

## Canadian Tire Among First Canadian Companies to Report Sustainability Metrics on a Quarterly Basis

*Efforts reduce energy use, greenhouse gas emissions and waste, generating returns for shareholders*

**TORONTO, November 11, 2010** – Canadian Tire Corporation, Limited (CTC, CTC.a) announced today that 89 sustainability projects have been completed in the third quarter, bringing the total number of projects in 2010 to 203. This represents an annual productivity gain of an estimated \$3 million in avoided cost while reducing GHG emissions and waste. Canadian Tire is among the first major Canadian companies to report quarterly on its efforts, reflecting the integration of sustainability into its daily operations and aligning environmental and profit performances.

“This quarter marks Canadian Tire's first, regular quarterly sustainability report on sustainability upgrades and process improvements, low carbon energy generation, and industry product stewardship and recycling programs,” said Tyler Elm, Vice President of Business Sustainability, Canadian Tire Corporation. “Focussing on these areas emphasizes our commitment to our sustainability goals and allows us to carefully track our progress as we become more efficient in our business operations.”

Specific sustainability measures are reported in relation to three key segments of the business operations: Products; transportation of these products to retail stores; and the operation of the Company's owned and leased buildings. Within these areas, Canadian Tire continues to innovate and has made significant strides this quarter and for the year-to-date:

- The 203 business sustainability initiatives completed between January and September are forecasted to help Canadian Tire avoid using approximately 71,400 gigajoules of energy and prevent 3,700 tonnes of greenhouse gas emissions (CO<sub>2</sub>-equivalents) each year. This reflects a savings equivalent to the energy used and greenhouse gas emitted from powering 674 Canadian homes for a year.
- Canadian Tire operates two low carbon energy generation installations that include solar PV and geothermal technologies. Since the start of operation in 2008, these installations have generated a total of 76,869 kWh, which helped to avoid 18 tonnes of greenhouse gas emissions in the local economy.
- Canadian Tire Retail has contributed \$7.4 million in funds year-to-date to community blue box and industry product stewardship and recycling programs.
- Packaging and handling changes to 111 retail products will help us avoid more than 560 tonnes of product and packaging waste annually.
- For the year-to-date, 35 products have been right-sized, contributing to a forecasted annual avoidance of over 470 tonnes of packaging material. Product rightsizing ensures that products are not over-packaged for the size and fragility of the product in question. For Canadian Tire, the benefits of this are two-fold: it reduces the amount of waste that is sent to landfills once the customer purchases the product and disposes of the

packaging; and smaller packages fit more efficiently in shipping containers and trucks thereby reducing the greenhouse gases emitted to get the product to the store and on the shelves.

One recent example of right-sizing is Canadian Tire's Likewise brand of outdoor swift tie garbage bags. Working with vendors, the product packaging was changed from a flat-fold format to a new roll format. This reduced the size of the package and related product by 30 per cent and reduced the weight by 11 per cent.

- As more advanced sustainability technologies and materials become available, Canadian Tire is able to develop buildings that are more efficient. By the end of 2011, Canadian Tire will have designed, built, and opened the first of its next-generation of energy efficient stores that will be 75 per cent more energy efficient than those built in 2010<sup>1</sup>.

Canadian Tire's sustainability initiatives have been recognized in recent months, demonstrating that its strategy having a positive impact on communities from coast-to-coast.

- BC Hydro recently recognized Canadian Tire for its energy efficiency efforts and commitment to energy conservation that runs from the independent dealers who operate individual stores through to the CEO.
- One Change, an international organization that recognizes sustainability efforts across North America, has [awarded Canadian Tire its Corporate Catalyst prize](#). One Change's mandate is to prove how a simple catalyst action, coupled with measurable and tested programs, can transform self perception and produce broad public participation in government or utility programs.

As previously published, Canadian Tire has three aspirational goals connected to its sustainability initiatives: 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 future generations.

For further details, refer to <http://CTSustainabilityinAction.ca>

## **FORWARD-LOOKING STATEMENTS**

This document contains forward-looking information that reflects management's current expectations related to matters such as future financial performance and operating results of the Company. Forward-looking statements are provided for the purposes of providing information about management's current expectations and plans and allowing

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<sup>1</sup> This will reduce a new store's energy use from the current 191.8 ekwh/m2 to 109.3 ekwh/m2.

investors and others to get a better understanding of our financial position, results of operation and operating environment. Readers are cautioned that such information may not be appropriate for other circumstances.

All statements other than statements of historical facts included in this document may constitute forward-looking information, including but not limited to, statements concerning management's expectations relating to possible or assumed future prospects and results, our strategic goals and priorities, our actions and the results of those actions and the economic and business outlook for us. Often but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable at the date that such statements are made.

By its very nature, forward-looking information requires us to make assumptions and is subject to inherent risks and uncertainties, which give rise to the possibility that the Company's assumptions may not be correct and that the Company's expectations and plans will not be achieved. Although the Company believes that the forward-looking information in this document is based on information and assumptions which are current, reasonable and complete, this information is necessarily subject to a number of factors that could cause actual results to differ materially from management's expectations and plans as set forth in such forward-looking information for a variety of reasons. Some of the factors – many of which are beyond our control and the effects of which can be difficult to predict – include (a) credit, market, currency, operational, liquidity and funding risks, including changes in economic conditions, interest rates or tax rates; (b) the ability of Canadian Tire to attract and retain quality employees, Dealers, Canadian Tire Petroleum agents and PartSource and Mark's Work Wearhouse store operators and franchisees, as well as our financial arrangements with such parties; (c) the growth of certain business categories and market segments and the willingness of customers to shop at our stores or acquire our financial products and services; (d) our margins and sales and those of our competitors; (e) risks and uncertainties relating to information management, technology, supply chain, product safety, changes in law, competition, seasonality, commodity price and business disruption, our relationships with suppliers and manufacturers, changes to existing accounting pronouncements, the risk of damage to the reputation of brands promoted by Canadian Tire and the cost of store network expansion and retrofits and (f) our capital structure, funding strategy, cost management programs and share price. We caution that the foregoing list of important factors and assumptions is not exhaustive and other factors could also adversely affect our results. Investors and other readers are urged to consider the foregoing risks, uncertainties, factors and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such forward-looking information.

For more information on the risks, uncertainties and assumptions that could cause the Company's actual results to differ from current expectations, please refer to the "Risk Factors" section of our Annual Information Form for fiscal 2009 and our 2009 Management's Discussion and Analysis, as well as Canadian Tire's other public filings, available at [www.sedar.com](http://www.sedar.com) and at [www.corp.canadiantire.ca](http://www.corp.canadiantire.ca).

Statements that include forward-looking information do not take into account the effect that transactions or non-recurring or other special items announced or occurring after the statements are made have on the Company's

business. For example, they do not include the effect of any dispositions, acquisitions, asset write-downs or other charges announced or occurring after such statements are made.

The forward-looking statements and information contained herein are based on certain factors and assumptions as of the date hereof. The Company does not undertake to update any forward-looking information, whether written or oral, that may be made from time to time by it or on its behalf, to reflect new information, future events or otherwise, unless required by applicable securities laws.

## **ABOUT CANADIAN TIRE**

Canadian Tire Corporation, Limited (TSX: CTC.a, CTC) is one of Canada's most shopped general retailers with 482 Canadian Tire stores across the country. Our core retail and automotive operation is strengthened by PartSource, an automotive parts speciality chain; Canadian Tire Petroleum, one of the country's largest independent retailers of gasoline; Mark's, under the banner "Clothes That Work," a leading retailer of men's, women's and work apparel; and Canadian Tire Financial Services, which has issued approximately four million Canadian Tire MasterCard credit cards. More than 58,000 Canadians work across Canadian Tire's organization from coast-to-coast in the enterprise's retail, financial services and petroleum businesses.

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## **FOR MORE INFORMATION:**

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CANADIAN TIRE CORPORATION - BUSINESS SUSTAINABILITY

**QUARTERLY PROGRESS UPDATE - YEAR TO DATE THIRD QUARTER 2010**

**1. SUSTAINABILITY UPGRADES AND PROCESS IMPROVEMENTS**

		Upgrades and process improvements competed this period.	FORECASTED ANNUAL BENEFITS			
			Avoided Cost (\$)	Avoided Energy Use (GJ)	Avoided GHG Emissions (CO <sub>2</sub> -eq tonne):	Avoided Product & Packaging Waste (kg)
			Q3 YTD	Q3 YTD	Q3 YTD	Q3 YTD
<b>PRODUCTS AND PACKAGING</b>	Right Sizing	35	\$1,741,206	35,707	991	470,621
	Concealed Damages	34	\$88,749	282	12	14,255
	Damages Discovered in SC	42	\$274,461	995	44	78,518
	<b>Sub-Total</b>	111	\$2,104,416	36,984	1,047	<b>563,394</b>
<b>PRODUCT TRANSPORT</b>	Long Combination Vehicles	2	\$42,000	1,931	139	
	New Fuel Efficient CTR Trucks	30	\$70,000	3,205	231	
	<b>Sub-Total</b>	32	\$112,000	5,136	370	
<b>BUILDINGS AND OPERATIONS</b>	New Builds	4	\$73,576	1,744	185	
	CEM Retrofits	35	\$117,741	5,698	345	
	Lighting Retrofits	21	\$628,839	21,827	1,805	
	<b>Sub-Total</b>	60	\$820,156	29,269	2,335	
	<b>Total</b>	<b>203</b>	<b>\$3,036,572</b>	<b>71,389</b>	<b>3,752</b>	

Avoided energy use and GHG emissions as equivalent to powering this many homes per year:	<b>674</b>
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**2. RECYCLING PROGRAMS**

	<b>Q3 YTD</b>
Funds contributed to community blue box and industry product stewardship and recycling programs:	<b>\$7.4 million</b>

**3.LOW CARBON ENERGY GENERATION**

		<b>Total-To-Date installations</b>	<b>Installations completed this period YTD Q3</b>	<b>Total-To-Date Energy generation (ekWh)</b>	<b>Total-To-Date Economic Value of Energy Generation</b>	<b>Total-to-Date Contribution to GHG avoided in the local economy (CO2-eq tonne)</b>
Solar PV		1 (Installed 2008) *	0	6,500	\$650	2
Geothermal		1 (Installed 2008)	0	70,369	\$5,413	16
<b>Total Installations:</b>		<b>2</b>	<b>0</b>	<b>76,869</b>	<b>\$6,063</b>	<b>18</b>

\* Includes 24 solar panels

## GLOSSARY AND DEFINITIONS

METRIC	DEFINITIONS AND OPERATIONAL BOUNDRIES		DATA SOURCE	GAPS
<b>QUARTERLY PROGRESS REPORT</b>				
<b>Upgrades and Process Improvement Projects</b>	Project - Right Sizing	This project measures the reduction in size and/or weight of a product's consumer package. Avoided cost, energy, GHG emissions and waste is established by calculating the savings between the 'before' and 'after' in product packaging cost and weight as well as increased transport cube efficiency (reduced weight of shipping and/or increased number of products that can be shipped in one container) is established for each product. This is multiplied by the number of consumer product units sold, assuming flat sales to previous year.	Projects undertaken by Sustainability Networks within the business that are monitored and validated by the Corporate Business Sustainability team.	Sustainability projects within various operational areas currently not monitored and validated by the Corporate Business Sustainability team. This includes projects within CTP, Part Source, CTFS and Marks.
	Project - Concealed Damages	This project measures the reduction in product damage, discovered at the store or by customer returns, through improved packaging re-design. Reducing damage avoids disposal of damaged products and packaging and the procurement and transport of replacement products. Avoided cost, energy, GHG emissions and waste is established by assuming a 40% reduction in each product's concealed damage rate as a result of changes made. This is multiplied by the number of consumer product units sold, assuming flat sales to previous year.		
	Project - Damages Discovered in Supply Chain	This project measures the reduction in product damage, discovered in transport from vendor to store, through improved packaging or supply chain handling. Reducing damage avoids disposal of damaged products and packaging and the procurement and transport of replacement product. Avoided cost, energy, GHG emissions and waste is established by assuming a 25% reduction in each product's supply chain damage rate and a 10% reduction in each product's concealed damage rate as a result of changes made. This is multiplied by the number of consumer product units sold, assuming flat sales to previous year.		
	Project - Long Combination Vehicles (LVC)	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 - New Fuel Efficient CTR Fleet Trucks	This project measures the reduction in energy use between old fleet trucks and the new energy efficient fleet trucks used for product transport. Avoided cost, energy and GHG emissions established by calculating the savings between the 'before' standard truck and the 'after' new fuel efficient trucks.		

<b>Upgrades and Process Improvement Projects (continued)</b>	Project - New Builds	This project focuses on the construction of new stores and measures the reduction in energy use as compared to existing stores. Avoided cost, energy, and GHG emissions is calculated as the sum total sq metres of the new builds x (estimated per sq metre annual difference for a mid size prototype store between a baseline - the 20/20 design and the new builds - GPS smart store design).	<p>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.</p> <p>Energy consumption per Canadian household was 105.9 gigajoules in 2007 according to Natural Resources Canada.</p>	
	Project - CEM Retrofits	The reduction in energy use resulting from the installation of central energy management at CTR stores. Avoided cost, energy, and GHG emissions established through modelling calculations provided by a third party engineering consultant.		
	Project - Lighting Retrofits	The reduction in energy use resulting from the installation of energy efficient store lighting at CTR stores. Avoided cost, energy, and GHG emissions established through modelling calculations provided by a third party engineering consultant.		
	Upgrades and process improvements completed this period	Includes the sum total of sustainability upgrade and process improvement projects completed this period, including changes to products and packaging, product transport and buildings. 'Complete' is defined by the commercial operation date for buildings and transport, and by product ship-to-store dates finalised for product and packaging.		
	Forecasted annual avoided cost (\$)	Avoided cost from sustainability upgrades and process improvement projects completed in this period.		
	Forecasted annual avoided energy use (GJ)	Avoided energy use from sustainability upgrades and process improvement projects completed in this period.		
	Forecasted annual avoided GHG emissions (CO <sub>2</sub> -e/tonnes)	Avoided greenhouse gas emissions from sustainability upgrades and process improvement projects completed in this period.		
	Forecasted annual avoided product and packaging waste (kg)	Avoided product and packaging waste from sustainability upgrades and process improvement projects completed in this period. This is limited to the product and packaging projects.		
	Forecasted annual avoided energy use and GHG emissions - as equivalent to powering this many homes per year	Calculates the energy use required to power Canadian homes in relation to the forecasted annual avoided energy use resulting from CTC's sustainability upgrades and process improvement projects.		

<b>Low Carbon Energy Generation</b>	Total-to-date installations	CTC on-site installations of low carbon energy generation to date since the start of operation (first installations in operation since 2008). May include solar PV, solar thermal, wind, geothermal, hydrogen or waste-derived energy generating installations.	Canadian Tire's Real Estate program    Energy cost savings calculated at \$0.08/kWh  GHG emissions sources: Environment Canada's National Inventory Report 1990-2008 GHG sources and IPCC's global warming potentials.	
	Installations completed this period	CTC on-site installations of low carbon energy generation starting operation this year, year-to-date (YTD). May includes solar PV, solar thermal, wind, geothermal, hydrogen or waste-derived energy generating installations.		
	Total-To-Date energy generation (ekWh)	Low carbon energy generation to date of CTC on-site installations since the start of operation. May includes solar PV, solar thermal, wind, geothermal, hydrogen or waste-derived energy generating installations.		
	Total-to-date economic value of energy generation (\$)	Economic value of low carbon energy generation to date of CTC on-site installations since the start of operation. May includes solar PV, solar thermal, wind, geothermal, hydrogen or waste-derived energy generating installations.		
	Total-to-date contribution to GHG emissions avoided in the local economy (CO <sub>2</sub> -eq tonne)	Greenhouse gas emission avoided from CTC on-site installations of low carbon energy generation to date 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.		
<b>Recycling Programs</b>	Funds contributed to community blue box and industry product stewardship and recycling programs (\$)	Product stewardship fees paid for 2010 programs by CTC for CTR and PartSource retail products 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.	Canadian Tire Product and Environmental Stewardship department	CTC independent stewardship programs (ISPs). Funds related to CTFs and Marks

### GLOSSARY OF TERMS

Avoided (cost, energy use, waste, GHG emissions)	Reductions or savings in comparison to what it would have been if CTC had not made the improvements.
Building functional area	Includes all retail and non-retail areas of stores, offices and distribution centres. This includes ground floor coverage, office and service mezzanines and garden canopies.

CO <sub>2</sub> -eq	Expressing all greenhouse gasses as carbon dioxide by adjusting other greenhouse gases - methane (CH <sub>4</sub> ), nitrous oxide (N <sub>2</sub> O), sulphur hexafluoride (SF <sub>6</sub> ) hydrofluorocarbons (HFCs), and perfluorocarbons (PFCs) to their carbon dioxide equivalent (CO <sub>2</sub> -eq) based on their relative Global Warming Potential (GWP).
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
EPA	USA Environmental Protection Agency
GHG	Greenhouse 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.
GJ	Giga-jewels - a unit of measurement for energy use.
GWP	Global Warming Potential
IPCC	Intergovernmental Panel on Climate Change
Marks	Mark's Work Wearhouse Ltd - A subsidiary of CTC
PS	PartSource - A strategic business unit within CTC
WBCSD/WRI	World Business Council for Sustainable Development and the World Resources Institute
YTD	Year to Date