

CBSR Viewpoint: Canadian Tire 2011 Third Quarter Report

According to the Third Quarter Report, Canadian Tire is forecasted to annually avoid four times as much waste in 2011 as compared to the third quarter of 2010, demonstrating that the Business Sustainability strategy is gaining increasingly more momentum within the corporation. Significant forecasted annual benefits of the 84 initiatives completed in the third quarter (365 year to date) are attributed particularly to product right-sizing and Central Energy Management retrofits in buildings and operations. The total annual forecasted benefits encompassing all of the 365 initiatives are: 73,534 GJ of avoided energy, 5,264 tonnes of avoided GHG emissions, 2,269 tonnes of avoided waste, and \$4,481,942 of avoided costs. The forecasts of avoided energy are equivalent to powering 694 Canadian homes for one year, while the avoided waste is equivalent to the total produced by 3,547 Canadian households.

Canadian Tire recently developed a robust *Business Sustainability Performance Report Corporate Directive* that specifies detailed components of quarterly reporting; and outlines methodologies for data collection and analysis, and corresponding roles and responsibilities. The Directive also outlines control processes and recalculation procedures for addressing potential misstatements. According to the analysis presented in the disclosures of recalculations and gaps, Canadian Tire did not find any material discrepancies in previous quarters for the current financial year.

Canadian Tire is in the process of addressing CBSR's recommendations articulated in previous *Quarterly Viewpoints*. The Business Sustainability team is getting ready to conduct testing of its first initiatives to determine actual versus forecasted results. The results of this will be instrumental in understanding calculable actual benefits of Canadian Tire's projects, and thus, demonstrate the level of reliability in its forecasting methodology. Furthermore, Canadian Tire set 2011 targets for each of the three main Business Sustainability project categories: (1) products and packaging, (2) products and transport and (3) buildings and operations. The company is also near completion of setting targets for 2012.

Canadian Tire has also started to incorporate Mark's Business Group in its Business Sustainability planning, commencing with higher efficiency lighting installations. Over the 2012 financial year, CBSR looks forward to witnessing how Canadian Tire rolls out its Business Sustainability strategy to its recently acquired Forzani Group Limited. CBSR recommends that Canadian Tire communicates the objectives and process of embedding FGL into its current strategy – by expanding the scope of its current efforts to the new business group moving forward. Canadian Tire is now in an even more significant position to positively influence sustainability impacts in the retail landscape in Canada.

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