

Canadian Tire Corporation

2022 Climate Data Supplement



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About This Report

SCOPE

This 2022 Climate Data Supplement provides a detailed overview of Canadian Tire Corporation, Limited's energy consumption and GHG emissions in the 2022 calendar year (January 1 to December 31, 2022), along with comparative years for reference. GHG emissions for the 2021 calendar year have been adjusted to better align with the GHG Protocol. As a result, the Company has moved emissions from Dealer, certain agents and warehouse locations from Scope 3 to Scope 1 and Scope 2. More information about our climate change commitments, targets and initiatives can be found on the Environmental, Social and Governance pages of our website.



LEARN MORE ABOUT OUR APPROACH TO CLIMATE CHANGE

ASSURANCE

We retained Deloitte LLP to provide limited assurance over certain metrics within this report. Their conclusion, along with their methodology, can be found [here](#). All data presented in this report is based on the best information available at the time of publication.

GLOSSARY

Please refer to our Glossary on page 12 for definitions of capitalized terms and acronyms used throughout this report.

METHODOLOGY

The data presented in this report has been calculated based on the GHG Protocol following the operational control approach for establishing our organizational boundary. For our Scope 1 & 2 energy consumption and emissions, we followed the Corporate Standard. For our Scope 3 energy consumption and emissions, we followed the Corporate Standard, Project Protocol, and Corporate Value-Chain (Scope 3) Standard. In addition to reporting our energy consumption and emissions by scope, this report also organizes this information by segment of our value chain. Our value chain includes three segments: Product & Packaging, Product Transport, and Business & Retail Operations. Please refer to Table 1 for more information on the scope of each of these segments. From time to time, we may restate or adjust reported values based on structural changes, discovery of errors, changes to methodology and/or accuracy improvements.



Footprint at a Glance

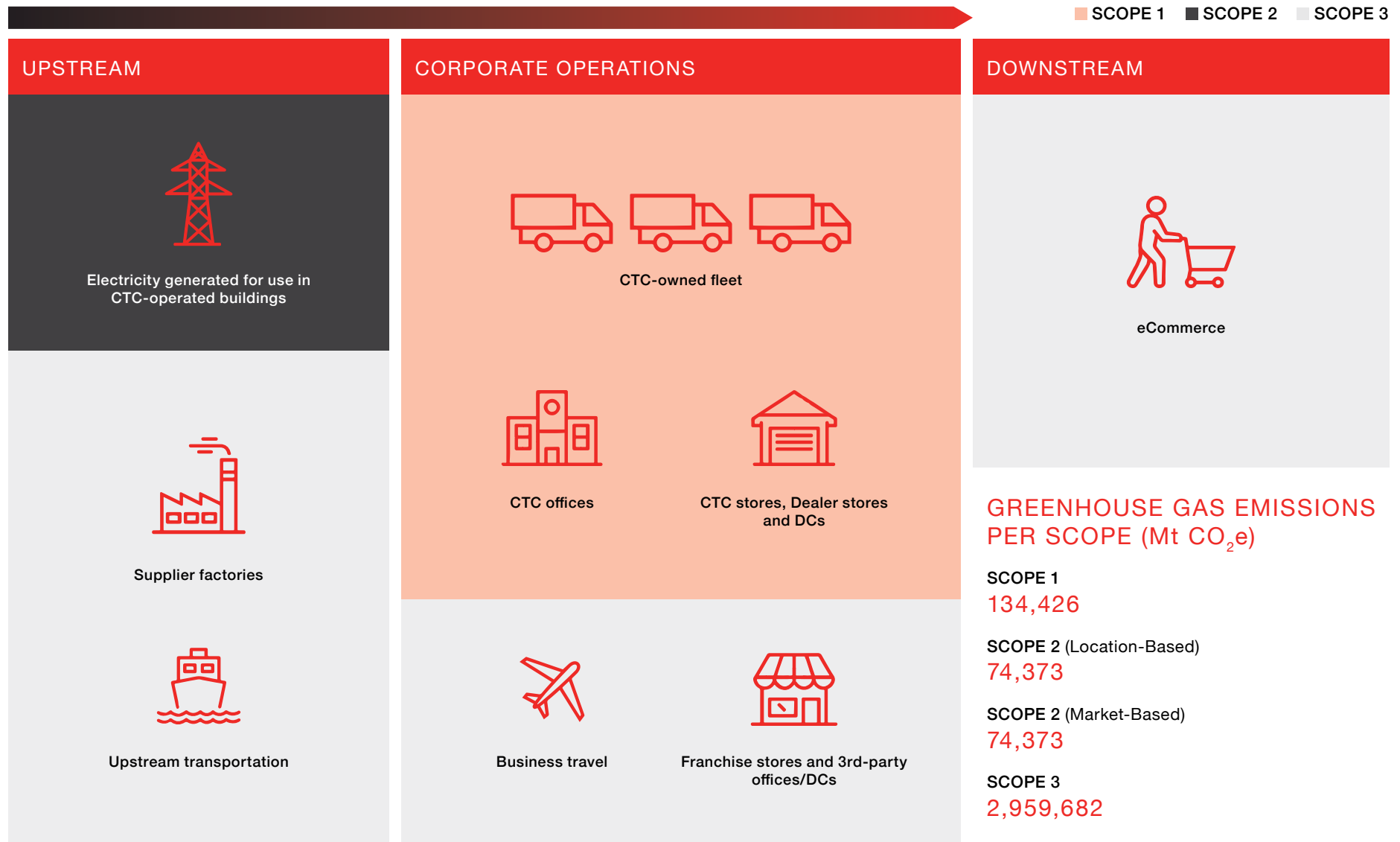


TABLE 1
2022 CORPORATE AND SUPPLY CHAIN TOTALS & BASELINE COMPARISON

		2022 Energy Use	2021 Energy Use	Change (Better) / Worse		2022 Greenhouse Gas Emissions	2021 Greenhouse Gas Emissions	Change (Better) / Worse		
By Value-Chain Segment:		GJ	GJ	GJ	%	CO ₂ e tonnes	CO ₂ e tonnes	CO ₂ e tonnes	%	Comments
PRODUCT & PACKAGING	Sub-Total (Excludes Party City)	67,841,872	76,252,853	(8,410,981)	(11.0%)	2,682,079	2,863,713	(181,633)	(6.3%)	Overall GHG emissions and energy consumption down year-over-year due to lower dollar value of product received at Canadian Tire stores, partially offset by increased sales at Canadian Tire Petroleum.
PRODUCT TRANSPORT	Corporate – CTC Fleet and PartSource Commercial Delivery Vehicles	259,937	229,620	30,317	13.2%	18,303	17,139	1,163	6.8%	Overall GHG emissions and energy consumption down year-over-year due to decreased weight/distance intensity of third-party road, rail, ocean and air freight, partially offset by increased PartSource deliveries and business air travel.
	Third-Party Road, Rail, Ocean and Air (Excludes Party City)	3,871,918	4,179,672	(307,754)	(7.4%)	243,719	279,987	(36,268)	(13.0%)	
	Emissions related to Business Air Travel	25,448	4,553	20,895	458.9%	1,729	309	1,419	458.8%	
	CTC e-Commerce	–	–	–	–	11,553	20,967	(9,414)	(44.9%)	
	Sub-Total	4,157,303	4,413,845	(256,542)	(5.8%)	275,303	318,403	(43,099)	(13.5%)	
BUSINESS & RETAIL OPERATIONS	Offices and DCs	891,512	871,913	19,598	2.2%	37,299	35,367	1,932	5.5%	Overall increase in GHG emissions and energy consumption year-over-year due to additional DC square footage.
	Corporate (Location-based)	799,113	760,004	39,109	5.1%	32,764	31,114	1,650	5.3%	
	Corporate (Market based)	–	–	–	–	32,764	29,711	3,053		
	Third-Party Operated Offices and DCs	92,399	111,910	(19,511)	(17.4%)	4,536	5,656	(1,121)	(19.8%)	Overall increase in GHG emissions and energy consumption year-over-year due to increased natural gas consumption as colder winter temperatures required a larger volume of natural gas for heating buildings.
	Stores	3,745,796	3,716,784	29,011	0.8%	169,946	165,637	4,308	2.6%	
	Corporate (Location-based)	3,397,947	3,339,912	58,035	1.7%	157,733	157,064	669	0.4%	
	Corporate (Market based)	–	–	–	–	157,733	152,854	4,879	3.2%	
	Dealers, Franchisees and Agents	347,849	376,873	(29,024)	(7.7%)	12,213	12,783	(571)	(4.5%)	
	CTC and Canadian Tire Petroleum Investment Properties	0	100,434	(100,434)	(100.0%)	0	4,090	(4,090)	(100.0%)	Properties owned by CTC and REIT are not included due to data unavailability.
	Emissions Related to Electricity Transmission and Distribution (T&D) Losses	–	–	–	–	3,854	6,019	(2,164)	(36.0%)	
	Sub-Total	4,637,307	4,689,132	(51,825)	(1.1%)	211,099	211,113	(14)	(0.0%)	Overall increase in GHG emissions and energy consumption year-over-year due to increased natural gas consumption as a result of colder winter temperatures and additional net new DC square footage.
TOTAL	Company and Supply Chain	76,636,483	85,355,830	(8,719,348)	(10.2%)	3,168,482	3,393,229	(224,747)	(6.6%)	Overall GHG emissions and energy consumption down year-over-year due to lower dollar value of product received at Canadian Tire stores, partially offset by increased sales at Canadian Tire Gas+ gas bars and higher retail store natural gas consumption.

TABLE 2
INTENSITY VALUES

By Value-Chain Segment:	Energy ratios	2022	2021	Change (Better) / Worse	GHG ratios	2022	2021	Change (Better) / Worse
PRODUCT & PACKAGING	Energy usage as % Total Company and Supply Chain Energy usage	88.5%	89.3%	(0.9%)	GHG emissions as a % of Total Company and Supply Chain Footprint	84.6%	84.4%	0.3%
	Energy usage per \$1,000 banner revenues (GJ)	4.4	5.3	(16.6%)	GHG emissions per \$1,000 banner revenues (CO ₂ e kg)	173.3	197.3	(12.2%)
PRODUCT TRANSPORT	Energy usage as % Total Company and Supply Chain Energy usage	5.4%	5.2%	4.9%	GHG emissions as a % of Total Company and Supply Chain Footprint	8.7%	9.4%	(7.4%)
					GHG emissions per cubic metre shipped (CO ₂ e kg)	0.0	0.0	0.0%
	Energy usage per tonne-kilometre (GJ)	0.00035	0.00035	(1.6%)	GHG emissions per tonne-kilometre (CO ₂ e kg)	0.0230	0.0255	(9.7%)
BUSINESS & RETAIL OPERATIONS	Energy usage as % Total Company and Supply Chain Energy usage	6.1%	5.5%	10.1%	GHG emissions as a % of Total Company and Supply Chain Footprint	6.7%	6.2%	7.1%
					GHG emissions per square metre (CO ₂ e kg)	32.7	32.8	(0.4%)
TOTAL	Energy usage per \$1,000 CTC Consolidated revenue (GJ)	4.3	5.2	(17.9%)	GHG emissions per \$1,000 CTC consolidated revenue (CO₂e kg)	177.9	208.3	(14.6%)

TABLE 3
EMISSIONS BY SCOPE

Estimated tonnes of CO ₂ e by Scope:	2022	2021	Change (Better) / Worse
Scope 1 Emissions	134,426	125,908	6.8%
Scope 2 Emissions (Location-Based)	74,373	79,319	(6.2%)
Scope 2 Emissions (Market-Based)	74,373	73,796	0.8%
Scope 3 Emissions	2,959,682	3,193,524	(7.3%)

TABLE 4
SCOPE 1 & 2 EMISSIONS BY GAS

Estimated tonnes by GHG gas:	2022	2021	Change (Better) / Worse
Carbon Dioxide (CO ₂)	207,346	203,887	1.7%
Methane (CH ₄)	331	290	14.0%
Nitrous Oxide (N ₂ O)	1,122	1,050	6.9%
Carbon Dioxide Equivalent (CO₂e)	208,799	205,228	1.7%

TABLE 5
2022 CORPORATE AND SUPPLY CHAIN TOTALS PER GHG PROTOCOL CATEGORY

By GHG Protocol Category:	Description	Methodologies and emission factors used	Percentage of primary data used	2022 GHG emissions (CO ₂ e tonnes)	Justification of exclusions
CORPORATE EMISSIONS	Scope 1	Business & Retail Operations for real estate 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. Where no actual data is readily available, energy usage is estimated based on building size and type.	71%	134,426	HFCs and PFCs from refrigeration, and fuel used for back-up generators, are deemed non-material.
	Emissions from fuel used by CTC fleet trucks and PartSource commercial delivery vehicles. Emissions from on-site fuel used at corporate stores, offices and DCs, depot or storage facilities, Canadian Tire stores and Canadian Tire Gas+ gas bars.	CTC fleet and PartSource commercial delivery vehicle calculations are derived from a fuel volume based methodology.			
		Emission factors are from Environment Canada National Inventory 1990-2021 Report for Canadian properties, EPA eGRID 2021 for US Properties, and IEA Country Factors 2022 for all other countries.			
		IPCC 5th Assessment Report, 100 years, GWP were used.			
	Scope 2 (Location-based)	Business & Retail Operations calculations for real estate 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. Where no actual data is readily available, energy usage is estimated based on building size and type.	61%	74,373	No known gaps.
	Scope 2 (Market-based)	Emissions from electricity used at corporate stores, offices and DCs, depot or storage facilities, Canadian Tire Dealer locations and certain Canadian Tire Gas+ gas bars.	61%	74,373	No known gaps.
		Emission factors are from Environment Canada National Inventory 1990-2021 Report for Canadian properties, EPA eGRID 2021 for US Properties, and IEA Country Factors 2022 for all other countries.			
		IPCC 5th Assessment Report, 100 years, GWP were used.			

TABLE 5
2022 CORPORATE AND SUPPLY CHAIN TOTALS PER GHG PROTOCOL CATEGORY (continued)

By GHG Protocol Category:	Description	Methodologies and emission factors used	Percentage of primary data used	2022 GHG emissions (CO ₂ e tonnes)	Justification of exclusions
UPSTREAM EMISSIONS (Scope 3)	Purchased Goods and Services	<p>Canadian Tire, SportChek, Mark's, Helly Hansen, and PartSource calculations are derived from the Environmentally-Extended Input-Output Life Cycle Analysis (EEIO-LCA) Model developed by Optera.</p> <p>Petroleum calculations are derived from the US Department of Energy GREET 2021 Model (http://greet.es.anl.gov) and the GHGenius 5.01d Model (http://www.ghgenius.ca).</p> <p>IPCC 5th Assessment Report, 100 years, GWP were used.</p>	31%	2,682,079	Financial Services, Canadian Tire Gas+ bar kiosk and Canadian Tire non-corporate products (FMA) deemed non-material. Party City products not included due to data unavailability. Non-merchandise procurement not included due to data unavailability.
	Capital Goods	–	–	–	Capital goods are not included due to data unavailability and materiality assessment.
	Fuel and Energy related activities (not included in scope 1 & 2)	<p>Electricity transmission and distribution loss is calculated based on electricity consumption and emission factors from Environment Canada National Inventory 1990-2021 Report.</p> <p>IPCC 5th Assessment Report, 100 years, GWP were used.</p>	48%	3,854	Items a) and b) are not included due to data unavailability. Item c) T&D only for Canada.
	Upstream Transportation and Distribution	<p>Canadian Tire Retail, Petroleum, SportChek, Mark's, and Helly Hansen third-party transportation calculations are derived from a distance-weight methodology. Emission factors from (i) US Environmental Protection Agency Emission Factors for Greenhouse Gas Inventories, 2020, (ii) the International Marine Organization (IMO), Second GHG Study 2009, and (iii) Environment Canada National Inventory 1990-2021 Report, (iv) Clean Cargo 2020 Global Container Shipping Trade Lane Emission Factors, (v) Carrier-specific emission factors were used. 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.</p> <p>Third-party operated DCs fall under the Business & Retail Operations segment and therefore follow the same methodology when energy use data is unavailable. See methodology on scope 1&2 for further detail.</p> <p>IPCC 5th Assessment Report, 100 years, GWP were used.</p>	100%	246,357	Emissions from SportChek/Mark's DC to Store transportation, Canadian Tire Gas+ bar kiosk, 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.

TABLE 5
2022 CORPORATE AND SUPPLY CHAIN TOTALS PER GHG PROTOCOL CATEGORY (continued)

By GHG Protocol Category:		Description	Methodologies and emission factors used	Percentage of primary data used	2022 GHG emissions (CO ₂ e tonnes)	Justification of exclusions
UPSTREAM EMISSIONS (Scope 3) (continued)	Waste Generated in Operations	Emissions from third-party disposal and treatment of waste generated through business operations.	–	–	–	Emissions from waste generated in operations are not included due to data unavailability and materiality assessment.
	Business Travel	Emissions from business travel.	CTC business air travel emissions are derived from a passenger-miles methodology. Emission factors from the World Resources Institute GHG Protocol tool for mobile combustion, version 2.6 (2015) were used. IPCC 5th Assessment Report, 100 years, GWP were used.	100%	1,729	Emissions from business travel using modes other than air are not included due to data unavailability.
	Employee Commuting	Emissions from employee commuting.	–	–	–	Emissions from employee commuting are not included due to data unavailability and materiality assessment.
	Upstream Leased Assets	Emissions associated with the operation of three leased offices that do not fall under the Company's operational control.	Upstream leased assets fall under the Business & Operations segment and therefore follow the sampling strategy methodology. See methodology and emission factors on scope 1&2 for further detail.	10%	1,897	HFCs and PFCs from refrigeration units deemed non-material.

TABLE 5
2022 CORPORATE AND SUPPLY CHAIN TOTALS PER GHG PROTOCOL CATEGORY (continued)

By GHG Protocol Category:		Description	Methodologies and emission factors used		Percentage of primary data used	2022 GHG emissions (CO ₂ e tonnes)	Justification of exclusions
DOWNSTREAM EMISSIONS (Scope 3)	Downstream Transportation and Distribution	Emissions associated with the transportation of sold products from retail stores to customers' homes.	eCommerce activity data is derived from total overall shipments by banner and emissions are based on calculations by our carrier partners using distance-weight or spend-based methodology using proprietary emission factors.		100%	11,553	Emissions from Helly Hansen, Pro Hockey Life, PartSource, and SportChek and Mark's franchise are not included due to data unavailability. Energy consumption is not included due to data unavailability.
	Processing of Sold Products	Emissions associated with the processing of sold products.	–		–	–	Not applicable.
	Use of Sold Products	Emissions associated with the combustion of sold petroleum products.	–		–	–	Emissions from use of sold retail products unavailable due to data unavailability.
	End-of-Life Treatment of Sold Products	Emissions associated with the disposal of consumer products sold at all business units.	–		–	–	Emissions from downstream end-of-life treatment of sold products are not included due to data unavailability.
	Downstream Leased Assets	Emissions associated with investment properties (buildings owned but not operated by CTC).	–		–	–	Properties owned by CTC and REIT are not included due to data unavailability.
	Franchises	Emissions associated with the operations of non-Corporate stores including Party City Dealer stores, Mark's, and SportChek franchise stores and certain Canadian Tire Gas+ gas bars.	Franchises fall under the Business & Retail Operations segment and therefore follow the sampling strategy methodology. See methodology and emission factors on scope 1 & 2 for further detail.		38%	12,213	HFCs and PFCs from refrigeration units deemed non-material.
	Investments	Emissions associated with equity/debt investments, project finance, and emissions from CTC's share of certain CT REIT multitenant properties.	–		–	–	Emissions from investments are not included due to data unavailability and materiality assessment.

TABLE 6
2020 BASELINE YEAR RECALCULATION

	Published September 2023	Published November 2021	Change (Better) / Worse	Justifications for recalculation
By GHG Protocol Scope:	GHG Emissions (CO ₂ e tonnes)	GHG Emissions (CO ₂ e tonnes)		
Scope 1	121,160	54,432	122.6%	To better align with the GHG protocol, the Company has moved emissions from Dealer, certain agents and warehouse locations from Scope 3 to Scope 1 and Scope 2.
Scope 2	85,961	32,714	162.8%	
Scope 3	3,046,275	3,166,250	(3.8%)	
TOTAL	3,253,396	3,253,396	0.0%	

Glossary

Area of Measurement	Definitions	Main Gaps
Corporate & Supply Chain Environmental Footprint	Environmental impacts and resources used throughout CTC's extended value chain from raw material acquisition, product manufacturing, product transport, buildings operations, business travel, 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; employee commuting; product use and product end-of-life.
Energy Used and GHG Emissions from Product & Packaging	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 SportChek retail products received in a given year by a store, distribution centre or 3rd-party warehouse on the Company's behalf. 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.	Party City products, Petroleum kiosk products, Canadian Tire non-corporate products (products ordered directly from vendors by stores), Financial Services products, SportChek corporate product shipped direct to stores, baseline year Pro Hockey Life purchases since data prior to Dec 29, 2013 acquisition is 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 Canadian Tire, PartSource, Mark's, SportChek and Helly Hansen 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.	SportChek/Mark's DC to store and Petroleum kiosk product transport. Less than 10% of Canadian Tire transport activity. Canadian Tire shipping packaging weights. Canadian Tire non-corporate product transport. HFCs and PFCs from pipeline leakages and refrigerated trucks.
Energy Used and GHG Emissions from Business & Retail Operations	Energy used and GHG emissions from the operation of CTC's buildings, equipment, and owned and leased vehicles such as yard trucks, company cars and service vans (excluding product transport captured separately). This refers to all operations across globally including offices, distribution centres, Corporate/ Franchise/Dealer/Agent stores within CTC.	HFCs and PFCs from refrigeration at corporate and non-corporate locations. Canadian Tire retail stores and Canadian Tire Gas+ gas bar fuel leakages.
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	Scope 3 emissions are other indirect emissions from CTC's value chain that are not under our operational control (e.g., combustion of sold petroleum products by customers, and the manufacture and transportation of our products by third parties).	See comments under "Energy Used and GHG Emissions from Products & Packaging", "Energy Used and GHG Emissions from Product Transport" and "Energy Used and GHG Emissions from Business & Retail Operations".

Glossary (continued)

Sustainability Terms	Definitions
CO₂e	Carbon dioxide equivalent expresses all GHGs as a measurement of carbon dioxide by adjusting other types of GHGs (methane, nitrous oxide, sulphur hexafluoride, hydrofluorocarbons and perfluorocarbons) to their carbon dioxide equivalent based on their relative Global Warming Potential.
Cradle-to-gate	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.
Emission Factors	Calculation factor used to measure GHGs 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.
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 socioeconomic impacts.
Environmental Protection Agency (EPA)	A 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 Resource Institute (WRI)	A global environmental think tank that works with governments, companies and society to build solutions to address urgent environmental challenges.
Other Terms	Definitions
Canadian Tire	Refers to the general merchandise retail and services businesses carried on under the Canadian Tire name and trademarks.
CTC or Company	Canadian Tire Corporation, Limited.
DCs	Refers to distribution centres.
Gigajoules (GJ)	A unit of measurement for energy use.
Helly Hansen	Refers to the international wholesale and retail businesses that operate under the Helly Hansen and other related names and trademarks.
Mark's	Refers to the retail and wholesale businesses carried on by Mark's Work Wearhouse Ltd. under the Mark's and L'Équipeur names and trademarks.
PartSource	Refers to stores operated under the PartSource name and trademark.
Party City	Refers to the party supply business that operates under the Party City name and trademarks in Canada.
Petroleum	Refers to the retail petroleum business carried on under the Canadian Tire Gas+ name and trademarks.
SportChek	Refers to the retail businesses carried on by FGL Sports Ltd. under the SportChek, Sports Experts, Atmosphere, Sports Rousseau and Hockey Experts names and trademarks, unless the context requires otherwise.
Square metres	Measurement of a building's functional area. The functional area in a Canadian Tire store includes ground coverage, mezzanine areas, other floors, and the second-level racking system. Garden Centres are excluded. For Petroleum stations this includes convenience kiosks, gas bar canopies, car washes and pit-stops. For Mark's, SportChek, PartSource and Financial Services locations, the functional area is the equivalent of the gross leasable area.
Tonnes-kilometres	Distance travelled from vendor to stores in kilometres multiplied by weight of products and related equipment in tonnes. Used in the calculation of the product transport carbon and energy footprint.

