Sustainability and Responsibility
2014 Performance Highlights
We are pleased to share some highlights from our sustainability performance in 2014. For our full Sustainability and Responsibility Report, visit sustainabilityreport.timhortons.com.

### Individuals
- Since 2010, we have reduced the average sodium content of our muffins by 33%.
- $2.2 million in Team Tim Hortons Scholarships awarded since 2005.
- 170,000 guest comments and a 99.9% response rate for guest inquiries.

### Communities
- We welcomed 17,700 children to our camps.
- Through Smile Cookie we raised approximately $5.3 million for local charities across Canada and the U.S. in 2014.
- 4,830 farmers participated in Tim Hortons coffee partnership projects in 2014.

### The Planet
- Energy saving measures in 200+ restaurants saved a total of four million kilowatt-hours in 2014.
- 77% of waste was diverted from landfill across corporate operations in 2014.
- Restaurant owners supported 650 local community clean-ups across Canada.
We worked to maintain our strong levels of employee engagement and commitment through feedback surveys, focus groups, and external benchmarking initiatives.

In 2014, we completed our second Employee Engagement Survey, and saw an increase of 10% in overall employee engagement.

All restaurants received at least one Food Safety Standards Review audit, in addition to ongoing visits by our field operations team. In 2014, 96% of our restaurants had two audits.

All corporate employees who directly influence restaurant operations had up-to-date food safety certification by the end of January 2015.

In 2014, we once again sponsored six finalist entrepreneurial student groups through the Tim Hortons Making a True Difference™ Project Fund with Enactus Canada. Thanks to the Fund, 67 students logged 10,685 project hours and impacted 1,785 people. Together the student groups created 24 green jobs, and 44 businesses introduced green business practices.
COMMUNITIES

Tim Hortons believes it has a positive role to play in enabling communities to thrive and grow.

CHILDREN

Tim Horton Children’s Foundation
Tim Horton Children’s Foundation was established in 1974 in memory of our company founder Tim Horton. The Foundation Camp experience provides programs to help economically disadvantaged children develop lifelong skills.

• Over 17,000 children and youth had a Foundation camp experience in 2014.
• In 2014, our Restaurant Owners and guests from across North America raised $11.8 million for the Foundation on Camp Day.
• Since 2012, Restaurant Owners have distributed 1,188 bursaries, worth approximately $2.3 million for post-secondary education, to graduates of the Foundation’s Youth Leadership Program.
• To mark Tim Hortons 50th Anniversary campers planted over 1,500 trees on the camp properties.

COMMUNITY SUCCESS

Community Initiatives & Giving
We believe we have a positive role to play in enabling communities to thrive and grow. Our Restaurant Owners are active members of the communities in which they operate their business. We are also proud to support a number of causes each year, through financial support, product donations or gifts-in-kind, and employee volunteer time.

• In 2014, we contributed more than $3 million to the Timbits Minor Sports program, providing over 300,000 children an opportunity to participate in local sports.
• The Free Holiday Skate program provided 2,400 hours of ice time at 435 local arenas and the Free Swim program provided 1,700 hours of pool time at 198 local pools across Canada.
• We made donations to the Tim Horton Children’s Foundation: a corporate donation of $1.37 million and $1.35 million from Restaurant Owners through the Advertising and Promotions Fund.
• We raised $5.3 million through Smile Cookie sales and donated to over 500 charitable organizations.

Aboriginal Relations
We continue to work on implementing a meaningful, structured and long-term partnership with Aboriginal communities.

• We have opened eight Aboriginal-owned restaurants or self-serve kiosks on Aboriginal lands since 2012. We anticipate two additional locations will be opened in 2015.
• Since 2012, we have hosted 5,029 Aboriginal children and youth at our Foundation camps.

THE TIM HORTONS COFFEE PARTNERSHIP

The Partnership helps small-scale coffee farmers and their communities by supporting them in key economic, social and environmental areas. Our approach is unique from other coffee initiatives because we are involved in grassroots projects that work directly with farmers, local coffee organizations, and government and non-governmental organizations.

We monitor and evaluate the performance of the Partnership through a comprehensive set of key performance indicators that are verified by an independent third party. Highlights include:

• We had 4,830 farmers participating in our Partnership projects in 2014.
• We completed over 20,000 technical training demonstrations.
• There was an 80% increase in yield/hectare since 2005.
• Over 14,000 hectares of land was managed in an environmentally responsible manner.
THE PLANET

Tim Hortons understands that changes in the environment need to be managed and embraces our responsibility to do our part.

RESTAURANTS

Packaging
At Tim Hortons, we aim to consider the environment when making decisions about our packaging.

• In 2014, we continued to integrate environmental evaluations into our packaging development process. This involves understanding environmental impacts across the lifecycle – from raw material to end of life.
• We continued pallet optimization efforts. We increased the total cold beverage lids per pallet by 33% and the truckload weight utilization by approximately 29%.

Waste Reduction
As we strive to reduce the waste created in every part of our business, we are addressing the waste generated at our restaurants through reduction, reuse and recycling initiatives.

• We continued to offer ceramic dishware to guests who eat in-restaurant and a 10-cent discount for guests who purchase a hot beverage in their travel mugs.
• Together with our Restaurant Owners, we are developing a comprehensive waste diversion strategy for our restaurants. In 2014, we developed a strategy and we aim to pilot the strategy in key regions in 2015.
• In 2014, our Restaurant Owners supported 650 local community clean-ups across Canada.

Green Building Design
To reduce the environmental footprint of our restaurants we evaluate new technology, design and construction methods.

• We implemented energy saving measures in more than 200 Tim Hortons restaurants in Ontario, and achieved approximately four million kilowatt-hours in energy savings province-wide.

CORPORATE OPERATIONS

Reducing our Environmental Impact
We have been working to minimize our corporate environmental footprint through fuel, energy and water efficiency initiatives and increasing waste diversion.

• In 2014, our overall corporate energy consumption remained at approximately the same level as in 2013.
• Since 2011, we have achieved a 35% reduction in water consumption at our Head Office.

• We had an overall corporate waste diversion rate of 77%, an 11% improvement from 2012.
• Our distribution fleet has increased fuel efficiency by 12.5% since our 2008 baseline.

OUR SUPPLY CHAIN

Business Partner and Supplier Code of Conduct (BPSCC)
Our BPSCC is built on the principles of respect, fairness and business ethics, with regulatory compliance being a minimum standard of doing business with us.

• Compliance with our BPSCC is required by all our business partners and suppliers.
• In 2014, we continued to evolve our BPSCC program for our coffee supply chain. With one of our key suppliers, we tested a collaborative program that integrates BPSCC compliance, best practices, education and independent verification down to the origin community level.

Animal Welfare
Animal welfare is an important issue to Tim Hortons and our stakeholders. We consider animal welfare to apply to all aspects of animal care within our supply chain.

• We maintained our commitment to source pork from suppliers who have made a transition to alternative open housing by 2022. We continued to work with the pork industry and governments to advance standardized approaches and codes.
• In 2014, we sourced 12% of the eggs for our egg products, from more humane, alternative hen housing systems.

Palm Oil
We are committed to doing our part to protect against deforestation and land conversion arising from palm oil production.

• In 2014, we made a commitment to responsibly source palm oil, and we updated our BPSCC to reflect this commitment in 2015.
• All of the palm oil we booked for 2015 will support the production of Roundtable on Sustainable Palm Oil (RSPO) certified palm oil through the purchase of GreenPalm certificates.
• In 2014, we mapped our supply chain for the palm oil we source in collaboration with our product manufacturers, suppliers and other partners as a first step in the development of a comprehensive palm oil sourcing policy.
Environmental Performance Summary

To learn more about our efforts to reduce our environmental impact, please visit sustainabilityreport.timhortons.com.

<table>
<thead>
<tr>
<th>TIM HORTONS (CORPORATE OFFICES, DISTRIBUTION CENTRES, MANUFACTURING FACILITIES AND CORPORATE RESTAURANTS)(^{1})</th>
<th>2014(^{1})</th>
<th>2013(^{1})</th>
<th>2012(^{1})</th>
<th>Unit of measurement</th>
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<tbody>
<tr>
<td>Energy</td>
<td></td>
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<tr>
<td>Direct Energy Use(^{3})</td>
<td>143,443</td>
<td>143,209</td>
<td>136,693</td>
<td>mWh</td>
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<tr>
<td>Indirect Energy Use(^{4})</td>
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<td>33,651</td>
<td>35,835</td>
<td>mWh</td>
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<tr>
<td>Total Energy Use</td>
<td>176,844</td>
<td>176,860</td>
<td>172,528</td>
<td>mWh</td>
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<tr>
<td>Water</td>
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<tr>
<td>Total Water Consumption(^{5})</td>
<td>100,138</td>
<td>107,339</td>
<td>108,803</td>
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<tr>
<td>GHG Emissions (C0(_{2}\text{e}))(^{6})</td>
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<tr>
<td>Total C0(_{2}\text{e}) Emissions(^{1})</td>
<td>47,857</td>
<td>47,398</td>
<td>46,873</td>
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<tr>
<th>FRANCHISED RESTAURANTS (CANADIAN AND U.S. STANDARD RESTAURANTS)(^{8})^*</th>
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<tbody>
<tr>
<td>Energy</td>
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<tr>
<td>Direct Energy Use(^{3})</td>
<td>287,674</td>
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<td>Indirect Energy Use(^{4})</td>
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<td>Total Energy Use</td>
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<tr>
<td>Water</td>
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<td>Total Water Consumption(^{5})</td>
<td>5,980,744</td>
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<td>GHG Emissions (C0(_{2}\text{e}))(^{6})</td>
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<tr>
<td>Total C0(_{2}\text{e}) Emissions(^{9})</td>
<td>330,564</td>
<td>331,212</td>
<td>312,214</td>
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<th>GHG EMISSIONS (C0(_{2}\text{e})) BY SCOPE(^{10,11})</th>
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<tr>
<td>Total Gross Emissions Scope 1 (Direct)</td>
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<td>34,056</td>
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<td>Total Gross Emissions Scope 2 (Indirect)</td>
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<td>5,532</td>
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<td>Total Gross Emissions Scope 3 (Other Indirect)</td>
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<td>341,205</td>
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<td>Total Gross C0(_{2}\text{e}) Emissions</td>
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<td>380,793</td>
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<td>Total Net C0(_{2}\text{e}) Emissions(^{12})</td>
<td>381,670</td>
<td>380,787</td>
<td>361,397</td>
<td>tonnes</td>
</tr>
</tbody>
</table>

Additional footnote information can be found in our online Sustainability and Responsibility Report at sustainabilityreport.timhortons.com/planet-environmental-footprint-and-performance.html.