



SERVING CANADIANS WITH PURPOSE



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SERVING CANADIANS WITH PURPOSE

Dollarama was founded in 1992 with the simple idea that affordable, everyday items should be available to all. After more than 30 years in business, through many economic cycles and, most recently, a global pandemic followed by persistent inflation, our purpose still resonates with Canadians from all walks of life. This is reflected in our strong financial results, our continued store network growth and our consistent recognition as one of Canada’s most reputable brands.

It is in this context that we pursue our ESG journey, by further integrating ESG into decision-making at both the Board and management level and investing in our organizational ESG capabilities.

From an accessibility and proximity point of view, we marked important milestones since our last report, including the roll-out of price points up to \$5.00 to deliver even more compelling value. In early FY24, we also celebrated the opening of our 1,500th store in Canada, a milestone of which we are quite proud.

On the product front, we consistently work towards delivering value and affordability, but never at the expense of safety or quality. We are expanding the selection of products with environmental and social components, based on customer demand and regulatory requirements, and we have accelerated the phase-out of single-use plastic bags with an objective to eliminate them completely six months ahead of the regulatory deadline.

Our climate strategy is another area that has benefitted from our recent investment in our organizational ESG capabilities. Our data management and methodologies have been greatly reinforced as we advance on our Scope 1-2 GHG emissions intensity reduction target and as we now turn our attention to the tracking of a portion of our Scope 3 GHG emissions, with a view to disclosing in our FY25 reporting.

Our people remain at the very core of our success and we continue to focus on deploying initiatives, training and programs that promote a safe, dynamic, inclusive and engaging work environment, as well as clear paths to career advancement opportunities. We are proud of our diverse and dynamic workforce. In FY24, we will be re-evaluating our gender diversity in management target in light of our progress so far and as we strive to promote gender parity. At the Board level, female gender representation increased to 40% with the appointment of Thecla Sweeney in early FY24.

On this journey, we have come to find that many ESG practices embed themselves naturally in our business, from our commitment to serving Canadians with purpose to our low-cost, efficient operations. Ultimately, our focus is on ensuring that our evolving ESG strategy, which we are committed to pushing further, remains compatible with our unique role in the retail ecosystem and our significant growth aspirations. At the end of the day, our aim is to keep delivering on our value promise to our customers and on our value creation commitment to our shareholders – sustainably.



Neil Rossy
President and CEO



Stephen Gunn
Chair of the Board

Neil Rossy
Stephen Gunn

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EVOLVING OUR ESG STRATEGY

As we proactively evolve and advance our ESG strategy, we further strengthen the link between our long-term financial and value creation objectives, and our performance against our ESG goals. To power the next phase of our ESG journey and to better incorporate ESG risks and opportunities into our strategy, we are focusing on capacity-building and strengthening governance, while improving data management and related disclosure. While more work remains to be done, we have accomplished much in the last year.

Since last June, we have created a dedicated ESG function, as part of the Finance group, reporting directly to the Chief Financial Officer. In addition, in early FY24, we implemented an ESG Steering Committee comprised of cross-functional leaders to increase ESG efforts and organizational capabilities. We also converted our credit facilities to a sustainability-linked loan structure tied to pre-set sustainability-performance targets.

In parallel, we undertook a full GHG inventory review and strengthened our data management and methodology for environmental data, but also across our ESG data. We are proud to report that our first limited assurance was performed by an external third party, on Scope 1-2 GHG emissions intensity and diversity in management, which adds additional reliability and structure to our ESG framework. With this report, we have not only enhanced our data disclosure, we have also significantly improved our alignment with SASB standards and TCFD recommendations.

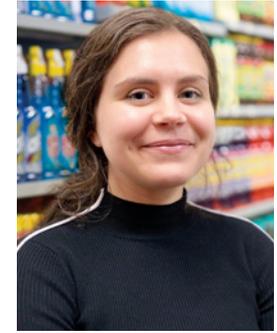
Our near-term focus to advance our ESG strategy is to ensure we meet our Scope 1-2 GHG emissions intensity reduction target and further advance our climate strategy roadmap. To achieve these two objectives, we plan to deploy our climate-related initiatives further and increase TCFD alignment, including the identification, measurement and eventual disclosure of relevant portions of our Scope 3 GHG emissions. From a supply chain perspective, we have also nearly completed the enrollment of all Tier 1 vendors that were identified at the launch of our social audit program. Once completed, we will turn our attention to ensuring that we sustain the program well into the future.

We are preparing to quantify a portion of our Scope 3 GHG emissions and we will continue to improve our data tracking, measurement and reporting capabilities. Across our priority issues, we remain focused on setting relevant, meaningful and achievable goals. We expect to refine these further with each annual ESG report. Consistent with past practices, we are pursuing our ESG strategy in line with our business strategy, the expectations of capital markets and investors, and the evolving regulatory environment.

We want to maintain our ongoing engagement with stakeholders on ESG matters to understand their own evolving expectations and to ensure that our ESG strategy, unique business model and corporate purpose are clearly communicated and fully understood. As such, we look forward to your feedback.



J.P. Towner
Chief Financial Officer



Marie Rougier
ESG Manager

J.P. Towner
Marie Rougier

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OUR BUSINESS AT A GLANCE

PROVIDING ACCESS TO AFFORDABLE EVERYDAY PRODUCTS

Dollarama is a recognized Canadian value retailer offering a broad assortment of affordable consumable products, general merchandise and seasonal items through a diverse and dynamic team of more than 25,840 people. Our quality products, available at select, low fixed price points, appeal to all demographics and income ranges. Our corporately-operated stores across Canada provide compelling value in convenient locations, including metropolitan areas, mid-sized cities and small towns. Select products are also available, by the full case only, through our online store.



OUR VISION

To be the leading value retailer in every market in which we operate, providing customers with unsurpassed value for their hard-earned money.



OUR PURPOSE

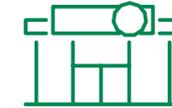
To provide Canadians from all walks of life with the best quality and value on every dollar they spend and with proximity and convenient access to affordable, everyday items that address their needs and exceed their expectations.

\$5.1B

in FY23 revenues

1,486

Dollarama stores located in all ten provinces and two territories at year end



15.5M

square feet of retail space

2.7M

square feet of distribution and warehousing space

\$0.87- \$5.00

Merchandise sold at low fixed price points

25,840+

employees across Canada



6M+

customers shop weekly at Dollarama whether in-store or online

~85%

of Canadian households live within 10 km of a Dollarama



1,000+

Canadian suppliers and service providers



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A STRONG ESG GOVERNANCE FRAMEWORK

ESG matters are ultimately the responsibility of the Board and embedded in the mandates of all Board committees, while management is responsible for spearheading the Corporation’s ESG strategy. In late FY23 and early FY24, Dollarama further strengthened its ESG organizational capabilities with the creation of a dedicated ESG function reporting to Finance and a cross-functional ESG Steering Committee.

BOARD OF DIRECTORS

- > Oversees and monitors approach, policies and practices related to ESG strategy
- > Maintains oversight of ESG-related risks and opportunities and delegates oversight and monitoring of specific ESG matters to appropriate Board committees
- > Engages with shareholders on ESG matters

AUDIT COMMITTEE

- > Oversees ESG risks as part of enterprise risk management responsibilities
- > Assesses adequacy and effectiveness of ESG risk monitoring and mitigation, as well as ESG performance
- > Reviews ESG disclosure

HUMAN RESOURCES AND COMPENSATION COMMITTEE

- > Reviews human capital management policies and practices, including from an ESG perspective

NOMINATING AND GOVERNANCE COMMITTEE

- > Responsible for developing and enhancing Dollarama’s corporate governance policies and guidelines

MANAGEMENT COMMITTEE (CHAIRD BY THE PRESIDENT AND CEO)

- > Responsible for development and implementation of the Corporation’s ESG strategy
- > Responsible for identifying and reporting to the Board on ESG strategy and opportunities, and ESG risks as part of enterprise risk management activities

CHIEF FINANCIAL OFFICER (MANAGEMENT COMMITTEE MEMBER)

- > Responsible for leading the Corporation’s ESG strategy and function, strategy execution, capacity building, reporting and disclosure
- > Responsible for engaging with internal and external stakeholders on ESG matters

ESG STEERING COMMITTEE

- > Assists in setting the Corporation’s general ESG strategy
- > Responsible for implementing, tracking and reporting on projects in support of the Corporation’s ESG strategy
- > Responsible for monitoring and identifying ESG opportunities, risks, trends and regulations
- > Comprised of:
 - Chief Financial Officer
 - Senior Vice President, Human Resources
 - Senior Vice President, Import Division
 - Senior Vice President, Legal Affairs, and Corporate Secretary
 - Senior Vice President, Replenishment
 - Vice President, Finance
 - Director, Regulatory Affairs, Compliance and Quality Assurance
 - Director, Maintenance and Facilities
 - Director, Legal Affairs, and Privacy Officer
 - ESG Manager

ESG FUNCTION (REPORTING TO CFO)

- > Dedicated ESG Manager responsible for supporting the development of the Corporation’s ESG strategy and strengthening related disclosure
- > Responsible for defining and delivering projects in support of the ESG strategy, including by coordinating internal stakeholders

RESOURCE CORNER

- Board Mandate
- Board Committee Charters

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OUR APPROACH TO ESG

Dollarama's environmental, social and governance ("ESG") strategy is driven by sustainable value creation for all stakeholders and embedded in our unique, highly efficient and low-cost business model. ESG focus areas are based on their importance and materiality to our business, our ability to exert control or influence, and/or stakeholder feedback.

MATERIALITY TO THE BUSINESS ASSESSMENT PROCESS:

- > Our annual enterprise risk assessments
- > Alignment with Sustainability Accounting Standards Board ("SASB") standards, including but not limited to, for Multiline and Specialty Retailers & Distributors
- > Increased alignment with recommendations from the Taskforce on Climate-related Financial Disclosures ("TCFD")
- > Monitoring of ESG ratings agencies and evolving standards to understand ESG trends as well as their relevance to our business model and our stakeholders

STAKEHOLDER ENGAGEMENT:

- > Engagement with the Board, management, procurement, operations, transportation and logistics, legal and regulatory, human resources, finance and risk management functions as part of enterprise risk management activities
- > Ongoing engagement with shareholders and shareholder advocates
- > Engagement with and feedback gathering from vendors and customers in the normal course of business

While FY23 ESG pillars and priority issues remain generally aligned with those identified in previous ESG reporting, they continue to evolve and expand as we aim to keep abreast of a rapidly evolving ESG landscape and expectations, and continue to improve our related disclosure. ESG topics currently excluded from our reporting have been deemed either not material from an ESG perspective, not relevant to our business and/or outside of our ability to control or influence.



FY23 ESG PILLARS AND PRIORITY ISSUES

01 OUR PRODUCTS AND CUSTOMERS

- > Product accessibility
- > Product safety and quality
- > Environmental and social components in products
- > Packaging

02 OUR OPERATIONS AND CLIMATE STRATEGY

- > Climate strategy
- > Energy management
- > Waste management
- > Transportation

03 OUR PEOPLE

- > Talent attraction, development and retention
- > Fair labour practices and equity
- > Workforce health and safety
- > Diversity and inclusion



04 OUR SUPPLY CHAIN

- > Supplier engagement
- > Human rights and the environment
- > Supply chain accountability

05 OUR GOVERNANCE

- > Strong governance framework
- > Ethics and fair business practices
- > Data privacy and information security

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FY23 ESG HIGHLIGHTS



Conversion of credit facilities to SUSTAINABILITY-LINKED LOAN

(SLL) structure tied to pre-set sustainability-performance targets for each financial year during the term of the facility



LIMITED ASSURANCE

performed on Scope 1-2 GHG emissions intensity and gender diversity in management on FY23 metrics and respective baseline years



REDUCTION

in Scope 1-2 GHG emissions intensity to 4.9 compared to 7.7 from FY20 base line (kg of CO₂e / ft²) and 10% reduction in absolute Scope 1-2 GHG emissions generated compared to FY22



4,800+

store employees promoted to new positions within the organization, an increase vs. ~4,000 in FY22



Creation of dedicated ESG FUNCTION

in FY23 and cross-functional ESG Steering Committee in early FY24



MSCI ESG RATING

improved to A from BBB in October 2022



44%

female representation in management positions compared to 43% in FY22



90%+

enrollment in social audit program by Tier 1 vendors targeted at program launch



ZERO MATERIAL DATA

breaches to date

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ACCESSIBLE PRODUCTS

Dollarama has long been, and continues to be, a destination for general merchandise (such as party and office supplies, kitchenware, hardware, toys and apparel), consumables (such as cleaning, health and beauty, pet, snacks and other food products) as well as seasonal items. We are proud to be a leading Canadian value retailer, benefiting from strong brand awareness and consistently recognized among the most reputable companies in Canada.

We actively manage our product offering to deliver a wide range of compelling private label and recognized national brand products to our customers. We aim to refresh 25-30% of our product offering every year.

Almost half of our products are sourced from North American vendors, while the balance are sourced directly from over 25 different countries in Asia, Europe and Latin America. No matter the country of origin, all our products must meet Canadian standards and regulatory requirements, in addition to our own often more stringent specifications.



Top 10

Ranked one of Leger's 2023 Top 10 Most Reputable Companies in Canada

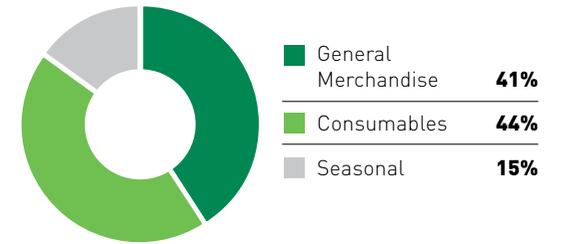


98%

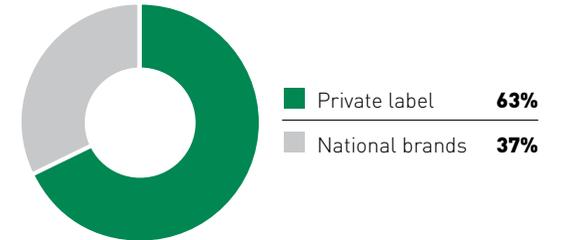
brand awareness across Canada



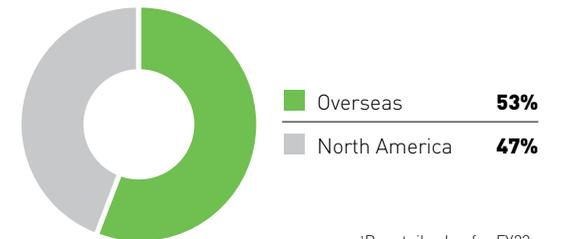
PRODUCT CATEGORIES¹



BRAND MIX¹



SOURCING MIX²



¹By retail value for FY23

²By total volume for FY23

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Economic Accessibility

Responsible selling and pricing practices are at the core of Dollarama's business philosophy as we strive to make affordable everyday products accessible to all Canadians, without compromising on safety or quality. Ingrained in our business strategy is our commitment to providing the best value for each product we offer, year-round, within our low fixed price points. We are continuously working on our pricing structure to meet this commitment, which is not only a key competitive advantage but also important to our business from both a financial and ESG perspective.

While our multi price-point strategy has allowed us to expand our product offering within existing categories, we remain well within the value-retail model, delivering economic accessibility to a broad range of everyday products for our customers.



DOLLARAMA'S APPROACH TO AFFORDABLE PRICES:



APPROACH TO PROCUREMENT

Strong direct-sourcing capabilities and purchasing power enabling us to offer products at lower cost



WIDE RANGE OF PRICING OPTIONS FOR CUSTOMERS

Products available at different price points across all categories and departments



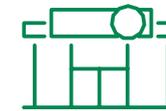
NO-FRILLS PRODUCT DESIGN AND PACKAGING

No extra cost generated by unnecessary branding or packaging

Proximity

Dollarama is as driven by value as it is by convenience. Tying business objectives to ESG considerations, physical proximity is key to ensuring that Canadians from all walks of life can conveniently and easily access a broad assortment of everyday essentials. We believe that customers shop our stores within a relatively small radius and that close proximity drives loyalty, frequency of visits and hassle-free access to affordable options. Proximity also minimizes GHG emissions resulting from customers travelling to our stores, which is a Scope 3 GHG emissions category.

Dollarama continues to pursue its long-term store target of 2,000 stores across Canada by 2031, further promoting physical proximity of affordable products in communities across Canada from Whitehorse, Yukon to St. John's, Newfoundland. The number of Canadians located 10 kilometres or less from a Dollarama store increased from 80% to 85% over the last two fiscal years as our store count grew from 1,356 at the end of FY21 to 1,486 at the end of FY23.



~65

net new stores opened annually across Canada and across market types over the last six years



~85%

of Canadians live 10 km or less from a Dollarama store, up from 80% in FY21

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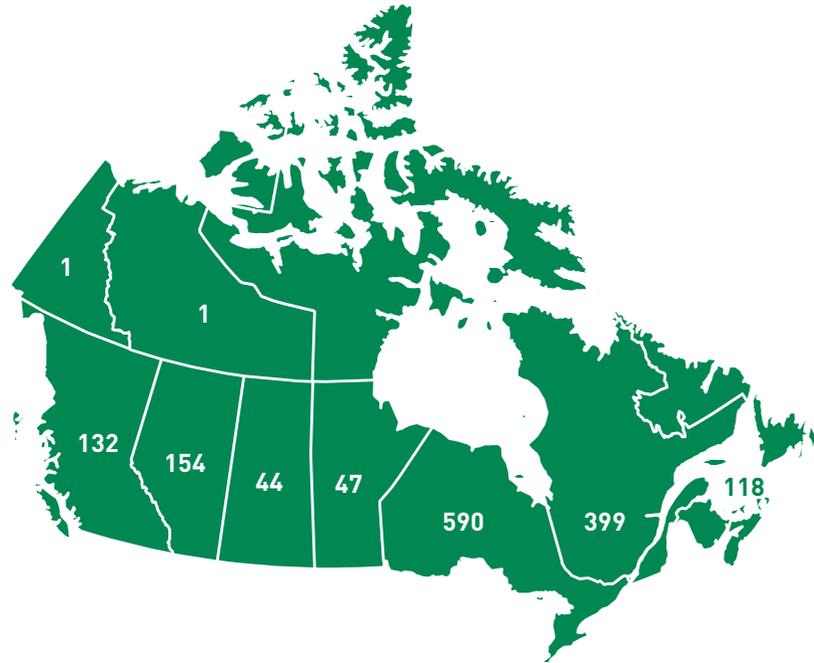
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DOLLARAMA'S STORE FOOTPRINT



1,486

Dollarama stores located in all ten provinces and two territories at year end

15.5M

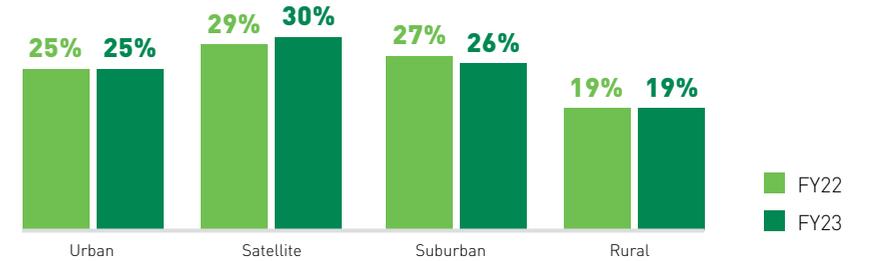
square feet of retail space

2.7M

square feet of distribution and warehousing space

Our stores are located in all market types, including urban centres and metropolitan areas, mid-sized cities and suburbs, as well as small towns. When selecting new locations, we look at all types of markets, from rural to urban locations, to deliver affordable, quality products everywhere our customers need us to be. We do not privilege or target any specific geography, market type or segment of the population as our business model consistently appeals to all demographics and income ranges.

STORE FOOTPRINT BY MARKET TYPE



While Dollarama has been present in all Canadian provinces since FY05, we opened our first locations in the Yukon in FY22 and in Northwest Territories in FY23, as we seek to reach new customers and serve additional Canadian communities.

Dollarama continues to increase its proximity to Indigenous communities across Canada and we were pleased to open a store on the Tsuut'ina Nation 145 reserve, near Calgary, Alberta, in FY23, our sixth on-reserve location in Canada.



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PRODUCT SAFETY AND QUALITY [SASB CG-MR-410a.2]

Our Approach to Safety and Quality

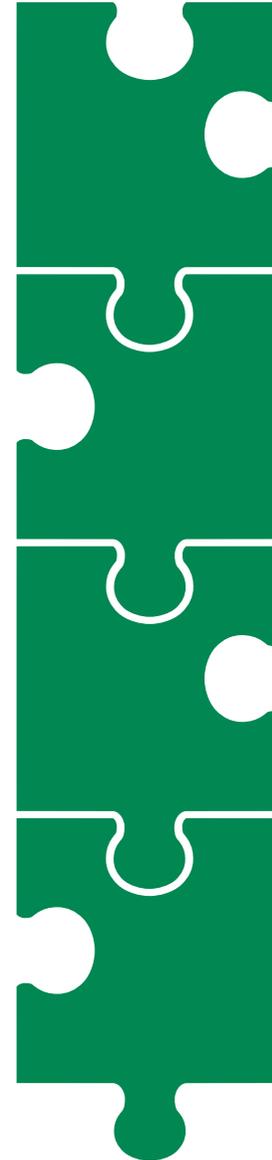
Safety and quality are of the utmost importance at Dollarama. All teams work towards delivering value and affordability, but never at the expense of safety or quality. They follow the lead of our dedicated Compliance team, which works closely with management, as well as in close collaboration with the Import and Procurement teams.

With products sourced from over 25 countries and 53% directly sourced outside of North America, our compliance approach focuses on consistently meeting Canadian standards and regulatory obligations. We only source products from vendors that observe the product quality and safety standards in our Vendor Code of Conduct.

Dollarama monitors multiple types of chemicals and substances, such as short-chain chlorinated paraffins ("SCCPs"), bisphenol A ("BPA") and phthalates. In addition, Dollarama works closely with the Canadian Food Inspection Agency, Health Canada and Environment and Climate Change Canada to meet and stay abreast of evolving standards.

Our ability to monitor and follow evolving standards is achieved through our compliance framework and commitment to continuous improvement. Our framework has allowed us to advance our product safety goals announced in FY21 and we continue our work to meet those goals.

DOLLARAMA'S COMPLIANCE FRAMEWORK GUIDING PRINCIPLES



01 CONTINUOUS IMPROVEMENT

Doing good by doing better; continuously finding ways to improve quality and safety through engagement, improving processes and staying abreast of emerging regulations.

02 PLANNING FOR COMPLEXITY

With over 4,600 active year-round stock-keeping units ("SKUs") and hundreds of active seasonal products at any given time, a wide variety of requirements and potential risks must be managed. Each initiative must be tailored to precisely capture the requirements of each product category.

03 EFFICIENT COMMUNICATIONS

Whether with internal teams or government bodies, efficient communications are key to ensuring high product standards.

04 GIVING OUR BEST

Every Dollarama employee strives to give the best of themselves to protect customers in accordance with our vision and purpose.

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Product quality and safety are also embedded in the overall merchandising process, from product selection and development to the sales floor.

Product Selection and Procurement

All products must comply with Canadian requirements, such as certifications, licensing and/or testing, and products with higher risk profiles must meet Dollarama’s own standards. No product can be received by Dollarama before the relevant requirements are met and verified by our internal specialists. For example, for toys, proof of third-party testing and full compliance is required for heavy metals and other toxins prior to shipping. In addition, all food manufacturers must be GFSI certified or ISO 22000 compliant (international standards on food safety), and labels with ingredients, nutritional values and other claims (such as organic or allergen-free products) are reviewed and approved.

Reception of Goods

When goods are received from vendors, they undergo additional checks based on their risk profile and on regulators’ guidance. For example, medical devices are stored in temperature-monitored areas, as required.



100%
of food product providers must be GFSI certified or ISO 22000 compliant

Product Performance

Ongoing communications between the Compliance team and internal and external stakeholders, such as the Customer Service team, ensure that any product concern raised or defect identified is addressed with an appropriate and timely response. In FY23, Dollarama voluntarily recalled two private label products as a preventive measure. Product recalls are widely communicated and systematically published on our website to ensure that the information is readily available to all stakeholders.

GOAL

Eliminate the risk of SCCPs present in plastic products by requiring that manufacturers adopt alternative materials and techniques

●●○ In progress

Implement additional targeted product-testing programs in line with Health Canada’s ongoing consumer product surveillance

●●○ In progress

RESOURCE CORNER

- Recall Information

DOLLARAMA PRIVATE LABEL AND NATIONAL BRAND RECALLS

[SASB CG-TS-250a.1, FB-FR-250a.1, HC-DR-250a.2] FY23

TOTAL	
Total number of recalls	5 ¹
Total number of units recalled	108,616
Percentage of private label units	15.8%
Percentage of national brand units	84.2%
TOY RECALLS	
Number of recalls	-
Number of units	-
Percentage of private label units	-
Percentage of national brand units	-
FOOD RECALLS	
Number of recalls	-
Number of units recalled	-
Percentage of private label units	-
Percentage of national brand units	-
CONSUMER PRODUCT RECALLS	
Number of recalls	4 ²
Number of units recalled	64,974
Percentage of private label units	26.5%
Percentage of national brand units	73.5%
HEALTH PRODUCTS RECALLS	
Number of recalls	1 ³
Number of units recalled	43,642
Percentage of private label units	0%
Percentage of national brand units	100%

¹ Two private label recalls and three national brand recalls
² Paw Patrol Licensed 16oz Water Jug, Camp Oil lamp, Pine-Sol® Scented Multi-Surface Cleaner in Lavender Clean®, Lemon Fresh, and Mandarin Sunrise® Scents, Dove Refresh + Care Unscented Dry Shampoo, 142g
³ Hydrogen Peroxide 3.0% USP

ENVIRONMENTAL AND SOCIAL COMPONENTS IN PRODUCTS

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In the context of the environmental and social (“E&S”) challenges that our world faces and aligned with an evolving regulatory environment and customer interest, Dollarama has been expanding the selection of products with various degrees of E&S components, always staying true to the value promise to our customers. Dollarama’s approach continues to evolve based on material innovation and the availability of product options within our low price points and product categories. Ultimately, our approach is also dictated by consumer response.

Due to our unique business model, the high volume of product refreshes and high sales velocity of our products, capturing and tracking related data points remains a challenge. We continue to actively work towards improving the measuring and labelling of the E&S components in our products. Several initiatives are being deployed across our different product categories to introduce E&S product options.

GOAL

Improve tracking of E&S components in products

●○○ New

Unprocessed and Organic Consumable Product Options

Dollarama’s food offering is primarily comprised of confectionery, drinks, snacks and long-shelf-life pantry items, and limited to products that do not require refrigeration. Based on consumer response, Dollarama continues to offer food products which are certified, with unprocessed and/or with higher nutritional content.

Approximately 20 food products are currently certified organic, which, per our compliance approach, must be certified through the Canadian organic standards, or an internationally recognized organization that the Government of Canada sees as equivalent. Organic foods include organic chia, quinoa, soft figs and rice crackers. We also have carried, for a certain number of years, minimally processed foods, in which most of the vitamins and nutrients are not compromised and only slightly processed for the purpose of safe consumption, such as chestnuts and dried fruits.

Providing Alternatives to Plastics and Offering Recyclable and Reusable Products

With evolving regulations around plastics, Dollarama has been experimenting with product and packaging design to move away from this material where applicable and feasible. While initiatives have initially focused on checkout bags, cutlery, straws and stir sticks made of single-use plastics targeted by a federal ban which took effect in December 2022, alternative options are also being explored for other product categories. Customers can already find products at Dollarama that are, for example, made of wood, bamboo, sugar cane or rice fiber, instead of plastic.

While driving an absolute positive environmental impact depends on many factors beyond the raw material itself, such as origin and processing, alternative materials like wood and rice fiber present a higher environmental value than plastics, for example by being biodegradable, or by being less energy intensive to produce. For products where plastics remain the only material allowing us to offer affordable options, other recyclable plastic types, such as polyethylene terephthalate (“PET”), are used wherever possible as they are widely recyclable. We also make an effort to offer products with recycled or compostable content, such as recycled paper lunch bags and compostable garbage bags.



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- Accessible Products
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Elimination of Single-use Plastic Bags

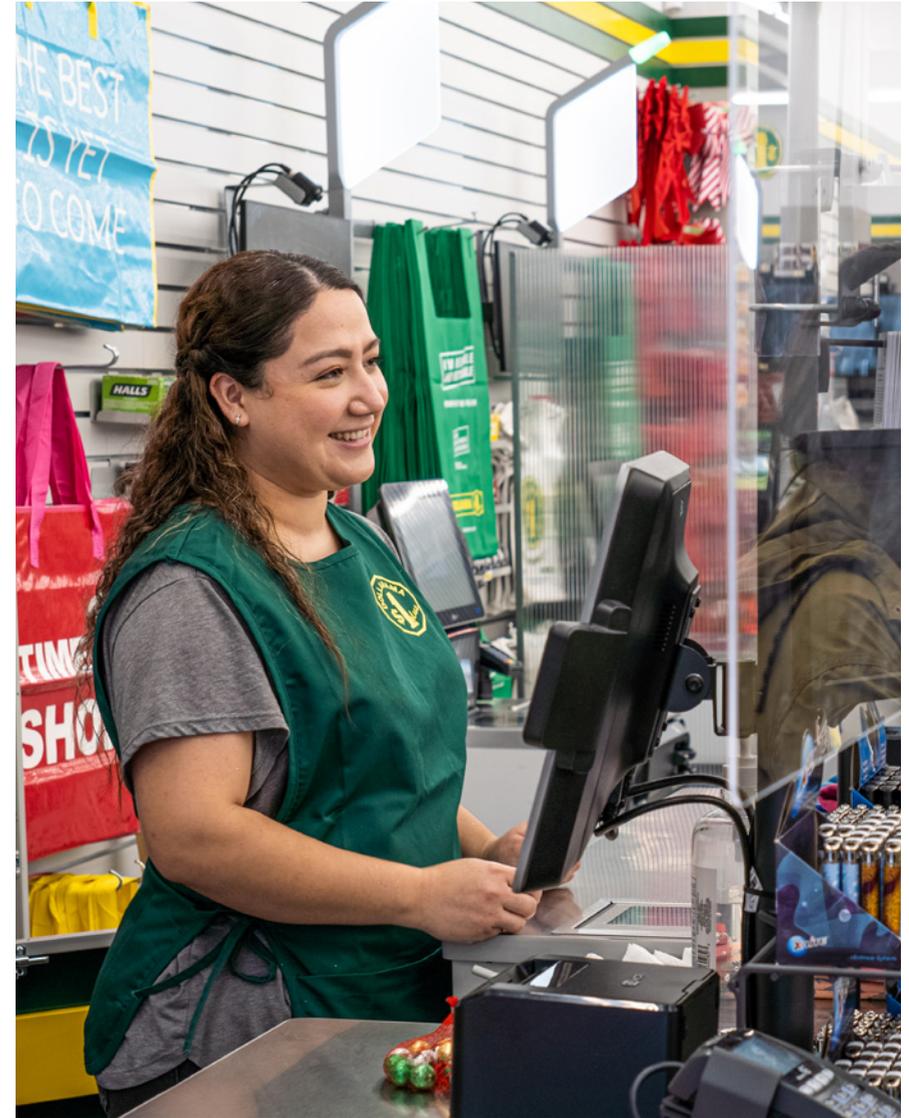
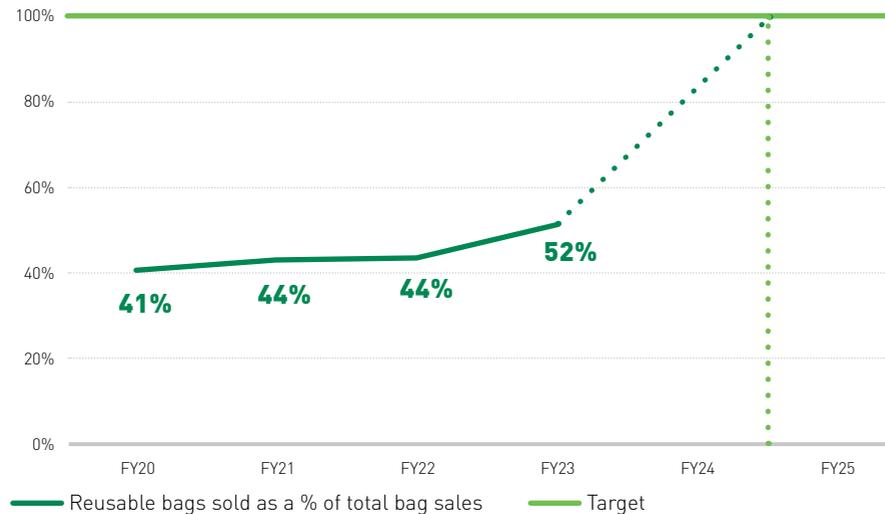
Since the expansion of our own reusable bag selection in FY20, we have significantly reduced the use of single-use plastic bags across our network. In FY23, we set an objective to phase out the sale of single-use plastic bags throughout our store network, where still permissible, by mid-FY24, approximately six months ahead of the federal regulatory deadline.

GOAL

Eliminate the use and sale of single-use plastic bags in Dollarama stores across Canada by mid-FY24, six months ahead of the regulatory deadline

●●○ In progress

PROPORTION OF REUSABLE BAGS VS. SINGLE-USE PLASTIC BAGS SOLD



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PACKAGING

Minimizing Packaging

[SASB CG-MR-410a.3]

Our cost-effective approach makes the elimination of unnecessary packaging a priority. Dollarama systematically works with private label and national brand product vendors to minimize packaging as part of its overall approach to cost control and to generate savings for our customers. For example, we prioritize hand tags and barbell tags.

Whether for private label or national brand products, packaging is often recyclable with many categories using cardboard. Several of our vendors also have their own programs to ensure that packaging is minimized and is recyclable.

Product Stewardship

Dollarama is a registered industry steward in many provinces and municipalities that have programs in place to help manage the lifecycle of products after their sale. Through these programs, we assume a percentage of the net costs of curbside recycling according to the type and quantity of materials we import and/or sell. Ecofees or environmental handling fees are collected, where applicable, and remitted to industry-led, not-for-profit organizations that operate regulated recycling programs across Canada to meet related recovery and recycling efforts.

Our participation in such programs has increased over the last two years as programs are expanded and as our sales volume and store network grows. Dollarama is committed to contributing to the programs in place and to being a responsible company, doing its part to ensure that the end-of-life of our products is taken care of.



ECOFEEES, STEWARDSHIP AND REMITTANCE PAYMENTS



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ADVANCING OUR CLIMATE STRATEGY AND ROADMAP

In FY22, building on TCFD recommendations, we published our first climate strategy, including our first-generation GHG emissions intensity reduction target for our Canadian operations. In FY23, to advance our strategy and target, we focused on three areas:

1. Deploying our ongoing energy management initiatives across our operations to reduce Scope 1-2 GHG emissions intensity.
2. Increasing the alignment of our climate strategy with TCFD recommendations both from a scope and disclosure perspective.
3. Strengthening the underlying structure and processes to support the execution and advancement of our climate strategy and roadmap.

FY23 CLIMATE STRATEGY AND ROADMAP MILESTONES

DEPLOYING ENERGY MANAGEMENT AND GHG EMISSIONS INTENSITY REDUCTION INITIATIVES

- ✓ 210 additional stores equipped with LEDs

INCREASING ALIGNMENT WITH TCFD RECOMMENDATIONS

- ✓ Formal onboarding of new ESG function into enterprise risk management process
- ✓ Improved disclosure based on TCFD recommendations

STRENGTHENING CLIMATE STRATEGY-RELATED STRUCTURES AND PROCESSES

- ✓ Improved data tracking methodology, management and governance capabilities
- ✓ Improved approach to GHG inventory
- ✓ Limited assurance engagement performed for Scope 1-2 GHG emissions intensity (completed in FY24)

Increasing Alignment with TCFD Governance, Strategy and Metric-Related Recommendations

In FY23, our TCFD alignment progressed with a focus on our governance, strategy and metrics related to climate risks and opportunities, and we will continue to pursue alignment in FY24. In early FY24, Dollarama became an official TCFD supporter.

From a governance perspective, the ESG function was formally incorporated into the enterprise risk management process in FY23. The creation of a dedicated ESG function in FY23 and ESG Steering Committee in early FY24 contributes to strengthening Dollarama’s oversight and capabilities around climate-related risks and opportunities.

On the strategy front, Dollarama annually re-evaluates its approach to physical and transition risks with a view to ensure it remains relevant and effective. In FY24, Dollarama will work with a third-party advisor to begin formally mapping out new legal and regulator requirements, including the applicable environmental regulations meant to address climate change, to inform our approach towards transition risks.

Dollarama is committed to pursuing alignment with TCFD’s recommended metrics and has previously stated its commitment to measuring its full value

chain of emissions, including Scope 3 emissions. In FY23, we began identifying material Scope 3 categories and, in FY24, will assess the availability, completeness and quality of the relevant data, with the support of a third-party expert. Data quality is a challenge for all Scope 3 reporters and the implementation of additional processes may be required to achieve a satisfactory level of accuracy. This may impact Dollarama’s ability to quantify and disclose all material Scope 3 categories as well as the timing of disclosure. In this context, we have set an objective to disclose partial Scope 3 GHG emissions in our FY25 ESG Report.

GOAL

Reduce Scope 1-2 GHG emissions intensity to 4.2 kg CO₂e/ft² by FY31

●●○ In progress

Align climate-related disclosures with TCFD recommendations

●●○ In progress

Disclose partial Scope 3 GHG emissions in FY25 ESG Report

●○○ New

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Strengthening Our Underlying Structure and Processes

By reinforcing our ESG data, performance, metrics management and measurement, we have strengthened our capabilities to deliver on our previously stated goals.

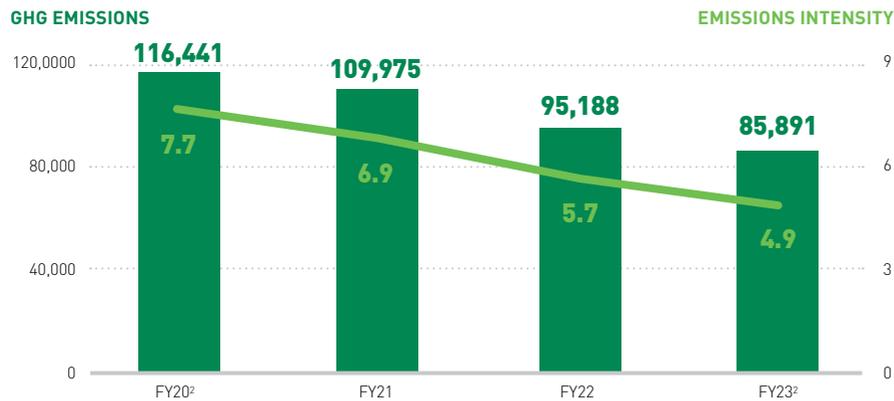
Our focus has been on our processes and controls around ESG data methodology, management and governance, aiming to ensure the same rigor, quality and confidence for non-financial and financial data. From a climate perspective, this work, completed with the assistance of a third-party expert, has allowed us to refine our Scope 1-2 GHG inventory and better capture the breadth and impact of our operations. Our improved processes will also facilitate potential future iterations of our climate and overall ESG strategy as we continue to advance our roadmap. Additional guidance on definitions and methodologies applicable to climate-related disclosure, expected to become available in the near term, will also contribute to clarifying expectations and further inform our ongoing work.

We are maintaining our previously disclosed target of reaching a Scope 1-2 GHG emissions intensity of 4.2 kg of CO₂e per ft² by FY31, despite an increase in our emissions intensity data for our FY20 baseline. This increase was mainly driven

by improvements to data collection capabilities and changes to our calculation methodologies. However, the increase in our FY20 baseline means that our GHG intensity reduction target now represents an approximately 45% reduction, rather than a 25% reduction, as previously disclosed in our 2022 Climate Strategy and ESG Update.

In parallel to our full GHG inventory and data review, we are proud to report that our first limited assurance was performed in early FY24 by an external third-party for Scope 1-2 GHG emissions intensity on FY20 and FY23 indicators.

HISTORICAL SCOPE 1-2 GHG EMISSIONS AND INTENSITY¹



- Total Scope 1-2 GHG emissions (tonnes of CO₂e)
- Total Scope 1-2 GHG emissions intensity (kg CO₂e/ft²)

¹ The GHG inventory takes into account changes in our data collection abilities and calculation methodologies, which resulted in an increase to our FY20, FY21 and FY22 emissions

² Subject to a limited level of assurance by an external third party



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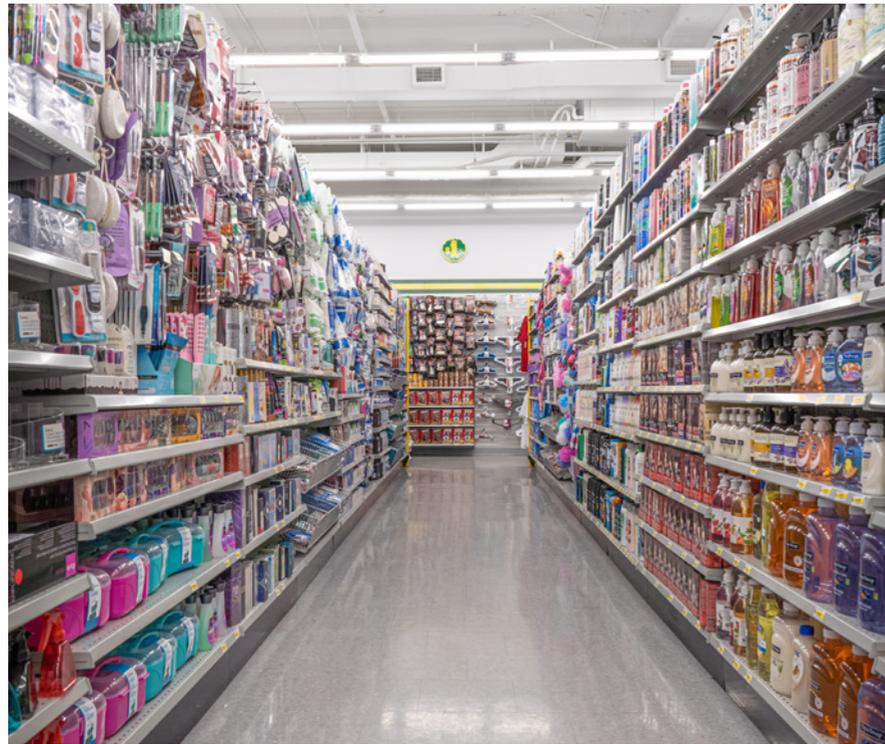
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Progressing Toward our Emissions Target

In FY23, we reached Scope 1-2 GHG emissions intensity of 4.9 kg of CO₂e per ft², from the FY20 baseline of 7.7. While Dollarama acknowledges that absolute GHG emissions reduction is key to addressing climate change, an absolute reduction target is currently incompatible with our continued business and store growth.

Our GHG reduction strategy is focused on decreasing emissions intensity. Our approach, which may evolve in the future depending on technology and market changes, currently relies on the following levers:



IMPROVING ENERGY EFFICIENCY IN EXISTING AND NEW STORES

Through improved energy management systems and installing LED and ballast-less fixtures, wherever possible



REDUCING OUR RELIANCE ON FOSSIL FUELS

Converting our vehicle fleet to hybrid vehicles, securing new leases in buildings with high efficiency standards and electrification of heating systems, wherever possible



INCREASING OUR USE OF RENEWABLE ENERGY OR CLEAN ENERGY SOURCES

Benefitting from anticipated provincial grid decarbonization, procurement of renewable electricity, etc.

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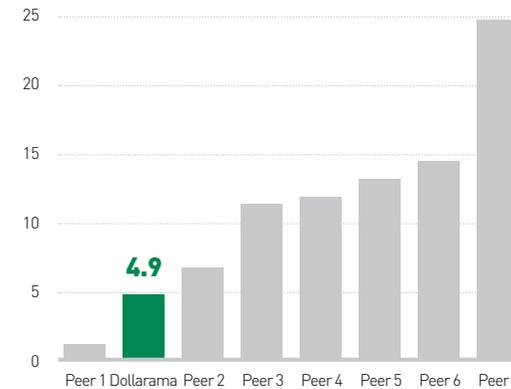
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In the context of a revised GHG emissions intensity for our FY20 baseline, Dollarama may be required to iterate its GHG emissions reduction strategy. However, we remain committed to reaching our 4.2 intensity target. We also expect to benefit from continued decarbonization initiatives at different levels, for example with provincial electricity grids. At a market level, an increasing number of landlords are implementing their own GHG emissions reduction projects, which in turn, support our goals.

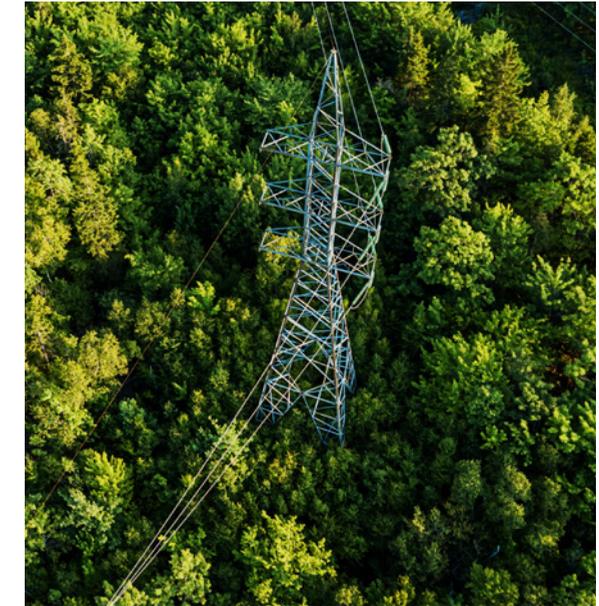
In FY23, Scope 1-2 GHG emissions intensity decreased through ongoing energy efficiency initiatives, the increase in availability of non-emitting electricity sources, as well as a decrease in overall consumption driven in part by external factors. Dollarama continues to be one of the most energy-efficient retailers among its peers on a Scope 1-2 GHG emissions intensity basis, which include some of the largest publicly traded mass and discount retailers in North America.

EMISSIONS INTENSITY RELATIVE TO RETAIL PEERS

SCOPE 1-2 GHG EMISSIONS INTENSITY (KG OF CO₂E/FT²)



Source: Information derived from most recent publicly available reports as of May 29, 2023

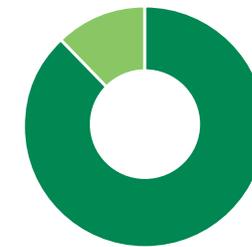


SOURCES OF GHG EMISSIONS

	FY20 ¹	FY21	FY22	FY23 ¹
SCOPE 1 (TONNES OF CO₂E)				
Building heating (natural gas) ²	84,806 (73%)	80,176 (73%)	67,427 (71%)	58,229 (68%)
Company-owned vehicles	1,081 (1%)	1,206 (1%)	1,132 (1%)	1,195 (1%)
SCOPE 2 (TONNES OF CO₂E)³				
Purchased electricity ²	30,554 (26%)	28,593 (26%)	26,629 (28%)	26,467 (31%)
SQUARE FOOTAGE				
Retail space, warehouses and distribution centre occupancy (ft ²)	15,148,994	15,870,434	16,618,738	17,469,146

¹ Subject to a limited level of assurance by an external third party
² Natural gas and electricity consumption data are collected through invoices received during the relevant fiscal year
³ Scope 2 is measured through the location-based methodology

FY23 EMISSIONS BY TYPE



- Retail store operations
75,392 tonnes of CO₂e (88%)
- Centralized logistics and head office operations
10,499 tonnes of CO₂e (12%)

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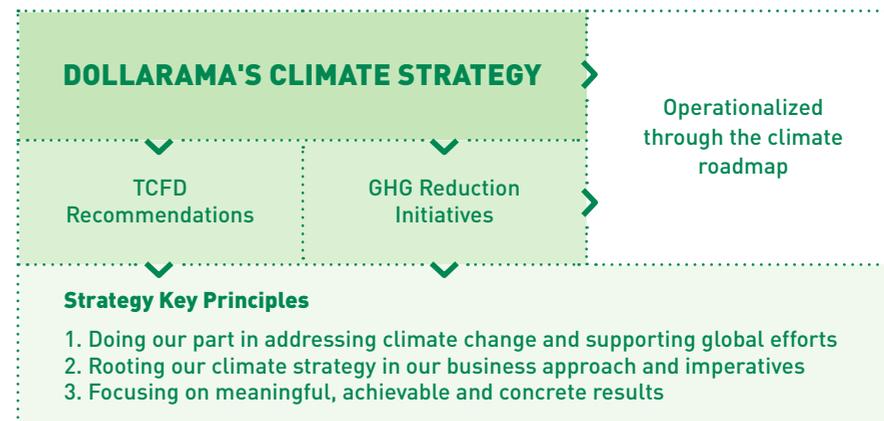
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Our Climate Strategy and Roadmap Overview

Our climate strategy is built on three principles: first, doing our part, wherever possible, in supporting global efforts to address the impacts of climate change; second, rooting the strategy in our unique business context; and third, drawing from our goal-driven business philosophy.

Our business goals, driven by store growth and efficient operations, along with our business environment, from leased stores to an international supply chain, mean that our approach must rely on economically and operationally viable levers. Embedded in our DNA is a commitment to developing and executing on actionable programs that deliver meaningful, achievable results.

Our strategy is also informed by our roadmap, which has allowed us, since our first GHG emissions disclosure in FY19, to achieve significant milestones each year.



CLIMATE STRATEGY ROADMAP PROGRESS

	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Scope 1-2 GHG emissions disclosure	✓						
Launch of improved energy management systems		✓					
TCFD alignment commitment			✓				
First-generation climate strategy, including Scope 1-2 GHG emissions intensity target				✓			
ESG function formally embedded in enterprise risk management					✓		
Strengthening of ESG data management and GHG inventory					✓		
Limited assurance engagement performed for Scope 1-2 GHG emissions intensity					✓	✓	
Improved disclosure based on TCFD recommendations					✓		
Registration as a TCFD supporter						✓	
Review of legal and regulatory requirements related to climate transition risks						✓	
Quantification of partial Scope 3 GHG emissions						✓	✓

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ALIGNMENT WITH TCFD FRAMEWORK

Governance of Climate Risks and Opportunities

The Board, through the work of the Audit Committee, has the ultimate oversight of all risks, including those which are climate-related. The Audit Committee meets quarterly and is informed of climate risks and opportunities through three processes which are embedded in each meeting:

- Review and discussion of financial results, such as, but not limited to, revenues, profits and costs
- Review of business risks and opportunities that impact the overall business strategy and performance, including through the annual enterprise risk assessment process
- Review of quarterly ESG reports and discussion of Dollarama’s ESG performance, including through the monitoring of the Corporation’s performance against our targets

While these processes go beyond climate change, climate-related risks and opportunities are part of these discussions to the extent they are material. Within Dollarama’s leadership, climate risks and opportunities are assessed and managed by the Management Committee, with the support of the ESG Steering Committee starting in FY24, and championed by the CFO.

Management, as part of its risk management and reporting responsibilities, proactively monitors the markets in which it operates and its supply chain, including for climate-related risks and opportunities. Like the Board, management meets on a quarterly basis and leverages Dollarama’s financial reporting, enterprise risk assessments and ESG performance reviews to identify and monitor climate risks.

RESOURCE CORNER

- ESG Governance
- Audit Committee Charter

Strategy for Climate Risks and Opportunities

Dollarama classifies short-term risks as below a year, medium-term risks as below three years and long-term risks as above three years. Dollarama reassesses its approach to climate-related risks and opportunities on an annual basis, as part of its annual enterprise risk assessment and ESG reporting. The annual enterprise risk assessment is specifically used to evaluate the potential material impact of these risks, along with other risks. As climate risks and opportunities continue to evolve, our strategy does as well.

Physical Risks

The identification and management of physical risks, from short- to long-term, is an integral part of Dollarama’s risk management approach and process, which focuses on our wholly-owned operations in Canada and our international supply chain. Physical risks are classified in three broad categories: 1) store, warehouse and distribution operations, 2) international and local transportation, and 3) product sourcing. Such risks include flooding of stores, weather events that could disrupt transportation routes or result in merchandise loss, or unavailability or rising costs of products due to raw material shortages. These risks, currently considered low to moderate, are managed as part of our insurance, incident response, real estate and/or procurement plans. Any change

in the nature or level of physical risks is captured by the different ongoing and recurring processes aimed at ensuring that these plans remain accurate and up-to-date.

To mitigate the potential risks of operational disruptions, we focus on creating actionable incident response plans. To illustrate, as Dollarama leverages rail transportation across Canada, incident plans involve activating a network of trucking partners, in the event of rail disruption. Furthermore, the majority of our imported goods are transported by ship; for each port used, a secondary port is identified in case of closure. To mitigate the potential impact of physical risks on the manufacturing of our products, Dollarama relies on its business model: a highly diversified approach to product sourcing and vendor selection, flexible in-store merchandising and an ability to maintain sufficient safety stocks.



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Transition Risks

At this time, Dollarama foresees an evolving policy and regulatory environment in the short- to medium-term regarding environmental topics potentially impacting both products and transportation, in Canada and other jurisdictions. While Dollarama recognizes that the goal of evolving policies is to ensure a sustainable future for all, transition risks must be managed so we can continue delivering on our promise of low-cost, quality goods to our customers. Due to our capability to adapt swiftly, entrenched in our entrepreneurial DNA, our supply chain flexibility and our quick product turnover, transition risks are deemed low to moderate and are proactively monitored and managed by relevant teams. For example, following the federal ban of single-use plastics in December 2022, Dollarama expects to have phased out single-use plastic bags by mid-FY24 or approximately six months ahead of the regulatory deadline. In FY24, Dollarama will engage the support of a third-party advisor to formally map out new climate-related regulatory and legal requirements that may impact our products or processes.

RESOURCE CORNER

- Our Products and Customers

Climate-related Opportunities

Through its focus on operational efficiency, climate-related opportunities have primarily been materialized through the achievement of increased resource and energy efficiency. For example, our GHG emissions intensity reduction strategy has focused on initiatives that are beneficial both from a cost and ESG perspective.

In addition, Dollarama converted its syndicated credit facilities into sustainability-linked credit facilities in July 2022, which introduced, among other things, an annual pricing adjustment, which may, starting in FY24, reduce or increase the borrowing cost based on our annual performance against specific sustainability-performance targets (“SPTs”) set for each financial year during the term of the credit facility. The SPTs rely on a detailed grid-based approach and they have been developed based on, and are generally consistent and conceptually aligned with, two of Dollarama’s key ESG targets disclosed in our 2022 Climate Strategy and ESG Update published in June 2022, namely: 1) reducing Scope 1 and Scope 2 GHG emissions intensity; and 2) maintaining a level of female representation in management level positions, in each case, as adjusted in the context of the term of the facilities. The credit facility is an opportunity for Dollarama to benefit from lower borrowing rates, while creating future incentive to achieve, and surpass, its ESG targets.

Identification and Management of Climate Risks and Opportunities

Dollarama’s risk identification and management framework is embedded in its enterprise risk assessment process. While relevant risks and opportunities,

including climate-related ones, are proactively monitored and addressed to promote efficient cost controls and operations on an ongoing basis, enterprise risks are identified through the Management Committee’s work and formally updated on an annual basis. This mapping is accomplished through formal interviews with the Corporation’s key individuals in different functions. In FY23, the ESG function participated in this process, and starting in FY24, so will the ESG Steering Committee.

A risk is assessed against three dimensions: materiality of the risk to the business, the likelihood and timing of the risk materializing, and the practical steps that we can take to avoid or mitigate such risk. Climate risks are managed like any other risk; Dollarama relies on efficient collaboration between teams to adequately cover all facets. Our risk framework relies on risk owners and risk champions who ensure that each identified area is appropriately managed, that mitigation plans are advanced and that risk-related metrics are improving.

Metrics

Climate risks are currently measured and tackled through two types of metrics:

- > **Financial metrics** such as store growth, gross margin and operating costs help quantify the impact of climate change on Dollarama’s bottom line and dictate our approach to risk mitigation.
- > **ESG metrics**, with a focus on GHG emissions intensity measurement and the accompanying target, and with secondary metrics, including energy usage and source, as well as waste management, further inform our overall business and risk management strategies.

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ENERGY MANAGEMENT

To manage our operations and resources responsibly from an environmental standpoint, we are continuously looking to improve the energy efficiency of our stores and other facilities.

For our electricity consumption, which represented 30% of our GHG emissions footprint in FY23, we benefit from non-emitting electricity in several provinces, such as Quebec and Prince Edward Island. We also expect to be able to purchase an increasing amount of non-emitting electricity as other provinces move towards grid decarbonization.

Currently, 90% of our stores rely on natural gas for heating. However, an increasing number of new buildings are built to be more energy efficient and/or to rely on more renewable energy sources, including for heating. Such future advancements will be key as our store footprint continues to grow and to increase our procurement of renewable energy sources. For our fleet, we are working towards making it fully hybrid. However, supply chain related delays and shortages have slowed our efforts. As of Q4-FY23, 16% of our company-owned vehicles were hybrid.

Energy Reduction Initiatives

We continue to deploy our energy management initiatives related to heating, ventilation and air-conditioning (HVAC) controls, through our energy management systems, and LED lighting for new stores and retrofits. These initiatives also allow us to save on our energy bills and decrease our electricity consumption. In FY24, we expect to retrofit an additional 150 stores with LED lighting and 200 stores for HVAC control. This also applies to new stores, wherever possible. In the case of landlord-controlled stores, we have a limited ability to update existing systems.

GOAL

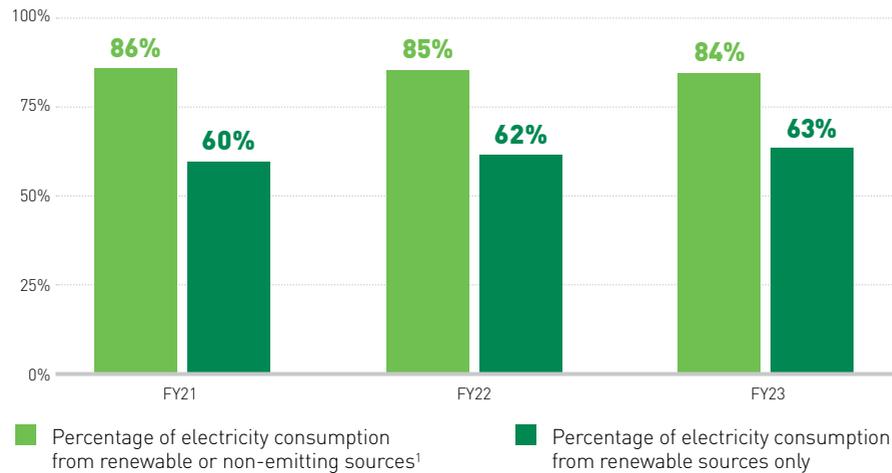
Retrofit all store light fixtures and exterior neon signage to LED lighting

●●○ In progress

Upgrade in-store energy management systems across store network in Dollarama-controlled and landlord-controlled stores, whenever possible

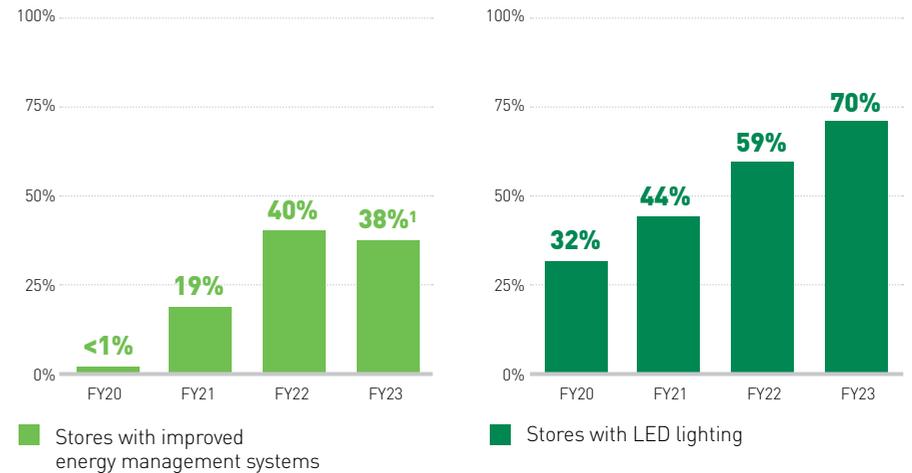
●●○ In progress

ELECTRICITY CONSUMPTION BY ENERGY SOURCE



¹Renewable includes hydro, wind, biomass, geothermal or solar; non-emitting refers to uranium

ENERGY SAVINGS INITIATIVES



¹In FY23, no new energy management systems were installed. With the growth of our store network each year, the total percentage of stores with new energy management systems decreased from FY22

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WASTE MANAGEMENT

Reuse and waste reduction have been deeply rooted in our operations since inception. Every day, we divert waste from landfills by finding appropriate uses for existing materials. For example, we reuse cardboard boxes to transport products to our stores, as well as to fulfill online orders, avoiding the purchase of new packaging for our operations. This same 'reuse' principle applies to wooden pallets in our warehouses and distribution centre for the shipment of merchandise to individual stores. We also seek to constantly optimize the use of materials and packaging at the source, by working with our partners to minimize packaging needed for operations and logistics.

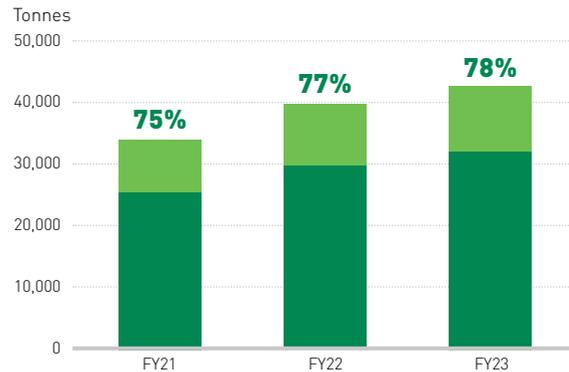
Increasing cardboard and plastic recycling is an ongoing priority across our operations, with the continued deployment of balers across our store network where feasible. Currently, approximately 320 stores are equipped with balers. Baler deployment can be slow, depending on the feasibility for our waste management partners to pick up the bales, increased costs in the context of a new industry dynamic and agreements with landlords, who may already take care of pickups.

GOAL

Increase diversion rates

●●○ In progress

MATERIAL DIVERSION RATE¹



- Material not diverted
- Material diverted

¹This data was collected for approximately 65% of stores in FY23, which represents the stores for which we are responsible for waste and recycling and are able to track performance

ENVIRONMENTAL IMPACT EQUIVALENT OF WASTE DIVERSION IN FY23



142,700

GHG emissions saved (tonnes CO₂E)



147,500

Landfill airspace reduced (cubic yards)



321

Water saved (millions of gallons)



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TRANSPORTATION

Our approach to transportation has remained consistent since our first ESG Report. Merchandise moves daily from our vendors’ facilities to our warehouses, distribution centre and stores across Canada. Imported merchandise primarily arrives through the Port of Vancouver and we ship products by rail to our centralized logistics operations in the Montreal area prior to redistributing across our store network.

We favour rail wherever possible to limit our reliance on long-haul truck transportation, which has resulted in a significant reduction in the GHG emissions produced by our third-party transportation partners over the years. For illustration

purposes, a single unit train keeps more than 300 trucks off public roads and is four times more fuel-efficient than trucking. Today, nearly all merchandise shipped over long distances moves by rail from Montreal to other major city centres west of Ontario and beyond and to select Maritime locations. From these terminals, merchandise is then delivered by fuel-saving, optimized truck routes to area stores.

We also work closely with rail carriers to optimize the use of containers to ensure that they do not travel empty. As containers from Vancouver are emptied in Montreal, we ensure that a maximum number of these same containers are returned full with new merchandise ready for re-distribution to our stores.



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TALENT ATTRACTION, DEVELOPMENT AND RETENTION

At Dollarama, our people are essential to delivering on our purpose and our value promise to our customers. We are proud of our growing and dynamic team working across Canada in our stores, logistics operations and corporate offices.

Through our operations and as we pursue our growth plans, we support tens of thousands of secure direct and indirect jobs annually. To illustrate, our employee base grew from 24,150 in FY21 to more than 25,840 in FY23. We also create additional employment opportunities through a limited number of reputable Quebec-based employment agencies who are responsible for staffing our logistics operations in light of the fluctuating staffing requirements of our mostly manual logistics operations.

More broadly, as a leading value retailer with operations in all ten provinces and two territories, we contribute to Canada’s economic development. Whether through store openings and renovations, the procurement and distribution of our products or the payment of taxes and stewardship fees, we help keep the economy moving every day.

DIRECT ECONOMIC VALUE CREATED BY DOLLARAMA ACTIVITIES

STAKEHOLDER	VALUE GENERATED	FY21	FY22	FY23
Customers	Sales	\$4.0B	\$4.3B	\$5.1B
Vendors and Service Providers	Products and Services Purchased	\$2.5B	\$2.4B	\$2.9B
Employees	Salaries, Wages and Benefits Paid	\$600M	\$592M	\$640M
Shareholders	Total Capital Returned to Shareholders	\$142M	\$1.1B	\$752M
Capital providers	Interest Paid to Debtholders	\$47M	\$46M	\$55M
Communities	Taxes Paid	\$876M	\$881M	\$1.1B
	Stewardship Fees	\$14M	\$17M	\$20M



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Attracting Talent and Creating Opportunity

Retail has long been an industry of choice for Canadians and newcomers alike looking to enter or re-enter the job market as well as for those looking for flexible work schedules. Working at Dollarama is an opportunity to acquire valuable skills and experience, whether to advance a career in the industry or in other sectors of the economy. For all individuals working on our premises, we focus on creating a safe, positive and dynamic environment, with store employees representing 97% of our workforce in FY23, 66% of which are part-time employees and 34% are full-time.

At Dollarama, our employees often live in or near the communities we serve, and value the convenience of being able to work close to home. We offer flexible and part-time work schedules to meet the diverse needs of job seekers, in addition to meaningful full-time career advancement opportunities.



“Our focus, as a company, is to ensure that the work environment we provide is safe, dynamic and positive, and that we offer a clear path for advancement for those who want to pursue a career with us. Beyond compensation, it’s important that our entry-level employees are enjoying the experience and learning new skills in an environment in which they can thrive.”

- Neil Rossy, President and CEO

Like our customers, our employees are individuals from all walks of life, age, backgrounds and experience. Among our in-store employees, 40% are between 16 and 25 years old and the vast majority of them are part-time associates. Many are students who are looking for flexible, part-time work. In addition, some of our part-time employees have reached retirement age and are looking to supplement their income.



EMPLOYEE COUNT

	FY21	FY22	FY23
NUMBER OF EMPLOYEES			
Stores	23,300	23,350	24,945
Logistics, field management and corporate	850	840	895
Total	24,150	24,190	25,840
AVERAGE NUMBER OF EMPLOYEES PER STORE			
	~ 17	~ 17	~ 17
OPPORTUNITIES CREATED THROUGH EMPLOYMENT AGENCIES			
Logistics	Up to 1,500	Up to 1,500	Up to 1,800

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A Focus on Professional Development

Dollarama recruits actively year-round to staff its expanding store network and to manage voluntary turnover rates, which are generally higher in the retail industry. This is particularly true for entry-level store positions, a large proportion of which are part-time and where we have the highest representation of younger workers or individuals looking for temporary positions, and who naturally move on as they pursue other life projects.

Turnover becomes significantly lower for positions with increasing compensation and responsibilities. To illustrate, average tenure at the associate level has remained around two years from FY21 to FY23, whereas at the store manager level, the average tenure has been over six years through that same period, coming in at seven years for FY23.



A Clear and Efficient Career Path

Driven by our positive and dynamic culture, entrepreneurial DNA and targeted professional development initiatives, our development scope relies on three key concepts:



SUPPORTING ACCESS TO DEVELOPMENT OPPORTUNITIES

Offering paid training hours, setting realistic eligibility criteria and creating natural progression paths with clear responsibilities



ON-THE-JOB LEARNING AND FEEDBACK CYCLES

A two-tiered approach to feedback: informally through collaboration and discussion, and formally through performance management programs and structured reviews



LEVERAGING EMPLOYEE SUCCESS STORIES

Peers inspiring and teaching each other, and recognizing professional growth milestones

Our strategy focuses on ensuring that our people can quickly gain access to advancement opportunities and increased compensation. This strategy is used as an engagement and retention tool, as well as a way to acknowledge those supporting our success. Each program focuses on two areas: (1) technical and tactical content to successfully complete tasks and responsibilities, and (2) leadership and soft skills. Program efficiency is measured by internal promotion rates. Dollarama continues to focus on increasing these numbers, on fostering a culture that encourages professional growth, and encouraging internal promotions whenever possible.



GOAL

Maintain high rates of internal promotions

●●○ In progress

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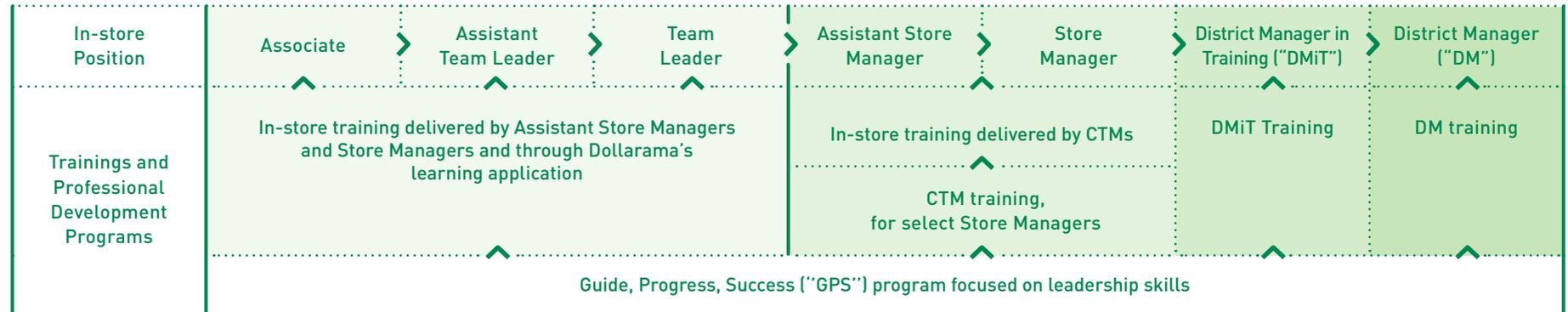
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TAILORED PROGRAMS BY POSITION



Introducing the CTM Academy!

We believe that the highest quality of training is delivered by those with first-hand experience. In FY21, we launched our Certified Training Managers (CTMs) initiative. CTMs are comprised of the top tier of Store Managers across the country, accounting for approximately 15% of our Store Managers. They are charged with training all new and promoted Assistant Store Managers and Store Managers. The CTM role also allows us to better equip our high potential Store Managers for promotions to District Managers in Training when the positions become available. In FY23, our focus was on taking CTMs to new heights by launching the CTM Academy. The CTM Academy provides a structured learning experience via one-on-one coaching with our corporate training advisors, and annual group seminars aimed at deepening their training knowledge and coaching proficiency.

INTERNAL PROMOTION RATES BY IN-STORE POSITION

	FY21	FY22	FY23 ¹
Assistant Team Leader	69%	64%	62%
Team Leader	73%	74%	56%
Assistant Store Manager	50%	60%	51%
Store Manager	41%	50%	47%
District Manager	67%	100%	100%

¹Due to changes in the overall job market resulting from the COVID-19 pandemic, turnover increased, therefore lowering the percentage of internal promotions

TOTAL INTERNAL PROMOTION RATES FOR IN-STORE POSITIONS



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FAIR LABOUR PRACTICES AND EQUITY

Competitive Wages

We constantly work to align with the job market in each province and territory to remain competitive. Nearly 60% of in-store employees are above their provincial minimum wage threshold.

Through our professional development strategy, we allow employees to progress quickly from a responsibilities and remuneration standpoint. As soon as Associates climb the store hierarchy, they can access higher hourly rates and full-time roles. Furthermore, starting with the Assistant Store Manager position and up, an incentive compensation program makes them eligible for performance driven bonuses based on key metrics related to overall store and/or regional performance.

AVERAGE HOURLY RATE AND PERCENTAGE OF HOURLY EMPLOYEES ABOVE MINIMUM WAGE¹

[SASB CG-MR-310.a1]

	FY21	FY22	FY23
IN-STORE EMPLOYEES			
Average hourly rate (excluding premiums and benefits)	\$15.08	\$15.57	\$16.32
Percentage of employees above minimum wage	61%	61%	58%
WAREHOUSE AND DISTRIBUTION CENTRE EMPLOYEES			
Average hourly rate (excluding premiums and benefits)	\$22.60	\$23.32	\$24.59
Percentage of employees above minimum wage	100%	100%	100%

¹See SASB metric CG-MR-310.a1 in the SASB Index in the Appendix section of this report

Dollarama also strives to provide highly competitive wages for employees and agency workers in its distribution centre and warehouse operations, which comprises different and more manual labour tasks compared to a store work environment. In FY21, hourly rates for logistics employees ranged from \$15.00 to \$23.11 depending on position, tenure and location, excluding benefits where applicable, evening and overnight shift premiums, and seasonal premiums. In FY23, this same range was between \$18.00 and \$31.82.

Comprehensive Benefits

At Dollarama, competitive wages and flexible work schedules are coupled with many other benefits. Once a new employee has worked a minimum number of hours, they are eligible for a competitive group insurance plan with different coverage options, from basic health to dental benefits. In addition, we offer a company-matched defined contribution pension plan to all eligible employees. All employees have access to our Employee Assistance Program, which focuses on mental health and wellbeing and to support them through work-related or personal challenges, at no additional cost and without limit.

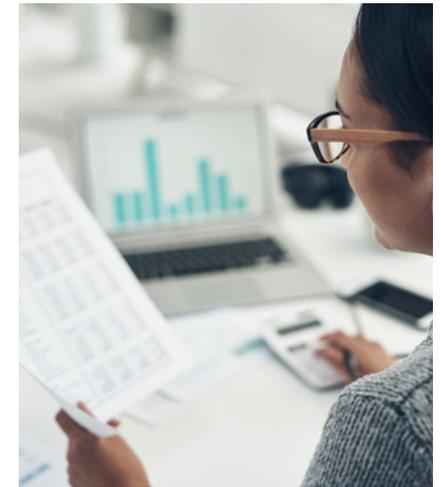
Ensuring Pay Equity for All

Dollarama is committed to equity in all its employment practices and policies, including equitable pay across all positions. One area of particular focus is gender parity, with women representing 72% of Dollarama employees. Dollarama monitors gender pay equity across its employee base, by accounting for factors such as position, tenure and location.

Wage rate parity between Dollarama logistics employees and agency workers is another focus area. Employment opportunities provided through agencies represent between 5% and 7% of Dollarama’s total workforce requirements, depending on volume and seasonality. Dollarama maintains wage rate parity between its employees and agency workers accomplishing the same work in its distribution centre and warehouses.

Ensuring Gender Pay Equity at Every Level

Dollarama monitors wages across its employee base to ensure pay equity. As an example, in Ontario, our province with the most stores, the all-positions combined average wage for a female store employee is 1% higher than the average wage of a male employee. This is explained by the high representation of women in the Store Manager position.



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WORKPLACE HEALTH AND SAFETY

We strive to maintain a safe work environment through consistent operating routines and by considering health and safety in every activity. Our objective is to comply with established operating procedures and the health and safety standards set out in our manuals and various site-specific training programs. We aim to eliminate or, at the very least, reduce hazards, to prevent occupational injury. As such, health and safety is also an integral part of management responsibilities, at every level of the organization, and across our operations, including both in-store and logistics.

We consider our largest employee group, store employees, to be at low risk of serious health and safety incidents. Typical incidents are slips and falls or minor injuries related to handling merchandise, using ladders or working with box cutters. We work with a third-party expert to analyze incidents and their severity; this ongoing feedback is used by our dedicated health and safety team to adjust and improve our health and safety measures. Health and safety training is mandatory for all store employees, with dedicated sessions for new hires and refresher training for all employees.

Our distribution centre and warehouses are also an important focus of our health and safety approach. In this work

environment, which differs from our store operations, our priority is on ensuring that all individuals working in our facilities, regardless of employment status, work in a safe and structured work environment by following established procedures to maintain operational efficiency. Daily operations primarily involve the handling and assembling of merchandise by the pallet for shipment to our stores across the country. As a result, most lost-time injuries are limited to bumping into rolling objects or handling merchandise.

Proper personal protective equipment is a prerequisite for our logistics operations, and each worker must undergo health and safety training. Onsite supervisors are responsible for ensuring that safety policies and procedures are being followed at all times. We also have a large number of first-aid responders onsite to address any minor incidents. Our distribution centre has a Health and Safety Committee comprised of representatives from Human Resources, distribution centre management, Dollarama floor employees and agency workers. The Committee meets regularly and is namely responsible for the development, implementation and monitoring of health and safety performance and programs.

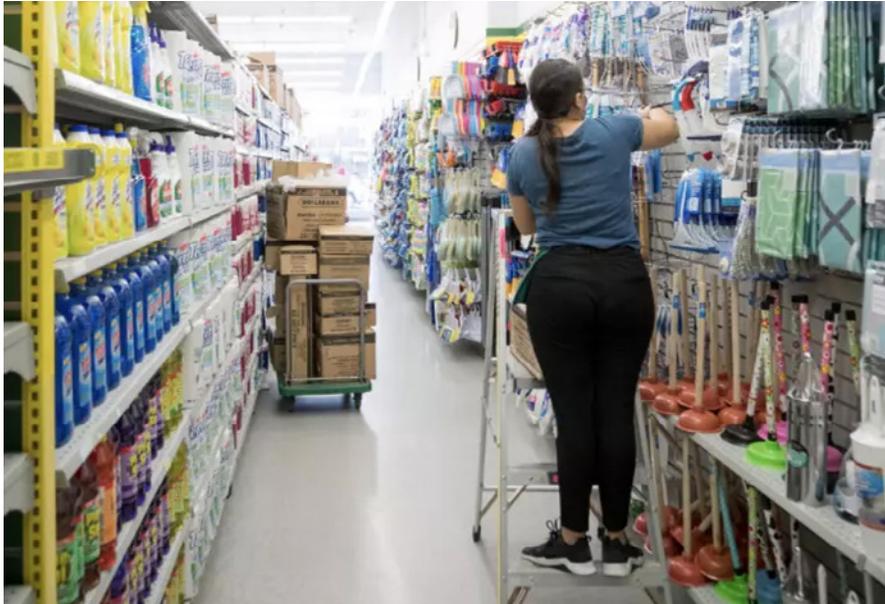
The agencies with which Dollarama partners must abide by our Vendor Code of Conduct, which includes specific expectations regarding workplace health and safety standards and compliance with laws. Dollarama

does not engage with and has a zero tolerance for agencies which illegally deduct fees from employee wages. A violation of this zero tolerance policy would result in Dollarama terminating its relationship with a staffing agency.

GOAL

Reduce frequency and severity of lost-time injuries

●●○ In progress



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DIVERSITY AND INCLUSION

We are proud of our diverse and dynamic workforce, which is fully representative of the diversity of the customers and communities we serve, a testament to the inclusiveness of our workplace. We seek to recruit, develop, reward and retain employees on the basis of merit, ability, and performance. We aim to promote a work environment that supports the fair and equal treatment of all individuals. To achieve this, our policies and practices aim to ensure equality and equity, with zero tolerance for discrimination of any kind.

Our diversity commitment starts at the top with a target to maintain at least 40% female representation in management-level positions, from director level and up, across our operations. Gender diversity in management is recognized as having a positive impact on multiple facets of corporate life, from business performance to innovation and talent attraction. In the past three years, Dollarama has been consistently exceeding this threshold, noting an annual increase in female employees in leadership positions. In light of this performance, in FY24, we will re-evaluate our target as we strive toward promoting gender parity in management roles through career development initiatives, succession plans and strategies. When looking at our performance company-wide, women represent the vast majority of our employees, including at the Store Manager level, and in most departments.

At this time, and with the exception of the Board and executive officer levels, Dollarama does not formally track the racial and ethnic group representation of its workforce. As of the date of this report, no executive officers identify as persons with disabilities, members of visible minorities or Aboriginal peoples¹.

¹Designated groups as defined in the Employment Equity Act (Canada)

FEMALE REPRESENTATION AMONG EMPLOYEES

[SASB CG-MR-330a.1]	FY21	FY22	FY23
Management ¹	41%	43% ²	44% ²
Store Managers	72%	73%	75%
All Other Employees	75%	74%	72%
All Employees	75%	74%	72%

¹ Dollarama defines management as its named executive officers, senior vice presidents, vice presidents, senior directors, directors, regional district managers and district managers

² Subject to a limited level of assurance by an external third party

GOAL

Maintain at least 40% of women in management

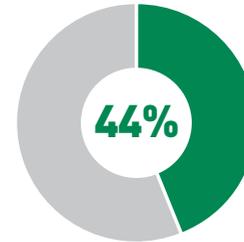
●●● Achieved

Re-evaluate gender diversity in management target in light of progress so far

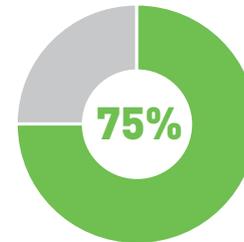
●○○ New

FEMALE REPRESENTATION AMONG EMPLOYEES FOR FY23

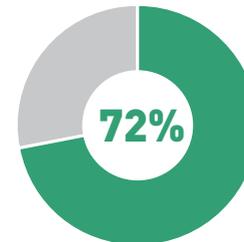
MANAGEMENT



STORE MANAGEMENT



ALL EMPLOYEES



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From an operational perspective, our diversity, equity and inclusion approach relies on different key concepts:



FOSTERING A CULTURE OF INCLUSIVENESS

Ensuring that all employees feel respected and valued



LISTENING TO OUR EMPLOYEES

Creating a safe and inclusive environment where all employees feel comfortable sharing feedback and reporting concerns or incidents



INCORPORATING DIVERSITY IN RECRUITMENT, ONBOARDING AND TRAINING

Empowering all employees and especially team leaders to promote diversity within the workplace

Our aim is to create a culture and environment where all feel welcome, and we continue to work on our approach to achieve this. For example, management is expected to champion diversity and to foster an inclusive environment. Furthermore, in-store employees are trained on relevant topics, including but not limited to, anti-bias training, anti-harassment and anti-discrimination, including mandatory trainings.

Our new Code of Conduct and Ethics, launched in February 2023, also clearly articulates our zero tolerance policy towards discrimination, harassment and all other non-inclusive behaviours. It provides confidential channels to report a concern or complaint and must be reviewed and acknowledged yearly by all employees. Furthermore, our policies go beyond employees to cover customer interactions—both regarding the standards our employees are expected to uphold, and the respect and dignity with which our employees must, in turn, be treated.



RESOURCE CORNER

- Code of Conduct and Ethics

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SUPPLY CHAIN ENGAGEMENT

Dollarama values long-term, mutually beneficial business relationships with its vendors. This approach to procurement fosters trust and engagement, and facilitates the enforcement of our standards and expectations. Even in the context of growth, the number of active product vendors has remained relatively stable over time from 1,350 in FY21 to 1,260 in FY23.

Several Dollarama teams interact with vendors with the end goal to offer the best value, safety and quality to our customers. The Procurement, Import and Compliance teams use multiple touchpoints, through various channels, to strengthen vendor engagement and ensure that Canadian standards and our own expectations are met.

Dollarama's supply chain flexibility is a great asset to enforce our expectations. Purchase orders are favoured over long-term contracts and our top 10 vendors represent about 27% of our total annual procurement spend. In addition, our largest vendor represents only 6% of our procurement spend. Because we are not overly reliant on any vendor and due to the nature of our commercial relationships, we can take decisive action should standards not be met and/or remediation not achieved in a timely or satisfactory manner, including termination.

Given our broad product offering and vendor base, our supply chain engagement strategy focuses on compliance and risk management across two areas: 1) product safety, compliance and quality, and 2) vendor workplace standards, business and environmental practices.

Nearly half of our product mix based on volume is sourced from vendors located in geographical areas that are considered low risk from a social and environmental perspective, and approximately half of our vendors are based in these regions. Furthermore, more than a third of our products are sourced from national brands. In these cases, our responsibility is limited to product traceability, transportation and storage conditions. As a result, our supply chain and compliance efforts focus on areas of higher risk and where we have greater control or ability to exert influence.



SUPPLY CHAIN PROFILE



~1,260
vendors in over
25 countries

8 of our top 10 vendors, by procurement spend, are North American companies

BRAND MIX¹



Private label **63%**
National brands **37%**

¹By retail value for FY23

Top 10 vendors represent
~27%
of procurement spend

Top 25 vendors represent
~43%
of procurement spend

No vendor represents more than
6%
of total procurement spend

SOURCING MIX²



Overseas **53%**
North America **47%**

²By total volume for FY23

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HUMAN RIGHTS AND THE ENVIRONMENT



Human Rights

Dollarama’s purpose is to provide Canadians from all walks of life with access to affordable, safe, quality products, but never at the expense of the dignity, safety or wellbeing of the workers in our supply chain. Protection of human rights is paramount, especially in the context of an international supply chain.

Our initiatives and tools, from the Vendor Code of Conduct to our Social Audit Program, focus on promoting the following workplace and zero tolerance standards:

- Safe, sanitary and healthy work environment, including regular internal workplace safety training
- Zero tolerance for forced and underage labour
- Zero tolerance for use of labour agencies who charge recruitment fees or illegally deduct fees from employee wages
- Protection for young workers
- Fair disciplinary practices
- No discrimination
- Reasonable working hours and overtime
- Wages and benefits that at minimum meet legal requirements in country of operation

We offer a broad and varied assortment of items at any given time and each product category presents different environmental and social risk profiles which depend on factors such as product components, country of origin and manufacturing process. Products like electronics and apparel sourced overseas represent the highest social risks. A much more significant proportion of the directly sourced products we carry fall into the chemicals, rubber and plastic categories. These products, along with food, which also represents an important proportion of our purchases, are recognized as presenting lower social risk profiles on a relative basis, based on factors such as manufacturing processes and country of origin.

Protecting the Environment

In addition to meeting our own standards, all vendors are expected to fully comply with local legislation, including environmental regulations. Products with the highest potential environmental impacts are food, household and personal care products. A large proportion of the products we carry in these categories are national brand products and not manufactured for or directly sourced by Dollarama.

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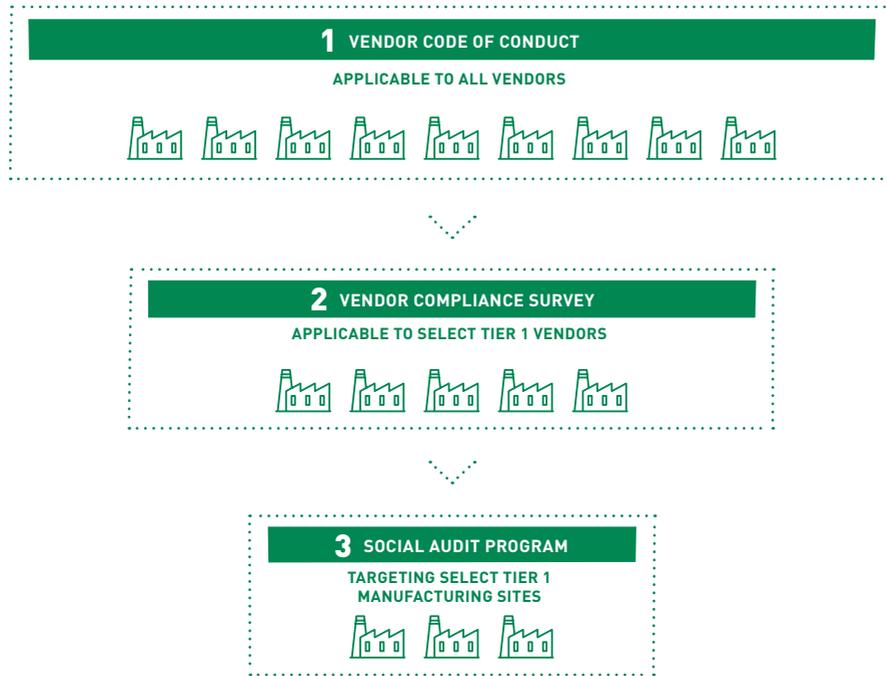
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SUPPLY CHAIN ACCOUNTABILITY

Dollarama adopted a three-pronged approach to ensure the efficient enforcement of its standards in support of the implementation of its structured supply chain accountability mechanisms.



Defining Tier 1 vendors:

Our Tier 1 vendors are defined as vendors who manufacture goods and from whom we purchase goods directly. All Tier 1 vendors can be subject to social audit requirements and are selected by the Compliance team based on specific risk factors such as country of origin, nature of the goods procured and annual procurement volumes.

Vendor Code of Conduct

Our expectations regarding the safeguarding of human rights and reasonable working conditions are clearly outlined in our Vendor Code of Conduct ("Vendor Code"). These expectations apply to all our vendors, their own supply chain structures and their commercial partners, regardless of whether the vendor is the product manufacturer, which must be disclosed to Dollarama. Certifying compliance with our Vendor Code is a prerequisite for any vendor before we can engage in a commercial relationship with them.

The Vendor Code is regularly reviewed to ensure that it comprehensively captures all of the human rights risks in our supply chain and to address key ESG issues. Our Vendor Code is aligned with the standards set out in the Organisation for Economic Co-operation and Development ("OECD") Guidelines for Multinational Enterprises, which also draw on the United Nations "Protect, Respect and Remedy" Framework and Guiding Principles on Business and Human Rights. The Vendor Code also includes a dedicated whistleblower channel so any stakeholder in our supply chain can flag potential issues directly to our team.

Dollarcity sources the majority of its products through Dollarama and is therefore subject to our vendor

compliance program. Dollarcity also transacts directly with select vendors, local and foreign, and we continue to work towards the adoption and implementation of an equivalent Vendor Code applicable to Dollarcity's direct vendors, primarily located in Central and South American countries. Bribery and corruption risks are already addressed via a compliance program implemented by Dollarcity.

GOAL

Roll-out of equivalent Vendor Code to Dollarcity direct suppliers by FY24

●●○ In progress

RESOURCE CORNER

- Vendor Code of Conduct
- General inquiries about the Vendor Code: vendorcode@dollarama.com
- Reporting potential violations: ethics@dollarama.com

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Vendor Compliance Survey

The Vendor Compliance Survey was initially launched in FY20 to allow Dollarama to gain insights on vendor practices and accurately assess compliance and risks. It formed the foundation of our Social Audit Program by identifying Tier 1 vendors to enroll, based on factors such as country of manufacture and annual procurement volume. Furthermore, it validated the existence of social audits conducted by, or a certification issued by, an internationally recognized accredited third party. About 300 vendors were identified as in-scope for the Social Audit Program by the Vendor Compliance Survey, with all Tier 1 vendors located in China automatically included.

Social Audit Program

We require all vendors to maintain complete and accurate records and grant Dollarama or a designated agent of Dollarama with reasonable access

to facilities, records and workers for inspection or audit purposes, and to work with Dollarama or its designated agent to resolve issues. In-scope Tier 1 vendors must provide a new or updated social audit report, accreditation, or certification issued by an internationally recognized organization. Such documentation must notably validate or certify workplace policies and practices that meet the expectations outlined in our Vendor Code, for each vendor's facility.

For vendors that provide a report, accreditation or certification that meets our expectations, no further action is required, until the next audit period. Vendors that do not provide satisfactory documentations are automatically enrolled in the Social Audit Program. Our Social Audit Program consists of accredited third-party auditors conducting in-person visits to vendor facilities as we require specific audits as needed for the Vendor Code compliance. This process is

independent from our ongoing product quality and safety driven audits and is administered by our Compliance team. Its primary focus is on monitoring social and environmental practices of in-scope Tier 1 vendor manufacturing sites.

By the end of FY23, more than 90% of in-scope Tier 1 vendors had been audited, through our own audit program or through internationally recognized third parties, putting us on track with our goal to complete our roll-out to all in-scope vendors by mid-FY24.

For all vendors, regardless of whether they select international certifications or to be audited by our third-party partners, when issues are identified, we provide them with the opportunity to apply corrective actions in a timely manner to meet our expectations and we support their efforts to improve their performance. However, we have a zero tolerance policy on select issues where we will not hesitate to terminate the relationship. Between FY20 and FY23, three vendors were terminated as a result of a social audit, including two in FY23.



Some of the recognized international social audit accreditations or certifications we accept:



CORRECTIVE ACTION RATE

	FY21	FY22	FY23
Vendors identified in-scope for social audit		~300	
Vendors terminated	1	0	2

GOAL

Roll-out of Social Audit Program to all in-scope Tier 1 vendors by mid-FY24

● ● ○ In progress



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Sustaining Our Social Audit Program

We continue to further define and structure our supply chain accountability approach based on our learnings around the launch and implementation of our Social Audit Program. Our aim is to ensure that all in-scope Tier 1 vendors undergo social audits at minimum every three years and that any new Tier 1 vendor that meets the in-scope criteria is systematically onboarded. This is how we will sustain this program going forward and on an ongoing basis. This approach is especially important in the context of our continued growth and to capture the normal course procurement and vendor base changes that may occur.

GOAL

Subject all in-scope Tier 1 vendors to accredited social audits at least every three years

●●○ In progress

Enhance disclosure on Tier 1 vendor social audit performance

●●○ In progress

NUMBER OF SOCIAL AUDITS RECEIVED OR COMPLETED

[SASB CG-TS-430a.1]

	FY21	FY22	FY23
Cumulative number of in-scope Tier 1 vendors with satisfactory social audits	156	204	291
Percentage of social audits performed by an independent third party	100%		



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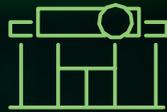
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MAINTAINING A STRONG GOVERNANCE FRAMEWORK

Dollarama’s Board of Directors and management are committed to upholding high standards of ethical behaviour and a strong corporate governance framework, as demonstrated by the practices and policies to which we adhere and constantly seek to enhance.

Board of Directors

The Board has ultimate oversight of corporate strategy, enterprise risk management, corporate governance policies and human capital management. This is in addition to oversight of ESG matters, as outlined in the ESG Governance section of this report. The Board is also responsible for overseeing board renewal, assessing director independence and evaluating its own performance and effectiveness.

As of the date of this report, the Board is comprised of ten directors, eight of whom are considered independent within the meaning of applicable Canadian securities laws. The Board is chaired by an independent director and all Board committees are comprised of and chaired by independent directors. The average tenure of directors is 11.7 years, while the average tenure of non-executive directors is 10.9 years. The Corporation has nominated a total of seven new independent directors since its initial public offering in 2009.

The Board strives to ensure that it is comprised of directors who are well-versed in the areas critical to Dollarama’s future success, including ESG-related skills, as captured in the director skills matrix in the Corporation’s annual management proxy circular. In doing so, the Board seeks to strike a healthy balance between longer serving directors, who have a deep understanding of the business and ensure stability, and newer directors who bring fresh perspectives and needed competencies and expertise.



DIRECTOR INDEPENDENCE



8 of 10 directors are independent

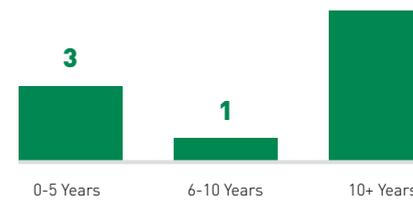
9 of 10 directors are non-executive

INDEPENDENT
Board chair

ALL CHAIRS
and Board committee members are independent

100%
total meeting attendance for Board and committee meetings

DIRECTOR TENURE



10.9 YEARS
average tenure of non-executive directors

11.7 YEARS
average tenure of directors

DIRECTOR AGE

59 director average age



The above data reflects the appointment of a tenth director in early FY24

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Board Diversity

The Board recognizes the value and importance of diversity and, as outlined in the Corporation's Board Diversity Policy, aims to have each gender comprise at least 30% of the Board and to maintain diversity above this threshold going forward. As of the date of this report, four out of ten directors (40%), or four out of eight independent directors (50%), identify as women.

While the Board has not set targets regarding the representation of persons included in any other designated groups, consideration is given to diversity beyond gender when identifying and nominating candidates for election through regular board renewal. As of the date of this report, one director identified as a visible minority.

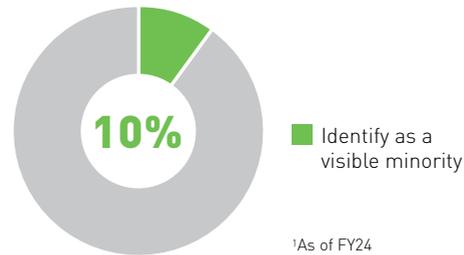
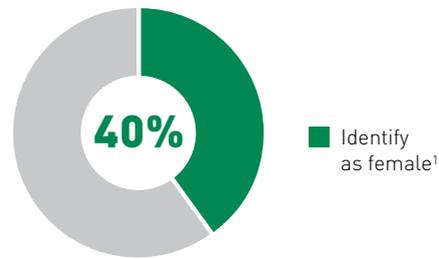
GOAL

Maintain Board female gender representation above 30% threshold

●●● Achieved

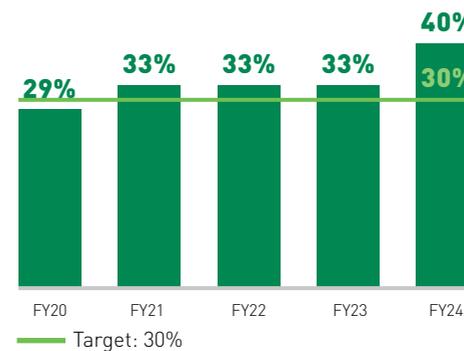


BOARD DIVERSITY



BOARD GENDER DIVERSITY

PERCENTAGE IDENTIFYING AS WOMEN



ESG in Executive Compensation

The Board's Human Resources and Compensation Committee continues to review and develop its approach with a view to integrating ESG-related metrics in executive compensation no later than FY25. In FY23, a market review of trends and performance metrics used by peers was undertaken and feedback was gathered from different stakeholders. In FY24, the committee will continue to monitor the rapid evolution of the ESG environment and pursue its work to select appropriate ESG metric(s) that align with the Corporation's business and ESG strategy, and that are relevant, meaningful and measurable.

GOAL

Integrate ESG metric(s) in named executive officer compensation no later than FY25

●●○ In progress

RESOURCE CORNER

- ESG Governance
- Board Diversity Policy
- Management Proxy Circular

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ENGAGING IN ETHICAL BEHAVIOUR AND FAIR BUSINESS PRACTICES

Dollarama is committed to conducting its business in accordance with the highest ethical and legal standards and our employees and vendors are required to make the same commitment. We also have a zero-tolerance policy for corruption of any kind.

Code of Conduct and Ethics

In February 2023, we launched a revamped and more comprehensive Code of Conduct and Ethics (the “Code”) applicable to directors, management and all employees, providing guidelines for engaging responsibly and ethically in personal conduct and business practices. Suppliers and their employees have their own standards and grievance procedures, as outlined in Dollarama’s Vendor Code of Conduct and as discussed in more detail in the Supply Chain section of this report.

The new Code aims to be more accessible and practical in its application during daily tasks of employees regardless of their position, work environment or location. It is broader in scope and captures additional pertinent issues in more detail, such as human rights, diversity, equity and inclusion, data privacy, bribery and corruption, among other key topics. The new Code also provides for dedicated whistleblower communication channels, including a 24/7 hotline through which work-related concerns and suspected violations

of the Code can be reported on a confidential and anonymous basis. All employees receive a copy of the Code upon hiring and are asked to acknowledge the Code to signify their understanding of the Code. An annual refresher is embedded in the yearly performance review process.

Employees are encouraged to report any suspicious behaviour through the many available channels outlined in the Code and an investigation of the reported matter is conducted, as required. Prompt and appropriate action to address the complaint will be taken, if substantiated.



Political Activities, Government Relations and Anti-corruption

The Code acts as the backbone to Dollarama’s approach to public policy engagement, anti-corruption and fair business practices.

As a business philosophy, Dollarama does not engage at scale in public policy and has no specific issues of focus. However, Dollarama values its relationships with all levels of government and may, at times, communicate with government officials and legislators. It only does so in accordance with the applicable rules and regulations of the jurisdictions where we do business, including formal registration prior to engaging in lobbying.

Dollarama does not make any political contributions, in kind or in cash, whether directly or indirectly. As outlined in the Code, Dollarama employees are strictly prohibited from making political contributions on behalf of Dollarama or to be perceived as acting on Dollarama’s behalf in any political activity. Moreover, Dollarama’s prohibition against bribery extends to facilitation payments. Employees cannot offer or accept gifts from public officials, including government officials and employees of any state-owned or state-controlled entity.

Our corporate giving guidelines prohibit monetary donations to international charities (except in the context of a

humanitarian crisis), political or religious organizations. These guidelines and related processes aim to ensure that no funds are misappropriated or redirected towards non-approved channels such as those related to corruption, bribery or non-registered political activities.

Fair Business Practices

Dollarama prides itself on delivering compelling value to its customers and maintaining high standards. While price competitiveness is at the core of our value proposition, it does not come at the expense of fair business practices. Dollarama is committed to competing in a fair and ethically justifiable manner within the framework of the antitrust and competition rules in the markets in which we operate. Competing fairly means respecting our customers, competitors, suppliers and other business partners and their respective representatives and refraining from engaging in any conduct that may restrain trade.

RESOURCE CORNER

- Code of Conduct and Ethics
- Vendor Code of Conduct

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DATA PRIVACY AND INFORMATION SECURITY [SASB CG-MR-230a.1]

Dollarama is committed to maintaining the privacy and security of customer and employee personal data as well as its own proprietary information. The scope of our information security oversight encompasses all aspects of our wholly-owned Canadian operations, including our physical retail store network, e-commerce platform and mobile application.

We do not store or record any customer data (including cardholder information or other personally identifiable information) on our in-store systems. For our e-commerce platform and mobile application, we only record certain personal identifiable information required for order processing (such as customer names and addresses), while payment card information is handled by third-party processors. Customers can contact us or log into their account to review, update, make changes or request that we delete their personal data.

To date, Dollarama has never experienced a data breach resulting in the disclosure of personally identifiable information or material and proprietary corporate information and our goal is to maintain zero material data breaches in the future. Please refer to “Technology Risks” in the “Risks and Uncertainties” section of the Corporation’s FY23 Management’s Discussion and Analysis (MD&A) for more information on this subject, available at www.sedar.com and www.dollarama.com.

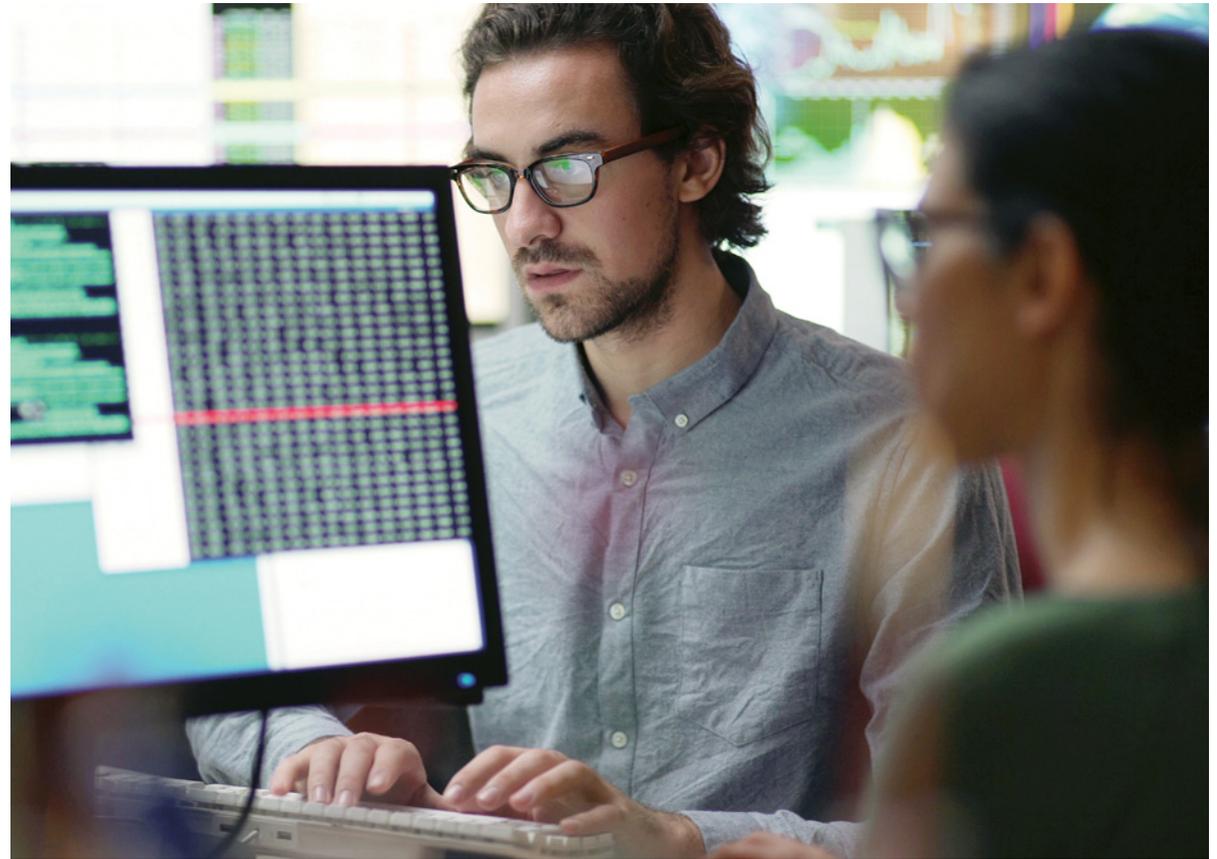
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GOAL

Zero material data breaches in FY23

●●● Achieved

[SASB CG-MR-230a.2]	FY20	FY21	FY22	FY23
Number of material data breaches, including with personally identifiable information (“PII”)	0	0	0	0
Number of customers affected	0	0	0	0



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Cybersecurity Oversight

Our robust information technology department and dedicated information security team, with the support of third-party experts, work daily to ensure the integrity of our IT infrastructure and systems. We are Level 1 PCI DSS compliant and conduct annual audits to examine the security of our payment card processing system from beginning to end for our three environments (stores, e-commerce platform, mobile application). We also conduct annual third-party audits of our IT environment to test for vulnerabilities and identify necessary corrective actions in the face of emerging threats.

The Information Security Committee, which is chaired by the Chief Information Officer and comprised of senior leaders from information technology, finance and legal affairs, is ultimately responsible for cybersecurity and identifying relevant risks. The committee sponsors the information security roadmap and meets at least quarterly to set priorities, review progress made on key initiatives and discuss emerging developments. The committee is also responsible for evaluating and adapting employee training curriculum on cybersecurity risks to ensure continued effectiveness and relevance. The Chief Information Officer regularly reports to the Audit Committee.

In FY23, Dollarama revamped its customer Privacy Policy and Incident Response Plan, created new employee privacy policies and appointed a Privacy Officer, as it continues to integrate best practices in an evolving cybersecurity environment.



Training and Preparedness

Cybersecurity training includes mandatory cybersecurity awareness training for all corporate employees and field management, both at onboarding and annual refresher modules. These courses are intended to maintain awareness of risks and to continually equip our employees with the tools needed to protect our business from cyberattacks.

In addition, Dollarama’s information technology and information security teams conduct ongoing information security preparedness tests through simulated phishing exercises and tabletop simulations to test the robustness of our policies, processes and response plans.



100%

of employees with access to relevant systems completed the mandatory bi-annual cybersecurity training in FY23

RESOURCE CORNER

- Privacy Policy
- Audit Committee Charter

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In our FY23 ESG Report, we provide a comprehensive overview of our ESG strategy and evolving priority issues, as identified through our ongoing assessment process and stakeholder engagement. We also provide an annual update on key data, goals and initiatives. Our reporting has been prepared in alignment with the SASB Standards relevant to our industry sectors and with an increasing number of TCFD recommendations.

The data contained in this report and accompanying indexes covers all areas of our Canadian business that are 100% owned and operated and reflect the most current annual data available, unless otherwise indicated. While reference may be made to Dollarcity, its activities and operations, it is not wholly owned by Dollarama and, as such, data related to Dollarcity is not included in this report or accompanying indexes.

In this report, FY24 refers to the 12-month fiscal period ended January 28, 2024, designated in our regulatory filings as Fiscal 2024, FY23 refers to the 12-month fiscal period ended January 29, 2023, designated in our regulatory filings as Fiscal 2023, FY22 refers to the 12-month fiscal period ended January 30, 2022, designated in our regulatory filings as Fiscal 2022, and so on.

EXTERNAL ASSURANCE

Select key performance metrics were independently assured by an external third-party. A limited assurance engagement was performed for Scope 1-2 GHG emissions intensity and gender diversity in management. In addition, financial information provided in this report is from our annual audited financial statements. All other data contained in this report is unaudited.

ADDITIONAL INFORMATION

Our FY23 ESG Report is in complement to our previous ESG disclosure, including our 2022 Climate Strategy and ESG Update, 2021 ESG Report and accompanying SASB indexes, all available in the Sustainability section of www.dollarama.com.

Our ESG disclosure should be read in conjunction with our regulatory filings. These are available at www.sedar.com under our company profile and in the Financial Reporting and Governance sections of www.dollarama.com.

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FORWARD-LOOKING INFORMATION

This report contains certain forward-looking statements about our current and future plans, expectations, intentions, results, levels of activity, performance, goals or achievements or other future events or developments (including our ESG targets, plans and strategy). Forward-looking statements are based on information currently available to management and on estimates and assumptions made by management regarding, among other things, general economic and geopolitical conditions and the competitive environment within the retail industry, in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that are believed to be appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. Many factors could cause actual results, levels of activity, performance, achievements, future events or developments to differ materially from those expressed or implied by the forward-looking statements.

These factors include future increases in operating costs (including increases in statutory minimum wages), future increases in merchandise costs (including as a result of rising raw material costs and tariff disputes), future increases in shipping and transportation costs (including as a result of freight costs and fuel price increases), inability to sustain our assortment and the replenishment of merchandise, the increase in the cost or a disruption in the flow of imported goods (including as a result of global supply chain disruptions, the geopolitical instability triggered by the conflict between Russia and Ukraine, or the increased tensions between China and the Western countries), failure to maintain brand image and reputation, disruption of distribution infrastructure, inventory shrinkage, inability to enter into or renew, as applicable, store, warehouse and head office leases on favourable and competitive terms, inability

to increase warehouse and distribution centre capacity in a timely manner, seasonality, market acceptance of private brands, failure to protect trademarks and other proprietary rights, foreign exchange rate fluctuations, potential losses associated with using derivative financial instruments, any exercise by Dollarcity's founding stockholders of their put right, level of indebtedness and inability to generate sufficient cash to service debt, changes in creditworthiness and credit rating and the potential increase in the cost of capital, interest rate risk associated with variable rate indebtedness, competition in the retail industry, disruptive technologies, general economic conditions, departure of senior executives, failure to attract and retain quality employees, disruption in information technology systems, inability to protect systems against cyber-attacks, unsuccessful execution of the growth strategy, holding company structure, adverse weather, pandemic or epidemic outbreaks, earthquakes and other natural disasters, climate change, geopolitical events and political unrest in foreign countries, unexpected costs associated with current insurance programs, product liability claims and product recalls, litigation, regulatory and environmental compliance, and shareholder activism.

With respect to our ESG targets, plans and strategy, such forward-looking statements are based on a number of estimates and assumptions made by management, including, but not limited to, the implementation of various corporate and business initiatives to reduce electricity consumption, the availability and implementation of various measures to reduce store energy consumption levels, no significant changes in corporate or growth initiatives, no technologies that would materially increase anticipated levels of GHG emissions, no changes in standards or methodologies used, the availability of renewable or clean energy sources and the implementation of anticipated grid improvements as individual provinces de-carbonize their own electricity supply.

This is not a complete list of the risk factors that could affect Dollarama; however, these factors should be considered carefully. For more exhaustive information on risk factors, please refer to the "Risk and Uncertainties" section of Dollarama's Management's Discussion and Analysis (MD&A) for the year ended January 29, 2023, and to subsequent quarterly MD&As for changes and updates to these risk factors, if any. These documents are available at www.sedar.com and www.dollarama.com.

As a result, readers should not place undue reliance on forward-looking statements made in this report. Furthermore, unless otherwise stated, the forward-looking statements contained in this report are made as at the date of this report, and management has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. All forward-looking statements contained in this report are expressly qualified by this cautionary statement.

INDUSTRY DATA

The industry data presented in this report has been obtained from a combination of third-party information, including third-party disclosures and websites, and estimates of management. While those external sources are believed to be reliable, they have not been independently verified, and management has no assurance that the information contained in third-party websites is current and up to date. While management is not aware of any misstatements regarding the industry data presented in this report, such data involves risks and uncertainties and is subject to change based on various factors, including those discussed under "Forward-Looking Information" herein and under the "Risk and Uncertainties" section of Dollarama's MD&A for the year ended January 29, 2023, and to subsequent quarterly MD&As for changes and updates to these risk factors, if any.

GOAL TRACKER

01 OUR PRODUCTS AND CUSTOMERS



PRODUCT SAFETY AND QUALITY

GOAL	METRIC	FY21	FY22	FY23
Eliminate the risk of SCCPs present in plastic products by requiring that manufacturers adopt alternative materials and techniques		●○○	●○○	●●○
Implement additional targeted product-testing programs in line with Health Canada’s ongoing consumer product surveillance		●○○	●○○	●●○

ENVIRONMENTAL AND SOCIAL COMPONENTS IN PRODUCTS

GOAL	METRIC	FY21	FY22	FY23
NEW Improve tracking of E&S components in products				●○○
Eliminate the use and sale of single-use plastic bags in Dollarama stores across Canada by mid-FY24, six months ahead of the regulatory deadline		●○○*	●●○	●●○
	Proportion of reusable bags sold vs. single-use plastic bags	44%	44%	52%

*Not previously disclosed

GOAL TRACKER (CONT'D)

02 OUR OPERATIONS AND CLIMATE STRATEGY

CLIMATE STRATEGY

GOAL	METRIC	FY21	FY22	FY23
Reduce Scope 1-2 GHG emissions intensity to 4.2 kg of CO ₂ e/ft ² by FY31			●○○	●●○
	Scope 1-2 GHG emissions (kg of CO ₂ e / ft ²)	6.9*	5.7*	4.9
Align climate-related disclosures with TCFD		●○○	●●○	●●○
NEW Disclose partial Scope 3 GHG emissions in FY25 ESG Report				●○○

*Revised

ENERGY MANAGEMENT

GOAL	METRIC	FY21	FY22	FY23
Retrofit all store light fixtures and exterior neon signage to LED lighting		●●○	●●○	●●○
	% of store network with LED lighting	44%	59%	70%
Upgrade in-store energy management systems across store network in Dollarama-controlled and landlord-controlled stores, whenever possible		●●○	●●○	●●○
	% of stores with EMS	19%	40%	38%*

*In FY23, no new energy management systems were installed. With the growth of our store network each year, the total percentage of stores with new energy management systems decreased from FY22

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WASTE MANAGEMENT

GOAL	METRIC	FY21	FY22	FY23
Increase diversion rates		●●○	●●○	●●○
	% material diverted (from stores where Dollarama is responsible for waste collection)	75%	77%	78%
	Metric tons of waste from stores diverted from landfill (from stores where Dollarama is responsible for waste collection)	34,000	40,000	42,800

GOAL TRACKER (CONT'D)

03 OUR PEOPLE

TALENT ATTRACTION, DEVELOPMENT AND RETENTION

GOAL	METRIC	FY21	FY22	FY23
Maintain high rates of internal promotions		●●○	●●○	●●○
	% District Manager positions filled via internal promotion	67%	100%	100%
	% Store Manager positions filled via internal promotion	41%	50%	47%*
	% Assistant Store Manager positions filled via internal promotion	50%	60%	51%*
Develop and launch training application program for store associates		●○○	●●○	●●●

*Due to changes in the overall job market resulting from the COVID-19 pandemic, turnover increased, therefore lowering the percentage of internal promotions

WORKFORCE HEALTH AND SAFETY

GOAL	METRIC	FY21	FY22	FY23
Reduce frequency and severity of lost-time injuries		●●○	●●○	●●○

DIVERSITY AND INCLUSION

GOAL	METRIC	FY21	FY22	FY23
Maintain at least 40% of women in management			●○○	●●●
	% of female representation at management level	41%	43%*	44%
NEW Re-evaluate gender diversity in management target in light of progress so far				●○○

*Revised

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04 OUR SUPPLY CHAIN

SUPPLY CHAIN ACCOUNTABILITY

GOAL	METRIC	FY21	FY22	FY23
Roll-out of equivalent Vendor Code to Dollarcity direct suppliers by FY24		●○○	●●○	●●○
Roll-out of Social Audit Program to all in-scope Tier 1 vendors by mid-FY24		●●○	●●○	●●○
	Vendors identified in-scope of social audit	~300	~300	~300
	Cumulative number of in-scope Tier 1 vendors with satisfactory social audits	156	204	291
	% of social audits performed by an independent third party	100%	100%	100%
Subject all in-scope Tier 1 vendors to accredited social audits at least every three years		●○○	●●○	●●○
Enhance disclosure on Tier 1 vendor social audit performance		●○○	●●○	●●○
	Vendors terminated	1	0	2

GOAL TRACKER (CONT'D)

05 OUR GOVERNANCE

STRONG GOVERNANCE FRAMEWORK

GOAL	METRIC	FY21	FY22	FY23
Maintain Board female gender representation above 30% threshold		●●●	●●●	●●●
	% of female representation on Board of Directors	33%	33%	33%
Integrate ESG metric(s) in named executive officer compensation no later than FY25			●○○	●●○
Launch revamped and more comprehensive Code of Conduct and Ethics applicable to directors, management and all employees in FY23		●○○	●●○	●●●*

*Launched in February 2023

DATA PRIVACY AND INFORMATION SECURITY

GOAL	METRIC	FY21	FY22	FY23
Zero material data breaches		●●●	●●●	●●●
	Number of material data breaches	0	0	0
	% involving personally identifiable information (PII)	0%	0%	0%
	Number of customers affected	0	0	0



SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Dollarama’s FY23 SASB Index and ESG disclosure have been prepared in alignment with the Multiline and Specialty Retailers & Distributors industry standard, which SASB has identified as Dollarama’s primary Sustainable Industry Classification System® (SICS®) industry, as well as select indicators from other SASB standards relevant to our business (Food Retailers & Distributors; Toys & Sporting Goods; Household & Personal Products; Apparel, Accessories & Footwear; and Drug Retailers). In this index, FY23 refers to the 12-month fiscal period ended January 29, 2023, designated in our regulatory filings as Fiscal 2023, FY22 refers to the 12-month fiscal period ended January 30, 2022, designated in our regulatory filings as Fiscal 2022, and so on. All data provided pertains to Dollarama’s business as a whole and not to a particular sector of activity or product category and excludes Dollarcity. In some cases, indicators have been included in this index, but the information is not currently aggregated or quantified or is not disclosed by Dollarama at this time. Indicators suggested by a given standard not deemed applicable were excluded.

TOPIC	ACCOUNTING METRIC	CATEGORY	CODE	DOLLARAMA DATA	MORE INFORMATION
MULTILINE AND SPECIALTY RETAILERS & DISTRIBUTORS					
Energy Management in Retail & Distribution	(1) Total energy consumed (Gj) (2) Percentage grid electricity (3) Percentage renewable	Quantitative	CG-MR-130a.1	(1) FY21: 2,554,328 Gj FY22: 2,234,890 Gj FY23: 2,016,309 Gj (2) FY21: 39% FY22: 42% FY23: 44% (3) FY21: 23% FY22: 26% FY23: 28% Fuel has been excluded as it represents only 1% of Dollarama’s GHG footprint.	
Data Security	Description of approach to identifying and addressing data security risks	Discussion and Analysis	CG-MR-230a.1	We focus on maintaining high cyber security and data security standards to mitigate risks as much as possible. Our objective is to maintain 0 material data breaches at all times.	FY23 ESG Report, p. 47-48 FY23 Annual Information Form, p.17-18 FY23 Management’s Discussion and Analysis (MD&A), p. 33
Data Security	(1) Number of data breaches (2) Percentage involving personally identifiable information (PII) (3) Number of customers affected	Quantitative	CG-MR-230a.2	(1) FY20-FY23: 0 material breaches (2) FY20-FY23: 0% (3) FY20-FY23: 0	FY23 ESG Report, p. 47

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TOPIC	ACCOUNTING METRIC	CATEGORY	CODE	DOLLARAMA DATA	MORE INFORMATION
Labor Practices	<p>(1) Average hourly wage of in-store, warehouse and distribution centre employees by region</p> <p>(2) Percentage of in-store, warehouse and distribution centre employees earning minimum wage by region</p>	Quantitative	CG-MR-310a.1	<p>(1) Store employees: FY21: \$15.08 per hour (excluding premiums and benefits) FY22: \$15.57 per hour (excluding premiums and benefits) FY23: \$16.32 per hour (excluding premiums and benefits)</p> <p>Logistics employees: FY21: \$22.60 per hour (excluding premiums and benefits) FY22: \$23.33 per hour (excluding premiums and benefits) FY23: \$24.59 per hour (excluding premiums and benefits)</p> <p>(2) Store employees: FY21: 39% FY22: 39% FY23: 42%</p> <p>Logistics employees: FY21: 0% FY22: 0% FY23: 0%</p>	FY23 ESG Report, p. 33
Labor Practices	<p>(1) Voluntary turnover rate for in-store employees</p> <p>(2) Involuntary turnover rate for in-store employees</p>	Quantitative	CG-MR-310a.2	<p>(1) This information is not disclosed by Dollarama.</p> <p>(2) This information is not disclosed by Dollarama.</p>	
Labor Practices	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	Quantitative	CG-MR-310a.3	This information is not disclosed by Dollarama.	

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TOPIC	ACCOUNTING METRIC	CATEGORY	CODE	DOLLARAMA DATA	MORE INFORMATION
Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	Quantitative	CG-MR-330a.1	(1) Management: FY21: 41% female, 59% male FY22: 43% female, 57% male FY23: 44% female, 56% male Dollarama defines management as its named executive officers, senior vice presidents, vice presidents, senior directors, directors, regional district managers and district managers. (2) All other employees: FY21: 75% female, 25% male FY22: 74% female, 26% male FY23: 72% female, 28% male Racial/ethnic group representation among both management and all other employees has not been aggregated or quantified by Dollarama at this time.	FY23 ESG Report, p. 35
Workforce Diversity & Inclusion	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Quantitative	CG-MR-330a.2	This information is not disclosed by Dollarama.	
Product Sourcing, Packaging & Marketing	Revenue from products third-party certified to environmental and/or social sustainability standards	Quantitative	CG-MR-410a.1	This information is not disclosed by Dollarama. Dollarama is working towards better tracking of products certified to environmental and/or social sustainability standards.	FY23 ESG Report, p. 14
Product Sourcing, Packaging & Marketing	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	CG-MR-410a.2	Dollarama monitors multiple types of chemicals and substances and is working towards the elimination of some of them. Numerous processes are leveraged to ensure that products comply with Canadian regulations and our own standards.	FY23 ESG Report, p. 12
Product Sourcing, Packaging & Marketing	Discussion of strategies to reduce the environmental impact of packaging	Discussion and Analysis	CG-MR-410a.3	In line with our business and product philosophy, Dollarama systematically works with its partners to minimize packaging as much as possible. This approach is mainly driven by our focus on value, to ensure that no unnecessary costs are generated, but it also supports our ESG strategy.	FY23 ESG Report, p. 16

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TOPIC	ACCOUNTING METRIC	CATEGORY	CODE	DOLLARAMA DATA	MORE INFORMATION
FOOD RETAILERS & DISTRIBUTORS					
Food Safety	(1) Number of recalls (2) Number of units recalled (3) Percentage of units recalled that are private-label products	Quantitative	FB-FR-250a.2	(1) FY23: 0 (2) FY23: 0 units (3) FY23: 0%	FY23 ESG Report, p. 13 Product Recalls section of our corporate website at www.dollarama.com
Product Labeling & Marketing	Number of incidents of noncompliance with industry or regulatory labeling and/or marketing codes	Quantitative	FB-FR-270a.1	FY23: 0 incident(s) resulting in a recall	
Product Labeling & Marketing	Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labeling practices	Quantitative	FB-FR-270a.2	This information is not disclosed by Dollarama.	
Labor Practices	Percentage of active workforce covered under collective bargaining agreements	Quantitative	FB-FR-310a.2	FY20-FY23: 0%	
Management of Environmental & Social Impacts in the Supply Chain	Discussion of strategy to manage environmental and social risks within the supply Chain	Discussion and Analysis	FB-FR-430a.3	Dollarama leverages several tools at its disposal, including third-party audits, to ensure that suppliers comply with Canadian regulations and its own standards. In FY23, almost half of our product volume was sourced from North American vendors. Our strategy captures these different risk levels to focus on products and vendors that are at greater risks.	FY23 ESG Report, p. 38-42

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TOPIC	ACCOUNTING METRIC	CATEGORY	CODE	DOLLARAMA DATA	MORE INFORMATION
TOYS & SPORTING GOODS					
Chemical & Safety Hazards of Products	(1) Number of recalls (2) Number of total units recalled (3) Percentage for private-label products	Quantitative	CG-TS-250a.1	(1) FY23: 0 (2) FY23: 0 units (3) FY23: 0%	FY23 ESG Report, p. 13 Product Recalls section of our corporate website at www.dollarama.com
Chemical & Safety Hazards of Products	Total amount of monetary losses as a result of legal proceedings associated with product safety	Quantitative	CG-TS-250a.3	This information is not disclosed by Dollarama.	
Chemical & Safety Hazards of Products	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	CG-TS-250a.4	Dollarama monitors multiple types of chemicals and substances and is working towards the elimination of some of them. Numerous processes are leveraged to ensure that products comply with Canadian regulations and our own standards.	FY23 ESG Report, p. 12
Labor conditions in supply chain	Number of facilities audited to a social responsibility code of conduct	Quantitative	CG-TS-430a.1	All vendors that must provide a social audit have all of their facilities audited.	FY23 ESG Report, p. 41-42
Labor conditions in supply chain	Direct suppliers' social responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) priority non-conformance and (b) other non-conformances	Quantitative	CG-TS-430a.2	Between FY21 and FY23, 3 vendors were terminated.	FY23 ESG Report, p. 41-42
HOUSEHOLD & PERSONAL PRODUCTS					
Packaging Lifecycle Management	(1) Total weight of packaging (2) Percentage of packaging made from recycled and/or renewable materials (3) Percentage of packaging that is recyclable, reusable, and/or compostable	Quantitative	CG-HP-410a.1	(1) This data is currently calculated only for certain materials and in certain provinces in the context of our participation in stewardship programs. (2) This information has not been aggregated or quantified by Dollarama at this time. (3) This data is currently calculated only for certain materials and provinces.	FY23 ESG Report, p. 16

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TOPIC	ACCOUNTING METRIC	CATEGORY	CODE	DOLLARAMA DATA	MORE INFORMATION
APPAREL, ACCESSORIES & FOOTWEAR					
Labor Conditions in the Supply Chain	<p>(1) Percentage of Tier 1 supplier facilities that have been audited to a labor code of conduct</p> <p>(2) Percentage of supplier facilities beyond Tier 1 that have been audited to a labor code of conduct</p> <p>(3) Percentage of total audits conducted by a third-party auditor</p>	Quantitative	CG-AA-430b.1	<p>(1) Dollarama's classification system currently identifies all manufacturers from whom it imports goods directly as Tier 1 suppliers.</p> <p>(2) At the end of FY23, Dollarama had 291 valid and satisfactory vendor social audit reports on file, which represent more than 90% of the vendors targeted by the social audit program. About 300 vendors were identified as in scope.</p> <p>(3) All social audits were conducted by third-party auditors.</p>	FY23 ESG Report, p. 38-42
Labor Conditions in the Supply Chain	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	Quantitative	CG-AA-430b.2	Between FY21 and FY23, three vendors were terminated.	FY23 ESG Report, p. 41-42
Labor Conditions in the Supply Chain	<p>(1) Description of the greatest labor risks in the supply chain</p> <p>(2) Description of the greatest environmental, health, and safety risks in the supply chain</p>	Discussion and Analysis	CG-AA-430b.3	Our current focus, from an audit perspective, is on human rights, health and safety. However, all vendors must sign and comply with the Vendor Code of Conduct which prohibits non-compliance with the local environmental regulations. The social audit also includes some elements with regards to environmental practices.	FY23 ESG Report, p. 38-42
DRUG RETAILERS					
Drug Supply Chain Integrity	<p>(1) Number of drug recalls issued</p> <p>(2) Total units recalled</p> <p>(3) Percentage for private-label products</p>	Quantitative	HC-DR-250a.2	<p>(1) FY23: 1, Hydrogen Peroxide</p> <p>(2) FY23: 43,642</p> <p>(3) FY23: 0%</p>	<p>FY23 ESG Report, p. 13</p> <p>Product Recalls section of our corporate website at www.dollarama.com</p>

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MULTILINE AND SPECIALITY RETAILERS & DISTRIBUTORS					
	Number of: (1) retail locations and (2) distribution centres	Quantitative	CG-MR-000.A	(1) 1,486 retail locations (2) 7 warehouses and 1 distribution centre	
	Total area of: (1) retail space and (2) distribution centres	Quantitative	CG-MR-000.B	(1) Retail space: 15.5M square feet (2) Warehouses and distribution centre: 2.7M square feet	
APPAREL, ACCESSORIES & FOOTWEAR					
	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	Quantitative	CG-AA-000.A	Dollarama's classification system currently identifies all manufacturers from whom it purchases goods directly as Tier 1 suppliers.	

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX



Dollarama's FY23 TCFD Index, dated June 2023, summarizes the relevant information as well as refers the reader to where additional information can be found regarding the Corporation's disclosure related to its climate-related risks and opportunities, as recommended by the Task Force on Climate-related Financial Disclosures' framework.

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RECOMMENDED DISCLOSURE	DOLLARAMA DISCLOSURE	MORE INFORMATION
GOVERNANCE DISCLOSE THE ORGANIZATION'S GOVERNANCE AROUND CLIMATE-RELATED RISKS AND OPPORTUNITIES.		
a) Describe the board's oversight of climate-related risks and opportunities.	The Board, through the work of the Audit Committee, has the ultimate oversight of all risks and opportunities, including those which are climate-related. Several processes including financial and ESG performance reviews, embedded in each meeting, ensure that all risks and opportunities are covered whenever material.	FY23 ESG Report, p. 5, p.23 FY23 Annual Information Form, p. A-1
b) Describe management's role in assessing and managing climate-related risks and opportunities.	At Dollarama, the CFO champions climate risks and opportunities, which are assessed and managed by the Management Committee. The monitoring of risks and opportunities is part of its everyday responsibilities to promote efficient business operations. Starting in FY24, the ESG Steering Committee will support the Management Committee by creating a forum to specifically discuss ESG and climate-related matters.	FY23 ESG Report, p. 5
STRATEGY DISCLOSE THE ACTUAL AND POTENTIAL IMPACTS OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON THE ORGANIZATION'S BUSINESSES, STRATEGY, AND FINANCIAL PLANNING WHERE SUCH INFORMATION IS MATERIAL.		
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Dollarama classifies short-term risks as below a year, medium-term risks as below three years and long-term risks as above three years. Physical Risks: Examples include flooding of stores as well as extreme weather events that could disrupt local and international transportation or product sourcing. Considered low to moderate, they are mitigated by the flexibility of our supply chain, allowing us to quickly replace products or vendors, as well as by dedicated response plans. Transition Risks: At this time, Dollarama foresees regulatory and legal transition risks. They are deemed moderate and are proactively monitored. In FY24, Dollarama will engage the support of a third-party advisor to formally update its assessment of climate-related policy and regulatory changes. Opportunities: Many have materialized as cost savings. Furthermore, the conversion of the Corporation's syndicated credit facilities to a sustainability-linked loan, has enabled Dollarama to optimize its capital structure while strengthening its ESG framework.	FY23 ESG Report, p. 14-15 FY23 ESG Report, p. 23-24
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Physical Risks: Dollarama's focus is on actionable incident response plans, incorporated in business, strategy and financial planning. They focus on swiftly activating alternative store operations, transportation or product sourcing methods, such as alternative transportation networks, to maintain high operational efficiency. Transition Risks: Our supply chain flexibility, quick product turnover, and ability to adapt quickly to evolving regulatory environments enables us to mitigate transition risks. For example, following the federal ban of single-use plastics in December 2022, Dollarama expects to phase out the use and sale of single-use plastic bags by mid-FY24, approximately six months ahead of the regulatory deadline. Climate Opportunities: Dollarama constantly pursues cost savings along with value for our customers. From a financial or business planning perspective, we focus on adaptability and flexibility to capture any opportunity aligned with these objectives, including climate-related ones.	FY23 ESG Report, p. 14-15 FY23 ESG Report, p. 23-24
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	At this time, Dollarama has not performed a formal scenario analysis.	

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RECOMMENDED DISCLOSURE	DOLLARAMA DISCLOSURE	MORE INFORMATION
RISK MANAGEMENT DISCLOSE HOW THE ORGANIZATION IDENTIFIES, ASSESSES, AND MANAGES CLIMATE-RELATED RISKS.		
a) Describe the organization's processes for identifying and assessing climate-related risks.	Dollarama's risk identification and management framework is embedded in its enterprise risk management process, as well as the work of the Management Committee. Climate risk is assessed against the same framework.	FY23 ESG Report, p. 5 FY23 ESG Report, p. 23-24
b) Describe the organization's processes for managing climate-related risks.	Climate risks are managed as any other risks, through the enterprise risk management process.	FY23 ESG Report, p. 5 FY23 ESG Report, p. 23-24
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Climate risk processes are embedded in Dollarama's enterprise risk management process.	FY23 ESG Report, p. 5 FY23 ESG Report, p. 23-24
METRICS AND TARGETS DISCLOSE THE METRICS AND TARGETS USED TO ASSESS AND MANAGE RELEVANT CLIMATE-RELATED RISKS AND OPPORTUNITIES WHERE SUCH INFORMATION IS MATERIAL.		
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Climate risk is currently measured and tackled through two types of metrics: <ul style="list-style-type: none"> Financial metrics such as store growth, gross margin and operating costs help quantify the impact of climate change on Dollarama's bottom line and dictate our approach to risk mitigation ESG metrics, with a focus on GHG emissions intensity measurement and the accompanying target, and with secondary metrics, including energy usage and source, as well as waste management, further inform our overall business and risk management strategies 	FY23 ESG Report, p. 23-24
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	At this time, Dollarama discloses Scope 1-2 GHG emissions, both in absolute terms and in terms of intensity, based on square feet. In FY24, Dollarama intends to measure partial Scope 3 GHG emissions with a view to disclosing such information in its FY25 ESG Report. FY20 serves as Dollarama's baseline year, and Scope 1-2 GHG emissions are calculated in line with the GHG Protocol. A limited assurance engagement was performed for Scope 1- 2 GHG emissions intensity.	FY23 ESG Report, p. 18-22
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	At this time, Dollarama has one climate-related target: reaching a Scope 1-2 GHG emissions intensity of 4.2 (kg of CO ₂ e / ft ²) by FY31, which represents an approximately 45% reduction from our revised FY20 baseline.	FY23 ESG Report, p. 18-22

DOLLARAMA **\$1**^{plus}