



Canadian Tire – Centralized Waste Management

October 2014



Since our inception more than 90 years ago, Canadian Tire has grown to become one of Canada's most recognized and trusted brands. 98% unaided brand awareness and over 90% of Canadians live within 25km of a store



One of Canada's most-shopped general retailers with over 1,700 retail and gasoline outlets



Canadian Tire Retail
498 stores

Profile

- General merchandise retailer – Living, Fixing, Playing and Auto

Business Model

- Stores are operated by Associate Dealers



PartSource
91 stores

- Specialty automotive stores

- Majority of stores are corporately owned and operated



Petroleum
289 gas bars

- Gasoline retailer

- CTC owns the sites while independent Agents operate them



FGL Sports
534 stores

- Sporting goods retailer: apparel, footwear and equipment

- Sport Chek: corporately owned and operated; Sports Experts: franchised



Mark's
385 stores

- Industrial and casual clothing and footwear retailer

- Primarily corporate model, some franchises



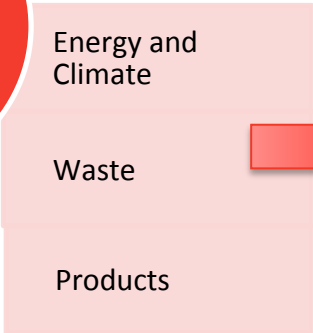
Financial Services
>4 MM MasterCard accts

- Canadian Tire-branded credit cards, personal loans, insurance

- CTC owns and finances all receivables

Product Environmental Stewardship centralized under CTC to manage stewardship and waste for all business units in 2014.

Business Sustainability Strategy



	Profitably grow the business
Energy and Climate	Without increasing the net carbon footprint of the economy
Waste	While eliminating unnecessary packaging and send zero waste to landfills
Products	Providing innovative products and services that meet customers' needs without compromising the ability of future generations to meet their needs

CTC's vision for waste was to move from compliant on environmental sustainability to a collaborative approach of managing waste, with the goal of developing strategic value for CTC.



2010

STAGE 1

Internal Data Gathering

- Determine how waste is managed (vendors, diversion vs. landfill)
- Determine scope for the waste footprint and RFP for Consolidated Waste Services

STAGE 2

External Data Gathering

- Retrieve site specific waste service requirements and weight data from top three waste vendors

2012

STAGE 3

RFP and Vendor Selection

- RFP Development for all business units engaged (does not include Canadian Tire Retail Stores)
- Collaboration across all business units to understand reporting processes and required reporting
- Selection of national/regional provider(s)
- **122 Vendors to just 2!**

2013

STAGE 4

Implementation

- Communication to all Corporate locations
- Collection and termination of all contracts
- Consolidate weight and cost data for comprehensive waste footprint
- Create processes and systems for accurate, reliable and efficient reporting
- **Launched July 1st 2013**
- **Decreased waste costs by 23%**

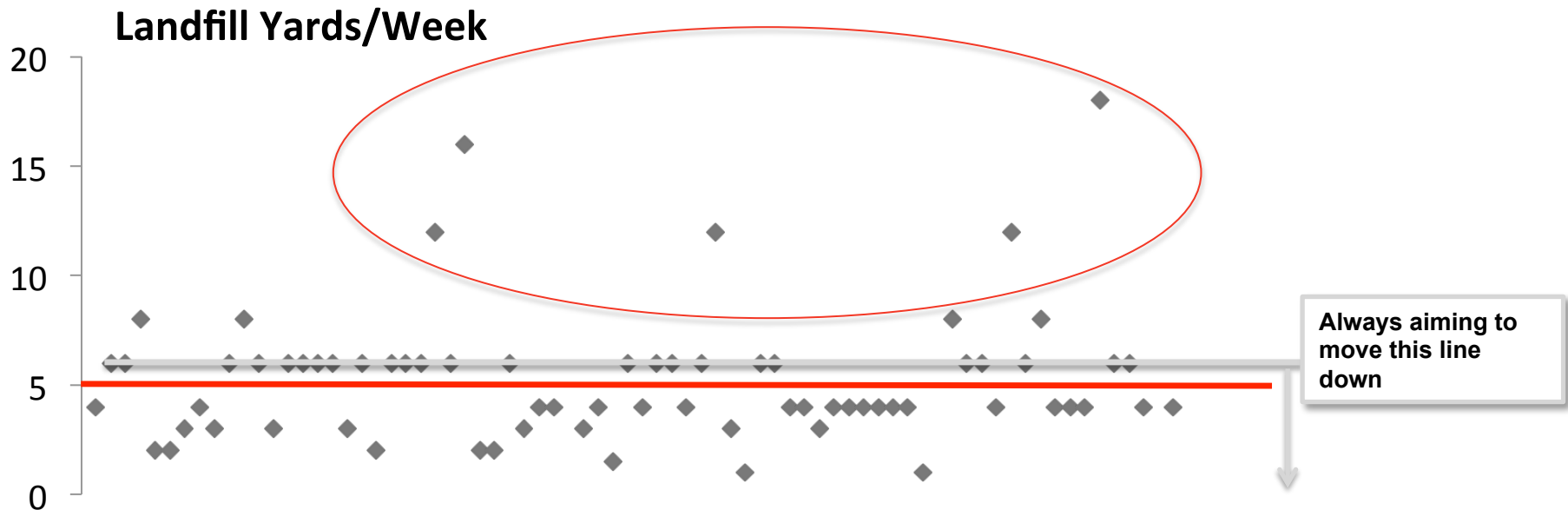
2014

STAGE 5

Reporting & Optimization

- Optimization for Marks, Partsource and partial CTP complete by July 1, 2014.
- Termination of significant # of legacy contracts in 2014
- 14 Store waste audits completed by end of year
- **1st Centralized reporting of waste costs, services and diversion rate (50%)**
- **Decreased waste costs by 36% in first full year**

Right sizing outliers at Partsource in 2014 will save an estimated 10% in unnecessary waste costs. Savings will increase as we continue to right size over the next two to three years.



- Opportunity to reduce stores that are over average landfill yardage per week either through change in bin size or frequency.
- Adding/Expanding recycling service to stores will further reduce landfill yardage. Observations indicated that up to 50% of landfill stream could be recycled based on initial observation

Best practices including clear bag policies and employee training will ensure waste and recycling are properly disposed. Increased diversion and fewer service charges will result in cost savings.



- Recyclable materials being disposed as waste due to limited recycling programs (specifically CTP)
- Limited space for additional bins hindering stores from adding programs for recycling
- Inconsistent programs for other common recyclable materials (i.e: skids, light tubes)
- Cardboard is not being broken down causing increased number of lifts



Zero Waste Pilot at PartSource



CTC is currently piloting zero waste at PartSource with the intention to roll out to all PartSource locations in 2015.

Change should result in significantly decrease in waste costs, with minimal impact on in store processes.

Info	Changes at Store level	Some Expected Learnings/Outcomes
Number of stores: 1 - 3 Length: 3 months	<ul style="list-style-type: none">• Establish hazardous waste and metal recycling service• Implement clear plastic bags• Increase recycling waste service• Reduce dry waste service• RM and Staff education waste education (read-and-sign, best practices)	<ul style="list-style-type: none">• Instead of changing behaviours ; propose to change service to reflect current behaviour• Significant decrease in landfill waste• Increased recyclables and responsible waste handling procedures• Less frequent waste and recycling pick ups• Stores take ownership of waste• Learn what works and what does not (training, services, etc.)

Future Adventures



- Expand the Zero Waste to all of Partsource in 2015
- Expand Zero Waste Pilot to other business units
- Uncover revenue opportunities from new waste streams as result of
- Always opportunities to improve processes 😊

Thank you

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