

CANADIAN TIRE CORPORATION, LIMITED – BUSINESS SUSTAINABILITY CORPORATE AND SUPPLY CHAIN ENVIRONMENTAL FOOTPRINT REPORT

How the Company Reports on Business Sustainability

As part of its Business Sustainability strategy, the Company reports annually on the following: (i) realized benefits from the implementation of business sustainability initiatives that aim to reduce the Company’s footprint, and (ii) the energy, carbon and water footprint which provides a view of the environmental performance for the Company and its extended value-chain and aids the Company in identifying opportunities for improvement.

This section highlights the Company’s Environmental Footprint results for 2014. For more information on CTC’s completed sustainability initiatives, refer to the Company’s online quarterly Performance Reports.

EXECUTIVE SUMMARY

In 2014, CTC completed its most recent corporate and supply chain carbon and energy footprint, enabling a view to the implications of projects implemented since the Business Sustainability strategy was launched. For the first year, Canadian Tire is also able to disclose the supply chain water footprint of its products. The data collection and subsequent review exercise for determining the Company’s environmental footprint is a rigorous one that is completed after the close of the previous calendar year. Accordingly, the results reflected below reflect CTC’s environmental footprint for the 2013 calendar year.

Results and Key Highlights

The Company is focused on productivity to ensure its business continues to grow while minimizing its environmental footprint through more efficient operations. Overall, 2013 emissions decreased by 3.9% and total normalized emissions, which are measured per unit of revenue, decreased by 5.9%. This is mainly due to reductions in energy use and emissions from the product and packaging segment where CTC’s quote cost concentration shifted away from intensive products (e.g. fertilizers and pesticides).

The corporate and supply chain carbon footprint totals 4.3 million tonnes CO₂e. As illustrated in Figure Two, less than 2% of Canadian Tire’s footprint is based on operations controlled by the Company with the remainder related to third-party product manufacturing, transportation service providers, and stores operated by dealers, franchisees and agents.

The Company’s Business Sustainability strategy examines the source of GHG emissions – scope 1, 2 and 3 – associated with our three key segments of the value chain, as illustrated in Figure One and Two. This value chain includes product composition and manufacturing of retail products (84.4% of emissions); product transport (9.5% of emissions) and business & retail operations (6.1% of emissions).

Figure One:

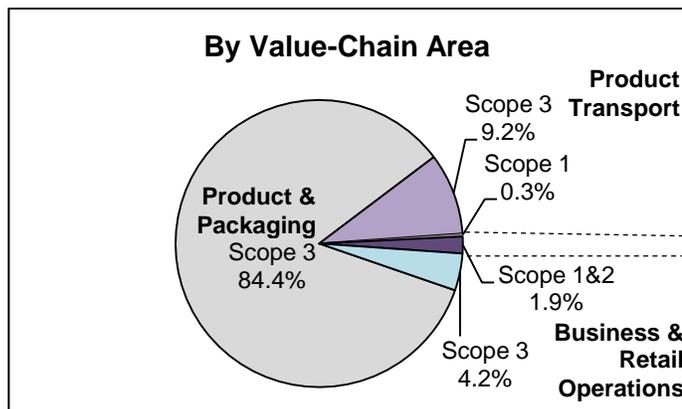
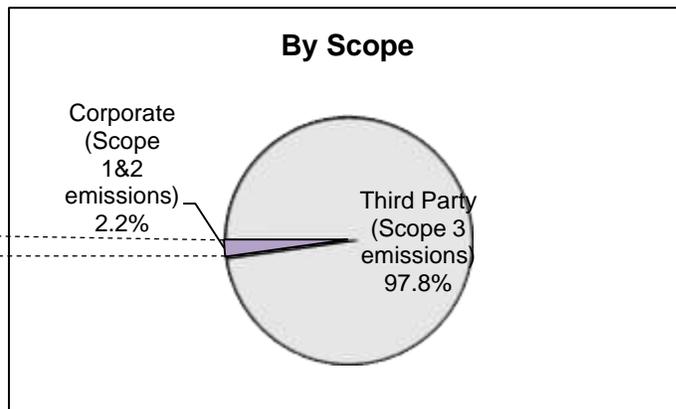


Figure Two:



CTC measured the water footprint of products purchased for the first time in 2013. Over 65.5 million cubic metres of water are embedded in the Company's upstream value chain, which is approximately a 1% increase from the 2012 water footprint. This increase is due to an increased concentration of water intensive products such as apparel.

CTC also began measuring its waste footprint in 2013. From the 659 locations for which waste data was available in 2013, CTC generated approximately 25,000 tonnes of waste and achieved a diversion rate of 58%.

Reporting Frameworks

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

CTC's Internal Audit Services (IAS) completed an audit to assess whether processes were adequately designed and operating effectively to mitigate the risks associated with the accuracy and completeness of the data disclosed within CTC's sustainability reporting. Overall, IAS found CTC's processes suitable in meeting this objective.

Additionally, an independent review of CTC's 2013 Environmental Footprint was conducted by the Delphi Group and Corporate Knights. The purpose of this review was to provide CTC stakeholders with assurances that: (i) appropriate due diligence is in place to ensure accurate public disclosures, and (ii) the Company's GHG and energy use is benchmarked against industry peers to assess the Company's overall performance. For further details, refer to the Delphi Group & Corporate Knights Q4 2014 letter of review currently posted on our website.

The reporting period covered is the 2013 calendar year as compared to the 2012 Baseline. CTC uses a rolling base year approach in accordance with its 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 2012 baseline was restated. For detail refer to Table Six.

The Corporation's organizational boundary for the Environmental Footprint inventory is based on "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:

- A breakdown of CTC's Corporate and Supply chain footprint by Business Segment, listing both total and intensity values in Table One and Table Two;
- A breakdown of scope 1 & 2 emissions by gas in Table Three and Table Four;
- A breakdown of CTC'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;
- Canadian Tire's Waste footprint;
- The Environmental Footprint glossary of terms and disclosure of gaps;
- A glossary of terms.

TABLE ONE - 2013 CORPORATE AND SUPPLY CHAIN TOTALS & BASELINE COMPARISON

By Value-Chain Segment:		2013 Energy Use	Baseline Year (2012) Energy Use	Change (B) / W		2013 Greenhouse Gas Emissions	Baseline Year (2012) Greenhouse Gas Emissions	Change (B) / W		Comments	2013 Water Use ¹	Baseline Year (2012) Water Use ¹	Change (B) / W		Comments
		GJ	GJ	GJ	%	CO ₂ e tonne	CO ₂ e tonne	CO ₂ e tonne	%		m ³	m ³	m ³	%	
PRODUCT & PACKAGING	Sub-Total (Canadian Tire, PartSource, Mark's, FGL Sports, Petroleum)	47,183,649	49,233,080	(2,049,431)	(4.2%)	3,637,220	3,795,401	(158,182)	(4.2%)	Energy use and GHG emissions decrease mainly due to an overall shift in quote cost concentration away from intensive products (i.e. fertilizers and pesticides).	64,629,040	64,059,560	569,481	0.9%	Slight increase in water use due to an increase in spend on water intensive products such as apparel.
PRODUCT TRANSPORT	Corporate - CTC Fleet and PartSource Commercial Deliveries	203,597	180,944	22,653	12.5%	14,283	12,689	1,594	12.6%	Increase in corporate transport energy use and GHG emissions primarily due to an increase in PartSource deliveries.					
	3rd Party Road, Rail, Ocean and Air (Canadian Tire and Petroleum)	5,496,037	5,675,193	(179,156)	(3.2%)	395,727	408,407	(12,680)	(3.1%)	Energy use and GHG emissions decrease mainly due to decrease in volume and weight shipped.					
	Sub-Total	5,699,634	5,856,137	(156,503)	(2.7%)	410,010	421,096	(11,085)	(2.6%)	Overall energy use and GHG emissions decrease mainly due to decrease in volume and weight shipped for Canadian Tire and Petroleum.					
BUSINESS & RETAIL OPERATIONS	Offices and Distribution Centres (DCs) (Canadian Tire, PartSource, Mark's, FGL Sports, Petroleum)	753,442	702,488	50,954	7.3%	39,344	39,559	(215)	(0.5%)	Overall energy use and GHG emissions increase in offices and DCs resulting from increases in corporate locations.					
	Corporate	554,995	497,256	57,739	11.6%	26,049	23,263	2,785	12.0%	Increase in energy use and GHG emissions due to increase in square footage and in Heating Degree Days.					
	3rd Party Operated Offices and DCs	198,447	205,232	(6,785)	(3.3%)	13,295	16,296	(3,000)	(18.4%)	Decrease in GHG emissions primarily due to decrease in electricity consumption in Alberta.					
	Corporate Vehicles (Non-Shipment)	9,432	7,840	1,591	20.3%	664	552	112	20.3%	Increase in energy use and GHG emissions due to increased kilometres for In-Yard vehicles, increase gasoline usage in shunt trucks, increase kilometres for Financial Service's Driver's Academy and increase in Mark's Boot Trucks fuel consumption.					
	Stores (Canadian Tire, PartSource, Mark's, FGL Sports, Petroleum)	3,765,259	3,812,734	(47,475)	(1.2%)	205,325	210,707	(5,383)	(2.6%)	Overall energy use and GHG emissions in stores decreased slightly due to upgrades and rationalization.					
	Corporate	827,753	853,824	(26,071)	(3.1%)	54,618	57,862	(3,244)	(5.6%)	Decrease in energy use and GHG emissions due to store upgrades and banner rationalization across Mark's, FGL and PartSource.					
	Dealers, Franchises and Agents	2,937,505	2,958,910	(21,405)	(0.7%)	150,706	152,845	(2,139)	(1.4%)	Minor energy use and GHG emissions reductions primarily due to Canadian Tire store conversions.					
	CTREL and Petroleum investment properties	37,201	40,627	(3,427)	(8.4%)	1,340	1,721	(382)	(22.2%)	Energy use and GHG emissions decreased due to decrease in electricity and natural gas consumption.					
	Emissions related to electricity transmission and distribution (T&D) loss	N/A	N/A	N/A	N/A	14,303	16,051	(1,748)	(10.9%)	T&D emissions decreased due to decrease in total electricity use and a lower T&D factor resulting from infrastructural improvements.					
	Sub-Total	4,565,333	4,563,689	1,643	0.0%	260,976	268,591	(7,615)	(2.8%)	Overall, energy use remained constant; GHG emissions decreased mainly due to electricity use decrease in Alberta and new store design.					
TOTAL	Corporation and Supply Chain	57,448,616	59,652,906	(2,204,290)	(3.7%)	4,308,206	4,485,088	(176,882)	(3.9%)	Overall GHG and energy use decrease mainly due to decrease in product quote cost and shift in quote cost away from intensive products.					

¹ Product and Packaging water footprint includes Canadian Tire, PartSource, Mark's and FGL Sports only, Petroleum is excluded.

TABLE TWO - INTENSITY VALUES

By Value-Chain Segment:	Energy ratios	2013	2012	Change (B) / W	GHG ratios	2013	2012	Change (B) / W	Water ratios	2013	2012	Change (B) / W
		PRODUCT	Energy usage as % Total Corporate & Supply Chain Energy usage	82.1%		82.5%	(40)bps	GHG emissions as a % of Total Corporate and Supply Chain Footprint		84.4%	84.6%	(20)bps
	Energy usage per \$1,000 banner revenues (GJ)	4.4	4.7	(7.0%)	GHG emissions per \$1,000 banner revenues (CO ₂ e kg)	339.7	365.1	(7.0%)	Water usage per \$1,000 banner revenues (m ³)	7.5	7.7	(2.5%)
PRODUCT TRANSPORT	Energy usage as % Total Corporate & Supply Chain Energy usage	9.9%	9.8%	10 bps	GHG emissions as a % of Total Corporate and Supply Chain Footprint	9.5%	9.4%	13 bps				
	Energy usage per cubic metre shipped (GJ)	0.90	0.92	(2.3%)	GHG emissions per cubic metre shipped (CO ₂ e kg)	64.6	66.1	(2.2%)				
	Energy usage per tonne-kilometre (GJ)	0.000512	0.000515	(0.6%)	GHG emissions per tonne-kilometre (CO ₂ e kg)	0.0368	0.0370	(0.5%)				
BUSINESS & RETAIL OPERATIONS	Energy usage as % Total Corporate & Supply Chain Energy usage	7.9%	7.7%	30 bps	GHG emissions as a % of Total Corporate and Supply Chain Footprint	6.1%	6.0%	7 bps				
	Energy usage per square metre (GJ)	0.805	0.810	(0.6%)	GHG emissions per square metre (CO ₂ e kg)	46.0	47.7	(3.5%)				
TOTAL	Energy usage per \$1,000 CTC Consolidated revenue (GJ)	5.03	5.33	(5.6%)	GHG emissions per \$1,000 CTC consolidated revenue (CO ₂ e kg)	377.0	400.5	(5.9%)				

TABLE THREE - EMISSIONS BY SCOPE

Estimated tonnes of CO ₂ e by Scope:	2013	Baseline (2012)	Change (B) / W
Scope 1 Emissions	46,205	39,462	17.1%
Scope 2 Emissions	49,410	54,905	(10.0%)
Scope 3 Emissions	4,212,591	4,390,721	(4.1%)

TABLE FOUR - SCOPE 1 & 2 EMISSIONS BY GAS

Estimated tonnes	2013	Baseline (2012)	Change (B) / W
Carbone Dioxide (CO ₂)	94,496	93,294	1.3%
Methane (CH ₄)	5.87	6.06	(3.2%)
Nitrous Oxide (N ₂ O)	3.08	2.92	5.5%
Carbone Dioxide Equivalent (CO ₂ e)	95,615	94,371	1.3%

TABLE FIVE - 2013 CORPORATE AND SUPPLY CHAIN TOTALS PER GHG PROTOCOL CATEGORY

		Description	Methodologies and factors used	Per cent of primary data used	2013 GHGs emissions CO ₂ e Tonnes	Justification of exclusions
By GHG Protocol Category:						
CORPORATE EMISSIONS	Scope 1	Emissions from fuel used by 70 fleet trucks, 300 PartSource commercial delivery vehicles and 51 operational vehicles. Emissions from on-site fuel used by 766 corporate stores, 28 offices, 14 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. The most recent sampling strategy was performed in 2013 for all strategic business units. During non-sampling years, only readily available energy use data is collected. Where no actual data is readily available, energy usage is estimated based on previous year and heating and cooling degree days. Canadian Tire fleet and PartSource commercial delivery vehicle calculations are derived from a fuel volume based methodology. Emission factors from Environment Canada National Inventory 1990-2011 Report were used.	85%	46,205	HFCs and PFCs from refrigeration units; deemed non-material.
	Scope 2	Emissions from electricity used by 766 corporate stores, 28 offices, 14 DCs, depot or storage facilities.	IPCC 5th Assessment Report, 100 years, Global Warming Potentials (GWP) were used.	77%	49,410	No known 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 Greet 2013 Model (http://greet.es.anl.gov) and the GHGenius 4.03 Model (http://www.ghgenius.ca). IPCC 5th Assessment Report, 100 years, Global Warming Potentials (GWP) were used.	0%	3,637,220	Financial Services, Gas + kiosk and Canadian Tire non-corporate products (FMA); deemed non-material.
	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 materiality assessment.
	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 Environment Canada National Inventory 1990-2012 Report. IPCC 5th Assessment Report, 100 years, Global Warming Potentials (GWP) were used.	58%	14,303	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 distribution centres and from Distribution Centres (DCs) to stores. This category also includes emissions from third-party operated distribution centres.	Canadian Tire and Petroleum 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 1990-2011 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 sampling strategy methodology. See methodology on scope 1&2 for further detail. IPCC 5th Assessment Report, 100 years, Global Warming Potentials (GWP) were used.	3%	408,955	Emissions from FGL sports, Mark's, Gas+ kiosk, less than 10% of Canadian Tire activity, Canadian Tire non-corporate products (FMA), some Canadian Tire packaging weight, HFCs and PFCs from pipeline leakages and refrigerated trucks are not included due to data unavailability.

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 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 64 investment properties and one office location (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 further detail.	0%	1,378	HFCs and PFCs from refrigeration units; deemed non-material.
	Franchises	Emissions associated with the operations of 1,053 non-Corporate stores including Canadian Tire dealer stores, Marks, FGL Sports and PartSource franchise stores 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 for further detail.	46%	150,706	HFCs and PFCs from refrigeration units; 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.

TABLE SIX - 2012 BASELINE YEAR RECALCULATION

By Value-Chain Segments:	Published Feb, 2015 GHG Emissions (CO ₂ e tonnes)	Published March, 2014 GHG Emissions (CO ₂ e tonnes)	Change (B) / W	Published Feb, 2015 Energy Use (GJ)	Published March, 2014 Energy Use (GJ)	Change (B) / W	Justifications for recalculation
PRODUCTS	3,795,401	4,554,325	(16.7%)	49,233,080	62,908,130	(21.7%)	Restatement mainly due to change to Trucost EIO-LCA model for Canadian Tire, PartSource, FGL and Mark's product footprint. This model incorporates (1) updated Bureau of Economic Analysis (BEA) economic data (2007), (2) regionally weighted environmental impact factors, and (3) environmental impact data disclosed by the Company's vendors. Also due to updates to model used for Petroleum product footprint.
PRODUCT TRANSPORT	421,096	374,701	12.4%	5,856,137	5,177,821	13.1%	Restatement due to updates made to Canadian Tire product transport methodology and gap closures.
BUSINESS & RETAIL OPERATIONS	268,591	272,827	(1.6%)	4,563,689	4,548,509	0.3%	Restatement due to (1) addition of Pro Hockey Life to FGL, (2) corrected energy use figures for certain locations, (3) addition of missing locations and vehicles, (4) updated emission factors, and (5) correction of calculation error for transmission & distribution losses.
TOTAL	4,485,088	5,201,853	(13.8%)	59,652,906	72,634,460	(17.9%)	

TABLE SEVEN - ESTIMATED MARGIN OF ERROR BY SEGMENT

Value-Chain Segment	2013	2012	Comments
PRODUCTS	17.0%	17.1%	Canadian Tire, PartSource, Mark's and FGL calculations are derived from the Economic Input-Output Life Cycle Analysis (EIO-LCA) Model developed by Trucost. Various LCA techniques typically vary by +/-20% for analyses of the same product. Canadian Tire Petroleum calculations are derived from the US Department of Energy Greet 2013 Model (http://greet.es.anl.gov) and the GHGenius 4.03 Model (http://www.ghgenius.ca). Various fuel LCA techniques typically vary by +/-10% for analyses of the same product. Overall margin of error is weighted based on energy use.
PRODUCT TRANSPORT	19.3%	19.4%	Canadian Tire fleet and PartSource commercial delivery vehicle calculations are derived from a fuel volume-based methodology with an estimated margin of error very low (<1%) as estimated by Environment Canada National Inventory 1990-2011 Report, Table A7-1. Canadian Tire and Canadian Tire Petroleum third-party transportation calculations are derived from a distance-weight methodology. The US Environmental Protection Agency and International Marine Organization emission 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%. Overall margin of error is weighted based on energy use.
BUSINESS & RETAIL OPERATIONS	3.3%	3.3%	Buildings & 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 & Operations energy usage. Also, Environment Canada National Inventory 1990-2011 Report emission factors were used with an estimated margin of error very low (<1%).
TOTAL	16.1%	16.3%	Overall margin of error is weighted based on energy use.

CANADIAN TIRE'S WASTE REDUCTION JOURNEY

Canadian Tire sees sustainability as more than just a green or marketing initiative, but rather as a business strategy that aligns benefits to our customers, our businesses and the environment. A key part of our sustainability strategy is to reduce the impact that waste generated by Canadian Tire has on its communities.

Our Company's Waste Reduction strategy has three imperatives:

- Optimize productivity: drive waste costs down while increasing recycling revenues;
- Develop innovation: create and reinvent better processes to prevent waste and reduce waste to landfill; and,
- Ensure processes meet or exceed all municipal, provincial and federal waste regulations.

Canadian Tire has integrated many initiatives into how it does business to prevent waste and increase recycling. These are some examples:

- Recycling waste at Canadian Tire's Toronto Distribution Centres since 2008 and continuously improving diversion rates;
- Participating in over 60 product environmental stewardship programs to enable CTC's customers' product and packaging waste be managed effectively;
- Developing improved product quality and reduced packaging to prevent consumer product waste;
- Innovating in Quebec with Go Eco, a program that recycles all outputs from CT's Automotive Services and recycles Do-It-Yourself customers' automotive waste.

During 2013, Canadian Tire launched a new waste recycling program for Corporate locations with the objectives to expand CTC's understanding of operational waste and to further drive efficiencies and recycling. Starting with over 650 locations, Canadian Tire began to measure sites' total waste and recycling volumes to identify opportunities and leverage individual site's best practices across the network. Transparency to this information has enabled Canadian Tire to identify best in class processes to further improve site operational waste productivity and diversion from landfill.

During 2014, CTC also expanded the program to more locations to develop a more complete Canadian Tire Waste Footprint, that will further Canadian Tire on its waste reduction journey.

In 2013, Canadian Tire Corporation diverted 15 thousand metric tonnes (58%) of their operational waste from landfill (See Table Eight below).

TABLE EIGHT – CANADIAN TIRE'S WASTE FOOTPRINT

Corporate Locations	Full Year 2013			Diversion Rate (%)
	Landfill (metric tonnes)	Diverted (metric tonnes)	Total (metric tonnes)	
659 locations	10,673	14,725	25,398	58%

ENVIRONMENTAL FOOTPRINT GLOSSARY OF TERMS

AREA OF MEASUREMENT	DEFINITIONS	MAIN GAPS
Corporate & Supply Chain Environmental Footprint	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, carbon and water from raw material acquisition to buildings operations.	Emissions related to non-retail products and waste; Business travel and employee commuting; Product use and product end-of-life.
Energy used (GJ) 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 3rd-party warehouse on the Company's behalf. 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 Corporate product shipped direct to stores, Pro Hockey Life purchases since data prior to Dec 29 2013 acquisition unavailable.
Water used (m ³) 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 3rd-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 Corporate product shipped direct to stores, Pro Hockey Life purchases since data prior to Dec 29 2013 acquisition unavailable.
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 3rd party vendors to transport CTR and PartSource retail products from the manufacturing vendor (Freight-on-Board (FOB) Point) to the store. Energy used and GHG emissions from 3rd party vendors to transport Petroleum fuels from refining sites to stations.	FGL Sports, Mark's and Gas+ kiosk product transport. Less than 10% of CTR transport activity. Canadian Tire shipping packaging weights. CTR non-Corporate product transport. 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 CTC's buildings, 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, Canadian Tire, PartSource, Financial Services, Mark's, FGL Sports and Gas+ sites.	HFCs and PFCs from refrigeration at Corporate and non-corporate locations. Canadian Tire and Petroleum fuel leakages.
Waste Generated at Corporate Locations	Waste generated from the operation of Corporate locations and Toronto Distribution Centres for which waste data was available. This includes offices, Petroleum, PartSource, Mark's and FGL stores. Full year waste data was available for the DCs while data for retail locations and offices covered 6 months of 2013 and was extrapolated using 2014 insights to estimate the remainder of the year.	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-GTA DCs.
Waste Diverted	All waste streams that were disposed of in a manner excluding landfill. This includes recycling, incineration and organic waste composting.	No known 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 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 under the Company's operational control.	No known 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 3rd party and product manufacture by 3rd party.	See Energy used and GHG emissions from products, product transport and business & retail operations comments.

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.
CO ₂ 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).
Emission Factors	Calculation factor used to measure greenhouse gases (GHG) released from the production/use of raw material/energy.
Greenhouse Gas (GHG)	Represents one or a combination of the following gases: carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), sulphur hexafluoride (SF ₆), hydrofluorocarbons (HFCs), and perfluorocarbons (PFCs).
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 ₂ e from different greenhouse gases. A relative measure of how much heat a greenhouse gas traps in the atmosphere.
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.
Transport GHG model	Created by Canadian Tire's Transportation team, the Transport GHG Emissions Model calculates tonnes of CO ₂ 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 Environment Canada and the WRI, known as the Greenhouse Gas Protocol.
Environmental Protection Agency (EPA)	An branch of the United States' Federal Government in charge of protecting human health and the environment, by writing and enforcing regulations based on laws passed by Congress.
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.
Financial Services	Refers to the business carried on by the Company’s financial services division, including Canadian Tire Bank and Glacier Credit Card Trust.
Petroleum	Refers to the Company’s retail petroleum business.
Canadian Tire Real Estate Limited (CTREL)	A wholly owned subsidiary of CTC.
FGL Sports	Refers to the Company’s retail business carried on by FGL Sports Ltd. a
Mark’s	Refers to the Company’s retail business carried on by Mark’s Work Wearhouse Ltd.
PartSource (PS)	Refers to the Company’s specialty automotive retail business.
Gigajoules (GJ)	A unit of measurement for energy use.
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.
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.