

Dear Stakeholders,

On May 11, 2023, the Canadian government introduced Bill S-211, *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”), which came into effect January 1, 2024. The Act imposes an obligation on certain government institutions and private-sector entities to report on the measures taken to prevent and reduce the risk that forced labour or child labour is used by them or in their supply chains. The Act provides for an inspection regime applicable to entities and gives the Minister of Public Safety and Emergency Preparedness (the “Minister”) the power to require an entity to provide certain information.

Pursuant to the Act, entities must, on or before May 31 of each year, submit a report to the Minister which includes:

- the steps the entity has taken during its previous financial year to prevent and reduce the risk; that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity;
- its structure, activities and supply chains;
- its policies and due diligence processes in relation to forced labour and child labour;
- the parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk;
- any measures taken to remediate any forced labour or child labour;
- any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains;
- the training provided to employees on forced labour and child labour; and
- how the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.

PesoRama Inc. (“PesoRama”), together with its wholly-owned subsidiaries, PesoRama Holdings Inc., Canmex Dollar Stores, S.A. de C.V., Joi Canadian Stores, S.A. de C.V., PesoRama Stores Services, S.A. de C.V., and PesoRama Consulting Services, S.A. de C.V., (altogether, the “Company”), meet the guidelines of an entity that is required to report under the Act, and is therefore releasing this report as part of meeting these reporting requirements, for the year ended January 31, 2024.

Joi Canadian Stores brand (“Joi”), a wholly-owned subsidiary of PesoRama, operates discount retail stores in Mexico, offering consumers a high variety of products, providing Mexican shoppers in dense urban areas the same convenience, quality, and consistency as dollar stores in Canada and the United States. In doing so, the Company utilizes a global supply chain. The Company is committed to upholding human rights and working conditions across its supply chain, and this includes identifying ways to ensure that forced labour and child labour is not being used.

PesoRama nor its wholly owned subsidiaries own or have financial interest in any manufacturing facility, but the Company works with global suppliers, as well as suppliers within Mexico. The global economy brings people together from around the world who contribute to the creation of a product, from extracting materials, to processing, production, packaging and transportation to the Company’s stores, through to the final sale to its customers. There is a risk that along the Company’s supply chain, forced labour or child labour could be used, whether in the manufacturing facility of one of our suppliers, in the operations of raw material providers to those suppliers, or by logistics companies that are involved in the transport of raw materials or finished goods.

All employees of the Company are governed by a code of conduct (the “Code of Conduct”). One of the requirements for employment at PesoRama or any of its wholly owned subsidiaries is to sign the Code of Conduct, understanding that any violations of the Code of Conduct can result in discipline or loss of employment. The Code of Conduct states that no minors will work for the Company as well as expressing the compliance with the laws and regulations of Mexico. Under the Political Constitution of the United Mexican States, the minimum age for employment is 15 years of age. The Political Constitution of the United Mexican States also prescribes a prohibition of children over 15, and under 18 years of age who have not finished their compulsory basic education, except in the event of an authorization from the competent labour authority, which decides whether employment is compatible with studying. The Company requires proof of identification to accurately verify the age of each potential employee.

Suppliers are governed by the Protocol of Suppliers (the “Protocol”). As part of the onboarding process, all suppliers are required to sign and acknowledge the terms of the Protocol set forth by the Company. The Company reserves the right to terminate the relationship with any supplier or factory that violates the Protocol. All facilities producing direct import merchandise, as well as Mexican facilities that produce merchandise for PesoRama or its wholly owned subsidiaries are visited by management on a regular basis. During these visits, not only is the manufacturing process and product quality examined, but also the working conditions of the suppliers’ employees. To date, the Company has not identified the use of forced labour or child labour by any of its suppliers, and therefore has not had to take any remediation measures.

The Company only seeks partnerships with those who share its core values and beliefs about the fair treatment of people. The Company knows that its customers, shareholders, and employees trust the Company to responsibly source the products that are sold by PesoRama and its wholly owned subsidiaries. The Company's resolve on this remains the same regardless of where in the world the Company conducts its business.

"In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above."

Rahim Bhaloo

Rahim Bhaloo
Chief Executive Officer

May 23th, 2024

"I have the authority to bind Pesorama Inc, Pesorama, Holdings"