HFCs and PFCs from refrigerated units which was deemed non-material.
	Investments	Emissions associated with equity and debt investments and project finance.	n/a		n/a	n/a	Emissions from investment are not included due to data unavailability and materiality assessment.

Please note: number of buildings is reported at gross i.e. includes closings

**TABLE SIX - 2010 BASELINE YEAR RECALCULATION**

By Value-Chain Segments:	To be published Feb, 2013	Published March, 2012	Per cent Change	To be published Feb, 2013	Published March, 2012	Per cent Change	Justifications for recalculation
	GHG Emissions (COe tonnes)	GHG Emissions (CO <sub>2</sub> e tonnes)		Energy Use (GJ)	Energy Use (GJ)		
PRODUCTS	3,885,919	2,401,622	61.8%	53,003,901	34,546,264	53.4%	Product emissions and energy use levels were restated to account for the addition of FGL retail products and CTP fuels for comparison purposes and in accordance in the GHG Protocol.
PRODUCT TRANSPORT	360,828	309,105	16.7%	4,993,980	4,253,493	17.4%	Product Transport emissions and energy use levels were restated to account for the addition of CTP fuel transportation from refineries to stations for comparison purposes and in accordance in the GHG Protocol. Also note, PS delivery vehicles were re-allocated from Business & Retail Operations to Product Transport.
BUSINESS & RETAIL OPERATIONS	268,727	213,771	25.7%	4,544,402	3,806,981	19.37%	Business & Retail Operations emissions and energy use levels were restated to (1) account for FGL stores, offices and distribution centres and CTR investment properties for comparison purposes and in accordance in the GHG Protocol, (2) account for electricity transmission and distribution loss emissions, (3) re-allocate PS delivery vehicles from Business & Retail operations to Product Transport and (4) adjust the energy use of 37 locations.
<b>TOTAL</b>	<b>4,515,474</b>	<b>2,924,498</b>	<b>54.4%</b>	<b>62,542,283</b>	<b>42,606,737</b>	<b>46.8%</b>	

**TABLE SEVEN - ESTIMATED MARGIN OF ERROR BY SEGMENT**

By Value-Chain Segments:	2011	Baseline (2010)	Comments
PRODUCTS	17.8%	17.8%	<ul style="list-style-type: none"> <li>CTR, PS and FGL calculations are derived from the Economic Input-Output Life Cycle Analysis (LCA) Model (<a href="http://www.eiolca.net">www.eiolca.net</a>) developed by the Carnegie Mellon University. Various LCA techniques typically vary by +/-20% for analyses of the same product.</li> <li>CTP calculations are derived from the US Department of Energy Greet 2012 Model (<a href="http://greet.es.anl.gov">http://greet.es.anl.gov</a>) and the GHGenius 4.1 Model (<a href="http://www.ghgenius.ca">http://www.ghgenius.ca</a>). Various fuel LCA techniques typically vary by +/-10% for analyses of the same product.</li> </ul> Overall margin of error is weighted based on energy use.
PRODUCT TRANSPORT	19.4%	19.3%	<ul style="list-style-type: none"> <li>Canadian Tire Fleet and PS commercial delivery vehicle calculations are derived from a fuel volume based methodology with an estimated margin of error deemed as very low (&lt;1%) as estimated by Environment Canada National Inventory 1990-2009 Report.</li> <li>CTR and CTP third-party transportation calculations are derived from a distance-weight methodology. EPA and IMO emissions factors were used, however, there is a significant spread between distance-weight emission factors estimated by different external sources which is assumed to be +/-20%.</li> </ul> Overall margin of error is weighted based on energy use.
BUSINESS & RETAIL OPERATIONS	4.2%	4.1%	<ul style="list-style-type: none"> <li>Business &amp; Retail Operations calculations are derived from a sampling strategy. A statistically representative sample of energy data was collected by Business Unit and regional areas to estimate the overall Buildings &amp; Operations energy usage.</li> <li>Also, Environment Canada National Inventory 1990-2009 Report emission factors were used with an estimated margin of error deemed as very low (&lt;1%).</li> </ul>
<b>Total</b>	<b>17.0%</b>	<b>16.9%</b>	Overall margin of error is weighed based on energy use.

## GLOSSARY OF TERMS

SUSTAINABILITY TERMS	
TERM	DEFINITIONS
<b>Business Sustainability</b>	<b>An innovation strategy that aims to achieve productivity gains and economic benefits from enhanced environmental and social outcomes by integrating sustainability into business operations. The scope of the strategy is Canadian Tire's value-chain – reaching upstream to our suppliers and downstream to our customers.</b>
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).
Cradle-to-gate, Cradle-to-grave, Gate-to-gate, and Cradle-to-cradle Life Cycle Analysis	<ul style="list-style-type: none"> <li>• Cradle-to-gate is a portion of a product's lifecycle, starting with raw material acquisition and ending at the shipping or receiving gate of a company.</li> <li>• Cradle-to-grave includes a broader life cycle encompassing consumer use and end of life.</li> <li>• Gate-to-gate is a shorter life cycle between one company's shipping gate and another company's receiving gate.</li> <li>• Cradle-to-cradle is a full life cycle, including the product's transition into a new raw material input.</li> </ul>
Emission Factors	Calculation factor used to measure greenhouse gases (GHG) released from the production/use of raw material/energy.
GHG	Greenhouse Gases - 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).
GHG Protocol	The GHG Protocol initiative is 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. Canadian Tire Sustainability Reporting follows the GHG Protocol Corporate, Project and Value-Chain (Scope 3) Accounting Standards.
GWP	Global Warming Potential - 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.
IPCC	Intergovernmental Panel on Climate Change - 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 in climate change and its potential environmental and socio-economic impacts.
Transport GHG model	Created by Canadian Tire's Transportation team, the Transport GHG Emissions Model calculates tonnes of CO <sub>2</sub> e produced based on direct emissions from our own fleet of trucks and indirect mobile emissions produced from transport of goods by third party carriers for all modes of transport (including water, rail, road and air). The methodology for the model follows a distance and weight approach for third party carriers and an actual fuel use approach for the internal fleet, and reflects guidelines created by the World Resources Institute (WRI), known as the Greenhouse Gas Protocol, and Environment Canada.
EPA	Environmental Protection Agency - An agency of the U.S. federal government in charge of protecting human health and the environment, by writing and enforcing regulations based on laws passed by Congress.
WBCSD	World Business Council for Sustainable Development - 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.
WRI	World Resource Institute - A global environmental think tank that works with governments, companies, and society to build solutions to urgent environmental challenges.

OTHER TERMS	
TERM	DEFINITIONS
CTC	Canadian Tire Corporation Limited - The Parent Company
CTFS	Canadian Tire Financial Services Limited - a wholly owned subsidiary of CTC
CTP	Canadian Tire Petroleum - a strategic business unit within CTC
CTR	Canadian Tire Retail - a strategic business unit within CTC
CTREL	Canadian Tire Real Estate Limited - a wholly owned subsidiary of CTC
FGL Sports	A subsidiary of CTC (one of Canada's leading retailers of sporting goods)
Mark's	A subsidiary of CTC (one of Canada's leading apparel retailers )
PS	PartSource - a strategic business unit within CTC (specialty automotive stores)
GJ	Giga-joules - a unit of measurement for energy use.
Square metres	Measurement of the buildings functional area. CTR store functional area includes ground coverage, mezzanine areas, other floors, and second level racking system. Garden Centres are excluded. For Canadian Tire's petroleum stations this includes convenience kiosks, gas bar canopies, car washes, and Pit-Stops. For Mark's, FGL Sports, PartSource and CTFS locations, functional area is the equivalent of the gross leasable area.
Tonne-kilometres	Distance travelled from vendor to stores in kilometres multiplied by weight of products and related equipment in metric tonnes. Used in the calculation of the product transport carbon and energy footprint.
Equivalent to powering this many homes per year	Calculates the equivalent number of average Canadian homes powered for a year related to the forecasted annual avoided energy use resulting from sustainability project. Energy used by the average Canadian home includes natural gas, electricity, heating oil, propane and wood use. Natural Resources Canada, "Survey of Household Energy Use", 2007. Average Canadian annual household energy consumption is calculated as 105.9 GJ.