



# SERVING CANADIANS WITH PURPOSE



# 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.

RECOMMENDED DISCLOSURE	DOLLARAMA DISCLOSURE	MORE INFORMATION
<b>GOVERNANCE DISCLOSE THE ORGANIZATION’S GOVERNANCE AROUND CLIMATE-RELATED RISKS AND OPPORTUNITIES.</b>		
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, <b>p. 5, p.23</b> FY23 Annual Information Form, <b>p. A-1</b>
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, <b>p. 5</b>
<b>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.</b>		
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. <b>Physical Risks:</b> 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. <b>Transition Risks:</b> 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. <b>Opportunities:</b> 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, <b>p. 14-15</b> FY23 ESG Report, <b>p. 23-24</b>
b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	<b>Physical Risks:</b> 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. <b>Transition Risks:</b> 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. <b>Climate Opportunities:</b> 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, <b>p. 14-15</b> FY23 ESG Report, <b>p. 23-24</b>
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.	

## TCFD INDEX (CONT'D)

RECOMMENDED DISCLOSURE	DOLLARAMA DISCLOSURE	MORE INFORMATION
<b>RISK MANAGEMENT DISCLOSE HOW THE ORGANIZATION IDENTIFIES, ASSESSES, AND MANAGES CLIMATE-RELATED RISKS.</b>		
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, <b>p. 5</b> FY23 ESG Report, <b>p. 23-24</b>
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, <b>p. 5</b> FY23 ESG Report, <b>p. 23-24</b>
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, <b>p. 5</b> FY23 ESG Report, <b>p. 23-24</b>
<b>METRICS AND TARGETS DISCLOSE THE METRICS AND TARGETS USED TO ASSESS AND MANAGE RELEVANT CLIMATE-RELATED RISKS AND OPPORTUNITIES WHERE SUCH INFORMATION IS MATERIAL.</b>		
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"> <li>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</li> <li>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</li> </ul>	FY23 ESG Report, <b>p. 23-24</b>
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, <b>p. 18-22</b>
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 <sub>2</sub> e / ft <sup>2</sup> ) by FY31, which represents an approximately 45% reduction from our revised FY20 baseline.	FY23 ESG Report, <b>p. 18-22</b>

**DOLLARAMA** **\$1**<sup>plus</sup>