



Canadian Tire Releases Business Sustainability Results for the Second Quarter

- Nearly 80% more upgrades and process improvements than Q2 2010
 - Rooftop solar installations underway on first of 40 stores

TORONTO, August 11, 2011 – Canadian Tire Corporation, Limited’s (CTC, CTC.a) ongoing integration of sustainable practices into its business operations resulted in the completion of 188 sustainability initiatives¹ during the second quarter, a 79% increase from the same period in 2010.

Through these initiatives, which included in-store signage right-sizing, store retrofits and transportation enhancements, Canadian Tire is forecasted to annually avoid more than \$2.3 million in costs, 1,200 tonnes of waste, and 3,000 tonnes of greenhouse gas emissions² – equivalent to the energy use and emissions from powering more than 414 Canadian homes.

Second quarter highlights include Canadian Tire opening its most energy efficient store to-date in Kemptville, Ontario, the start of construction on the first of 40 rooftop solar installations in the Greater Toronto Area, a signage right-sizing and redesign initiative, and the rollout of the Go Eco program throughout Quebec.

“We are approaching the first anniversary of Canadian Tire’s integration of its business sustainability results with its financial reporting, and we couldn’t be happier with the significant improvements we have made in all areas of our business,” said Tyler Elm, VP, Business Sustainability, Canadian Tire Corporation. “We had a busy quarter, and there are several exciting new initiatives underway that will help maintain our momentum through the end of the year - and beyond.”

The Kemptville, Ontario store exceeds the Company’s promise to design, build, and open a new prototypical store that is 75% more efficient than previous models by the end of 2011 – a goal that was met in the first half of the year. The new prototypical design, which forms the basis of Canadian Tire’s new store construction between now and 2015, represents a combination of new and existing technologies. The Kemptville store consumes only 9.7 ekWh/sq ft per year (unit of energy usage for gas and hydro in kilowatt hours) versus the 17.8, consumed in previous model stores.

Rooftop solar systems are under construction for the first of sixteen stores to be completed this year, with a further 24 completed by the end of 2013. To date, the program has generated more than \$875,000 in service revenue from third-party partners. When all 40 sites are complete, the total renewable energy generated will produce enough electricity to power 1,000 average-sized Ontario homes each year.

In more than 73 stores across the country, including Kemptville, in-store décor signage was right-sized and manufactured with cloth instead of vinyl, generating significant environmental and cost savings. By reducing the size and weight of this signage, and replacing the vinyl, styrene and steel materials with environmentally-preferable, light-weight and 100% recyclable materials, Canadian Tire reduced the costs associated with materials, shipping, and labour. In all, 187 new hanging rings

¹ Initiatives vary in complexity and size from changes made to an individual retail product, a retrofit made to a fleet vehicle or the building of a new store. Project completion for these initiatives is defined by a) the commercial operation date for buildings and product transport projects, b) the approval date for operations and product projects. Projects are reported in the quarter they are completed, unless data is not available, in which case the completed project is reported in a future quarter provided it is in the same year of the project’s complete date or the first quarter of the following year.

² Measured as carbon dioxide equivalents (CO₂-eq). Greenhouse gasses such as methane (CH₄) and nitrous oxide (N₂O) are converted to their carbon dioxide equivalent based on their relative global warming potential (GWP).

and banners were installed and are forecasted to avoid more than \$130,000 in costs, 1.9 tonnes of waste, 48 gigajoules of energy use and 3 tonnes of greenhouse gas emissions.

In Quebec, the Go Eco automotive program, a Dealer-led initiative, was rolled out to the more than 98 stores across the province. The program helps customers save money, improve vehicle performance and reduce waste to landfill, enabling 100 per cent recycling and responsible disposal of automotive consumables in Quebec Service Centres. The program is expected to build on last year's fourth quarter pilot results which showed an increase in store collections of aerosol cans, oil filters, waste oil and oil containers.

Canadian Tire's work towards improving its efficiency and sustainable practices has garnered attention from the Canadian Plastics Industry Association and the Fleet Challenge Ontario, who award the Company with the *2011 Recycled Product Award* and the *2011 Green Fleet Leadership Award*, respectively.

Progress made is reflected in the year-to-date results as follows³:

	Products and Packaging	Product Transportation	Buildings and Operations	Total year-to-date
Completed Initiatives ¹	130	6	145	281
Cost Avoidance ⁴ (\$)	\$2,461,504	\$20,277	\$801,770	\$3,283,551
Energy Avoidance ⁴ (gigajoules)	25,622	652	32,650	58,924
GHG emissions ² Avoidance ⁴ (tonnes)	1,986	47	1,934	3,967
Equivalent number of Canadian homes powered (annually)	242	6	308	556
Waste Avoidance ⁴ (tonnes)	1,672	N/A	2	1,674
Equivalent household waste from this many Canadian homes	1,600	N/A	2	1602

In addition, Canadian Tire operates 2 low-carbon energy generation installations that include solar PV and geothermal technologies. Since the start of operation in 2008 to the end of the second quarter, these installations have generated over 224,000 ekWh⁵ and helped to avoid 51 tonnes¹ of greenhouse gas emissions in the local economy.

Canadian Tire also contributed \$6.5 million to community blue box and industry product stewardship and recycling programs during the first half of 2011.

³ As sustainability initiatives are part of an inherently dynamic process and as projects come to fruition, revisions to estimates are periodically made and the Quarterly Progress Report is adjusted accordingly. At year-end, Emission Factors and Global Warming Potentials are reassessed to align with the company's carbon footprint and the Quarterly Progress Report is consequently adjusted.

⁴ Avoidance refers to savings in comparison to what it would have been if Canadian Tire had not made the improvements. These values express a 12 month forecasted result from the date of each project's completion. Values beyond the first 12 months are not reported.

⁵ Low carbon energy generation is measured as equivalent kilowatt hours (ekWh), where any energy sources that don't typically report in kWh, such as the energy transfer conversion from ground source heat pumps (geothermal), can be converted to give an equivalent kilowatt hour value.

With a focus on energy and climate, packaging and waste, and products and services, Canadian Tire's business sustainability strategy features three aspirations: to profitably grow the business without increasing the net carbon footprint of the economy; eliminate unnecessary packaging while sending zero waste to landfills; and provide innovative products and services that meet customers' needs without compromising the ability of future generations to meet their needs.

For further details, refer to:

<http://corp.canadiantire.ca/EN/CSR/BusinessSustainability/Pages/OurProgressReports.aspx>

ABOUT CANADIAN TIRE

Canadian Tire Corporation, Limited (TSX: CTC.a, CTC) is one of Canada's most shopped general retailers offering every day products and services to Canadians through more than 1,200 retail and gasoline outlets from coast-to-coast. Our primary retail business categories – Automotive, Living, Fixing, Playing and Apparel are supported and strengthened by our Financial Services division which offers such products and services as credit cards, in store financing, product warranties, and insurance. Nearly 57,000 people are employed across the Canadian Tire enterprise, which was founded in 1922 and remains one of Canada's most recognized and trusted brands.

FOR MORE INFORMATION:

Joscelyn Chernick-Smith, 416-480-8017, (m) 416-433-5922, joscelyn.smith@cantire.com

CANADIAN TIRE CORPORATION - BUSINESS SUSTAINABILITY
QUARTERLY PROGRESS UPDATE - YEAR TO DATE Q2 2011¹

1. FORECASTED FUTURE ANNUAL BENEFITS FROM SUSTAINABILITY PROJECTS

		Number of projects competed	Cost (\$) Avoidance ²	Energy Use (GJ) Avoidance ²	GHG Emissions ³ Avoidance ²	Waste (tonnes) Avoidance ²
		YTD Q2	YTD Q2	YTD Q2	YTD Q2	YTD Q2
PRODUCTS AND PACKAGING	CTR Right Sizing	117	\$2,334,361	25,219	1,955	1,628
	CTR Product Damage Reduction	13	\$127,143	403	31	44
	Sub-Total	130	\$2,461,504	25,622	1,986	1,672
PRODUCT TRANSPORT	Tractor Performance Enhancement	5	\$15,548	485	35	
	Long Combination Vehicles	1	\$4,729	167	12	
	Sub-Total	6	\$20,277	652	47	
BUILDINGS AND OPERATIONS	CTR Net New Builds	3	\$23,494	2,547	138	
	CTR Replacement Builds	4	\$140,548	9,678	613	
	CTR CEM Retrofits	29	\$489,694	19,009	1,102	
	CTR HVAC Upgrades	32	\$8,414	686	41	
	CTR Roofing Retrofits	4	\$5,877	682	37	
	CTR In Store Decor Right Sizing	73	\$133,743	48	3	2
	Sub-Total	145	\$801,770	32,650	1,934	2
Total	281	\$3,283,551	58,924	3,967	1,674	

↑	↑	↑	↑
Equivalent to adding sales from this many new stores	Equivalent number of Canadian homes powered for a year:	Equivalent annual household waste from this many Canadian homes:	
1.1	556	1,602	

¹ As sustainability initiatives are part of an inherently dynamic process and as projects come to fruition, revisions to estimates are periodically made and the Quarterly Progress Report is adjusted accordingly. At year-end, Emission Factors and Global Warming Potentials are reassessed to align with the company's carbon footprint and the Quarterly Progress Report is consequently adjusted.

² Avoidance refers to savings in comparison to what it would have been if Canadian Tire had not made the improvements. These values express a 12 month forecasted result from the date of each project's completion

³ Greenhouse gas emissions (GHG) are measured as carbon dioxide equivalents (CO2-eq). Greenhouse gasses such as methane (CH₄) and nitrous oxide (N₂O) are converted to their carbon dioxide equivalent based on their relative global warming potential (GWP).

2. CORPORATE ACTUALS

2.A. RECYCLING PROGRAMS

	YTD
Funds contributed to community blue box and industry product stewardship and recycling programs:	\$6,468,253

2B. LOW CARBON ENERGY GENERATION

	Total-To-Date installations	Installations completed YTD	Total-To-Date Energy generation (ekW.h) ⁴	Total-To-Date Economic Value of Energy Generation Projects	Total-to-Date Contribution to GHG avoided in the local economy (CO2-eq tonne)
On Grid Solar PV ⁶	0	0	0	\$875,112	0
Off Grid Solar PV ⁵	1	0	17,444	\$1,396	5
Geothermal	1	0	207,321	\$15,265	46
Total Installations:	2	0	224,765	\$891,773	51

⁴ Low carbon energy generation is measured as equivalent kilowatt hours (ekW.h), where any energy sources that don't typically report in kWh, such as the energy transfer conversion from ground source heat pumps (geothermal), can be converted to give an equivalent kilowatt hour value.

⁵ 24 solar panels per installation

⁶ These on-grid solar PV installations are not yet operational. Economic value is related to service revenue earned by CTC during this construction process.

GLOSSARY AND DEFINITIONS

METRICS	DEFINITIONS AND OPERATIONAL BOUNDRIES	DATA SOURCE	GAPS	
QUARTERLY PROGRESS REPORT				
Sustainability Projects - Upgrades and Process Improvements	Project - Product and Packaging Rightsizing	This sustainability project measures the reduction in size and/or weight of a product and/or a product's consumer package.	Projects undertaken by Sustainability Networks within the business that are monitored and validated by the Corporate Business Sustainability and Finance team.	Sustainability projects within various operational areas currently not monitored by the Corporate Business Sustainability team. This includes projects within CTP, Part Source, CTFS and Marks.
	Project - Product Damage Reduction	This sustainability project measures the impact of packaging and supply chain handling improvements on a product's damage rate (damage discovered in transport from vendor to store, as well as concealed damage discovered in-store and through customer returns). Reducing damage avoids disposal of damaged products and packaging and the procurement and transport of replacement product.		
	Project - Tractor Performance Enhancement	This project measures the reduction in energy use between fleet trucks with and without the performance enhancement. Avoided cost, energy and GHG emissions established by calculating the savings between the 'before' and 'after' applied. Based on third party dynamoter testing and verified to the ISO 14064 standard.		
	Project - Long Combination Vehicles (LCV)	LCVs are two 53 foot trailers attached to a specialised equipped truck with a total vehicle length of 127 feet. This project measures the reduction in energy use for product transport. Avoided cost, energy and GHG emissions established by calculating the savings between the 'before' standard truck and the 'after' LCV truck.		
	Project - Net New Builds	Defined as new buildings constructed in place where there was no CT store before. The baseline comparison is the most recent prototype used prior to the current prototype.		
	Project - Replacement Builds	Defined as new buildings constructed in place where a CT store already existed. The baseline comparison is the 'Next Gen' store. 'Next Gen' and 'Traditional' stores are the stores that are usually replaced. They both have a similar average energy use (as per third party consultant report).		
	Project - Central Energy Management (CEM) Retrofits	This sustainability project measures the reduction in energy use resulting from the installation of central energy management (CEM) at CTR stores. These systems automate and control energy needs in stores, including building temperatures, thermal comfort, and lighting adjustments, based on the schedule of the store.		
	Project - Energy Efficient HVAC Replacements	This sustainability project measures the reduction in energy use resulting from the installation of new energy efficient heating, ventilating and air conditioning (HVAC) units in stores.		
	Project - Energy Efficient Roofing Replacements	This sustainability project measures the reduction in energy use resulting from the installation of higher R-value roofing on stores.		
	Project - In Store Decor Right Sizing	This sustainability project measures the reduction in size and/or weight of in store decor signage.		

Sustainability Projects - Tracking Implementation and Forecasted Benefits	Forecasted annual avoided costs from sustainability projects	Annual forecast of costs saved in comparison to 'what it would have been in the absence of the sustainability project' ie. in comparison to the baseline 'before change' of the project. Reported in CAD.	CTR Transport (shipping costs and volumes), CTR Merchandising team (vendors costs), CTREL (utility costs)	Sustainability projects within various operational areas currently not monitored by the Corporate Business Sustainability team. This includes projects within CTP, Part Source, CTFS and Marks.
	Forecasted annual avoided energy use from sustainability projects	Annual forecast of energy saved in comparison to 'what it would have been in the absence of the sustainability project' ie. in comparison to the baseline 'before change' of the project. Reported in gigajoules.	CTR Transport (shipping costs and volumes), CTR Merchandising team (vendors costs), CTREL (utility costs)	
	Forecasted annual avoided GHG emissions from sustainability projects	Annual forecast of greenhouse house gas emissions saved in comparison to 'what it would have been in the absence of the sustainability project' ie. in comparison to the baseline 'before change' of the project. Reported in metric tonnes of CO ₂ -eq.	GHG emissions sources: Environment Canada's National Inventory Report 1990-2008 GHG sources, EPA Climate Leaders Direct Emissions from Stationary and Mobile Combustion Sources May 2008, and IPCC's global warming potentials.	
	Forecasted annual avoided waste from sustainability projects	Annual forecast of waste saved in comparison to 'what it would have been in the absence of the sustainability projects' ie in comparison to the baseline 'before change' of the project. This includes but is not limited to waste from avoided from product and packaging. Reported in tonnes.	CTR Merchandising Team	
	Equivalent annual retail POS sales	Calculates POS retail sales required to generate the same pre-tax earnings in comparison to the forecasted annual avoided cost resulting from sustainability projects.	CTC Finance team	
	Equivalent annual new CTR stores	Calculates the equivalent number new CTR stores related to the equivalent POS retail sales required to generate the same pre-tax earnings in comparison to the forecasted annual avoided cost reductions resulting from sustainability projects..	Average retail sales per store estimated at \$14.5 million as defined by CTC Finance	
	Equivalent to powering this many homes per year (Term on BIG: Equivalent annual household energy consumption)	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 "2007 Survey of Household Energy Use". Energy consumption per Canadian household was 105.9 gigajoules of combined energy in 2007.	
	Equivalent annual household waste	Calculates the equivalent number of average annual Canadian household waste related to the forecasted annual avoided waste resulting from sustainability projects.	Statistics Canada 2004. Average Canadian annual household waste is calculated as 1045kg.	
	Sustainability Projects completed this period	Upgrades and process improvements (ie. sustainability projects) are reported in the quarterly report once they are completed. 'Complete' is defined by the Commercial Operation date for Buildings and Product Transport and the Approval Date for Operations and Product projects. As sustainability initiatives are part of an inherently dynamic process, there will be cases where completed projects cannot be reported as data is not available. A project can only be reported in the same year of its complete date or the first quarter of the following year.	Projects tracked through the Buildings, Transport and Packaging Networks	

On-Site Low Carbon Energy Generation	On-site energy generation	Low carbon energy generation from CTC on-site installations since the start of operation measured as ekW.h. Energy generation used on site and/or sent to local power authority distribution for use in the local community.	CTREL	
	On-site energy generation installations	The total number of CTC on-site installations of low carbon energy generation. These installations may be off-grid, where power generated is used on-site, or on-grid, where power generated is connected to the municipal power distribution network.	CTREL	
	Installations completed this period (Term on BIG: On-site energy generation installations)	CTC on-site installations of low carbon energy generation starting operation this year, total-to-date . May includes solar PV, solar thermal, wind, geothermal, hydrogen or waste-derived energy generating installations.	CTREL	
	Contribution to GHG emissions avoided in the local economy (CO ₂ -eq tonne)	Greenhouse gas emission avoided from CTC on-site installations of low carbon energy generation since the start of operation. This is calculated as the carbon intensity of the energy generated and used had it been from utility grid sources. Includes solar PV, solar thermal, wind, geothermal, hydrogen and/or waste-derived energy generating installations.	CTREL and Third Party Consultant	
	Total-to-date economic value of energy generation projects (\$)	Economic value of low carbon energy generation of all CTC on-site installations. Economic value may come from on-grid or off-grid solar PV, solar thermal, wind, geothermal, hydrogen or waste-derived energy generating installations. Economic value may include cost avoidance, electricity sales and gross service revenues.	Utility cost savings for on-site use calculated at \$0.08/kWh. CTC Finance team	
	Contribution to GHG emissions avoided in the local economy (CO ₂ -eq tonne)	Greenhouse gas emission avoided from CTC on-site installations of low carbon energy generation since the start of operation. This is calculated as the carbon intensity of the energy generated and used had it been from utility grid sources. Includes solar PV, solar thermal, wind, geothermal, hydrogen and/or waste-derived energy generating installations.	CTREL and Third Party Consultant	
Recycling	Funds contributed to community blue box and industry product stewardship and recycling programs (\$) (In BIG: Contributed funds - blue box & product stewardship)	Yearly product stewardship accrued payments for programs by CTC based on POS sales and shipments. All retail products have regulatory obligations under blue box programs. Other programs include a variety of product types such as tires, batteries, oil, paint, fertilizers, and electronics. In Canada, this includes approximately 30 programs across all provinces.	CTC Finance team	CTC Independent stewardship programs (ISPs) and non CTC programs. Funds related to CTFS, Mark's, portions of both PartSource and CTP

GLOSSARY OF TERMS

Forecasted Annual Avoidance	Avoidance refers to savings in comparison to what it would have been if Canadian Tire had not made the improvements. These values are expressed as a 12 month forecasted result from the date of project completion.	
Building functional area	The CTC building structural area includes ground coverage, mezzanine areas, other floors, and second level racking system for owned and leased retail stores, offices and distribution centres. Garden Centres are excluded. For Canadian Tire's petroleum stations this includes convenience kiosks, gas bar canopies, car washes, and Pit-Stops.	
Business Sustainability	The pursuit and achievement of economic benefits from enhanced social and environmental outcomes. This rings true with Canadian Tire's mandate as a for-profit corporation, our role in society, and the trust that Canadians have in our brand to do the "right thing".	
CO ₂ -eq	Carbon dioxide equivalent - Expresses all greenhouse gasses 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.	
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	
GHG	Greenhouse gases - 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	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.	
GJ	Giga-joules - a unit of measurement for energy use.	
Global Warming Potential (GWP)	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 in climate change and its potential environmental and socio-economic impacts.	
Low Carbon Energy Generation	Sources of power that produce lower levels of greenhouse gases than traditional means of power generation, such as solar photovoltaic, solar thermal, wind, geothermal, hydrogen or waste-derived energy generating installations.	
Solar Photovoltaic Energy	The generation of electricity using sunlight by converting solar radiation into direct current electricity	
Geothermal Energy	Energy transfer conversion resulting from ground source heat pumps.	
Marks	Mark's Work Wearhouse Ltd - A subsidiary of CTC	
PS	PartSource - A strategic business unit within CTC	
WRI	World Resource Institute - A global environmental think tank that works with governments, companies, and civil society to build solutions to urgent environmental challenges.	
YTD	Year to Date - The period beginning January 1st of the current year up until today's date.	
USA 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.	
eKW.h	Equivalent kilowatt hours - Expresses all energy sources as kilowatt hours of electricity consumed per hour by converted other types of energy such as natural gas, propane or geothermal energy.	