



2015 MATERIALITY ASSESSMENT

Canadian Tire Corporation, Limited

A **materiality assessment** refers to a process of stakeholder engagement undertaken to identify relevant topics that reflect an organization's economic, environmental and social impacts that can substantively influence the decisions of stakeholders. 'Materiality' is a key sustainability transparency, disclosure and reporting principle emphasized by the Global Reporting Initiative (GRI)'s G4 Sustainability Reporting Guidelines. The GRI encourages organization to focus sustainability efforts and reporting on issues or topics that are determined, through dialogue with stakeholders, to be material to their business in the near or long term.

Stakeholder Engagement

Canadian Tire Corporation, Limited's Enterprise Sustainability team worked with Delphi Group consultants to engage internal and external stakeholders who have expressed views on, or are involved in environmental matters and social compliance, to identify material sustainability topics for Canadian Tire Corporation, Limited (CTC). Stakeholder engagement activities included:

Stakeholder Group	Engagement Method	
Internal	Selected CTC Executives	One-on-One Interviews
	Selected Members of Mark's & FGL Sports Business Units	Focus group
	Selected Members of Canadian Tire Merchandising Group	Focus group
	Selected Canadian Tire Associate Dealers	One-on-One Interviews
	Selected CTC Corporate Employees	Survey
External	Selected Vendors	One-on-One Meetings
	Selected Investors (ESG)	One-on-One Meetings
	Selected Customers	Secondary research

Results

The materiality assessment produced a prioritization of 16 sustainability topics relating to Environment; Products and Supply Chain; Customers and Community; and Responsible Business and Workplace. Topics were assessed individually for importance to each internal and external stakeholder group. Based on the views of the stakeholder groups as expressed through the engagement methods, the top four sustainability topics include:

1. **Waste:** includes waste from packaging, waste from damaged goods, operational waste and recycling, product take-back and stewardship programs, toxic waste disposal, consumer waste.
2. **Ethical Sourcing:** includes social compliance in the supply chain, supplier audits, product country of origin considerations, supply chain traceability and transparency.
3. **Energy Management:** includes energy efficiency in company facilities, renewable energy and alternative fuel options.
4. **Transportation and Logistics:** includes supply chain transport, logistics, distribution and alternative fuel options.