

FY2022

ESR

REPORT



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ABOUT THIS REPORT

This report covers our 2022 fiscal year (FY2022 – September 1, 2021, to August 31, 2022). Unless otherwise noted, the data included in the report reflects this time period.

The information in this report covers PriceSmart's operations in the United States (our San Diego and Miami offices as well as the Miami Distribution Center) and the 12 countries and one U.S. territory in which the company operates: Aruba; Barbados; Colombia; Costa Rica; Dominican Republic; El Salvador; Guatemala; Honduras; Jamaica; Nicaragua; Panama; Trinidad and United States Virgin Islands.

Although the content of this report has been prepared using the Global Reporting Initiative (GRI) Standards as a guideline, it is not in accordance with the GRI Standards. No external

assurance has been sought specifically for this report. We have no restatements to disclose. Additional resources related to our ESG reporting may be found at <https://investors.pricemart.com/esg>. In addition, we are reporting selected SASB disclosures for the Multiline and Specialty Retailers & Distributors and the Food Retailers & Distributors standards.

In keeping with our commitment to communicate openly with our stakeholders, we welcome your feedback. Please direct any comments or questions regarding the content of this report to PriceSmart's investor relations team at ir@pricemart.com.



MESSAGE FROM OUR CEO

Dear Stakeholders,

This is our second environmental and social responsibility (ESR) report, and we are pleased to share our accomplishments with our employees, Members, investors, vendors, and the communities in which we live and work.

The same values and principles that drive the environmental, social, and governance (ESG) movement have always been dominant themes at PriceSmart, and we have been engaged in these issues from the beginning.

We've always considered it good business to invest in our employees, our communities, and the countries in which we operate – and we view these actions as investments in the long-term sustainability of the company that will improve returns to our shareholders.

Our business activities inform our ESR efforts, and our ESR goals guide our business activities. We approach ESR by applying the same principles we use to run a successful company – reducing or eliminating inefficiencies and leveraging our resources to yield the greatest value. At the same time, the potential social and environmental impacts are part of the conversation regarding each business decision.

This has perhaps been the most notable outcome of the formalization of our ESR efforts. Taking a more intentional, disciplined approach has made us more conscious of opportunities and helped us find ways to maximize our positive impacts and minimize negative environmental and social externalities.

In seeking to deliver value for our Members and create opportunities for our employees, we have also served as a model for our peers. We will continue to lead in our markets by offering fair pricing, excellent value, and putting the wellbeing of our employees, Members, and communities first.

Thank you for your interest in our ESR journey, and I look forward to sharing the details of further progress in these areas with you in future reports.

Robert Price

Chairman of the Board of Directors & Interim CEO
PriceSmart, Inc.

MESSAGE FROM OUR ESR TEAM

PriceSmart's Environmental and Social Responsibility team is tasked with working directly with all areas of the company in the assessment and establishment of the company's purpose, values, strategies, policies, and goals related to ESG topics.

One of the things that makes PriceSmart unique is that although we are a U.S. company, most of our employees and business activities are outside the U.S. – predominantly in developing countries in Latin America and the Caribbean, many of which are facing significant challenges due to climate change, political instability, and socioeconomic inequality.

We are keenly aware that most of our employees and all of our Members live in these countries and face these challenges, and that is a big part of why we are so deeply committed to ESR. PriceSmart's success depends on supporting Members and employees – as well as the countries in which we operate – to not only navigate these challenges but to thrive.

One of our fundamental beliefs is that companies can and should be a force for good in the world, over and above their fiduciary responsibility to generate value for investors. We work to ensure PriceSmart is seen as trustworthy, a reliable employer, and a responsible neighbor in the communities where we have clubs.

Like all organizations, our resources are limited. We know we can't do everything everywhere, as much as we would like to. Our focus is on analyzing various needs and gaps in the countries and regions where we operate,

assessing our strengths and capabilities, and identifying the ways in which we can have the greatest impact. We seek to be strategic and thoughtful in our work, targeting areas where we have resources on the ground, and where we feel like we can make a difference.

We are proud that in FY2022, we made meaningful progress in several areas related to ESR. As described in greater detail in this report, we made significant philanthropic contributions, supported workforce development programs, improved our use of renewable energy, and undertook efforts to further reduce waste and increase access to recycling for our Members as well as the surrounding community.

PriceSmart has always strived to be a company that puts people first and is mindful of how its activities affect the world. This emphasis has become more explicit at all levels of the organization, and we are now seeking not only to expand our efforts and play a leadership role in the region, but also to amplify our impacts by leveraging strategic partnerships with other like-minded actors.

As we move forward with our ESR program, we will strive for continuous improvement, particularly in areas related to energy, water, and waste. We welcome your ideas and invite you to participate in our efforts to become more sustainable. If you have suggestions for ways in which we can improve our environmental, social or governance activities, please contact us at ir@pricesmart.com.



David Price
Executive Vice President
& Chief of Staff



Brud Drachman
Executive Vice President
Environmental Responsibility -
Construction & Facilities

PRICESMART AT-A-GLANCE



Founded in 1997



More than 10,000 employees

2,977 new full-time hires in FY2022

1,234 net new employees



Largest operator of membership warehouse clubs in Central America, the Caribbean, and Colombia



Products that originate from more than 100 countries



\$4.1B. total revenue for FY2022

50 clubs serving more than 1.76 million accounts across 12 countries and one U.S. territory



Three new clubs were opened in FY2022: Portmore, Jamaica; Floridablanca, Colombia; and Aranda, Guatemala.

Two new clubs are planned for 2023: El Poblado in Medellin, Colombia and San Miguel, El Salvador.



51% of our merchandise was sourced from local vendors.



The rooftop solar panels on 42 of our 50 clubs generated 22,925 MWh of clean power from the sun.

As of FY2023, we have 45 systems installed – this reflects the addition of three additional systems installed as part of the construction of three new clubs.



85 tons of solid waste was diverted from landfills or improper disposal thanks to the recycling kiosk at our club in San Pedro Sula, Honduras.

PriceSmart's FY2022 ESR Snapshot

COMPANY OVERVIEW

PriceSmart exists to enhance the lives of our Members, our employees, and our communities by delivering high-quality merchandise and services at the lowest possible prices. Our mission is to serve as a model company that operates profitably and responsibly while providing good returns to our investors.

PriceSmart's 50 warehouse clubs in 12 countries and one U.S. territory support our Members and their businesses by providing products sourced from around the world in safe, U.S.-style clubs and through [PriceSmart.com](https://www.priceright.com).



Who We Are: Our Mission, Vision, and Values

PriceSmart is the largest operator of membership warehouse clubs in Central America, the Caribbean, and Colombia, serving 1.76 million accounts. We seek to set the standard for our peers in terms of our ESG performance, and to serve as a change agent driving transformative progress in how companies in the region address environmental, social, and governance issues.

We drive membership value through a carefully curated selection of merchandise that is sourced both globally and locally and leverages the strength of our supply chain and purchasing power.

OUR MISSION:

To provide all Members an outstanding shopping experience with high-quality, exciting merchandise and services at the lowest possible prices.

OUR VISION:

To be the most trusted source for high-quality merchandise and services in the markets we serve.

OUR VALUES:



Integrity

Always do the right thing



Continuous Improvement

Make things better every day



Respect

Treat co-workers, suppliers, and Members the way you want to be treated



Accountability

Deliver on commitments you make to your team and the company



Passion

Value all aspects of our work while putting Members first



Community

Support and improve the communities we serve





- ★ Corporate headquarters
- ★ Corporate offices and primary distribution center
- 📍 Countries with PriceSmart Clubs
- ✔ New in FY2022:
 - Floridablanca, Colombia
 - Aranda, Guatemala
 - Portmore, Jamaica

PriceSmart Clubs

Country/Territory	Number of Clubs
Colombia	9
Costa Rica	8
Panama	7
Dominican Republic	5
Guatemala	5
Trinidad	4
Honduras	3
El Salvador	2
Jamaica	2
Nicaragua	2
Aruba	1
Barbados	1
U.S. Virgin Islands	1
Total	50

In FY2022, PriceSmart had 50 warehouse clubs in 12 countries and one U.S. territory.

Growth Strategy

As we look to the future, PriceSmart is focused on three major drivers of growth:

- Expanding our real estate footprint with new clubs and distribution facilities
- Increasing membership value
- Driving incremental sales via PriceSmart.com and enhanced online, digital, and technological capabilities

1 Expanding our real estate footprint with new clubs and distribution facilities. We continue to seek opportunities to expand our geographic footprint for brick-and-mortar warehouse clubs, to actively pursue club growth in our markets, and to evaluate opportunities in new markets. Our growth strategy, as it pertains to real estate, includes physical distribution centers of various types to support the flow of merchandise from the supplier to the Member, be that through sales generated at our clubs or through PriceSmart.com. Also, the need for supply chain optionality in today's world has proven essential. Therefore, we plan to make appropriate investments in our distribution network to maximize efficiencies, minimize supply chain disruption, maximize the efficient use of limited space in our warehouse clubs, and to provide optimal support for a growing e-commerce business.

2 Increasing membership value. We seek to attract more Members and retain our current Members by expanding the benefits of being a Member of PriceSmart through sales, services, and convenience. As benefits grow and the value of being a PriceSmart Member increases, adjustments to the membership fee may be warranted. A larger membership base and higher membership fee contribute to the bottom line of the business. We focus on growth of our membership base, Member renewal rates, and spend per Member as part of how we determine how Members see our value. By adding more benefits that Members can only obtain with us, we expect to see growth in the number of Members, which drives membership income and merchandise sales.

3 Driving incremental sales via PriceSmart.com and enhanced online, digital, and technological capabilities. We recognize the growing expectation of consumers in our markets for convenience. As a result, we continue to improve the functionality and content of PriceSmart.com and to expand our product offerings available online. We also build and apply technological tools to continue to learn more about, and strengthen our relationships with, each of our Members. We believe that the use of data analytics has enabled us to provide our Members with enhancements to the membership experience.

For more information visit our 10-K Annual Report at <https://investors.pricesmart.com/financial-information/sec-filings>.



OUR PEOPLE

At PriceSmart, we aspire to be a leading employer. In addition to providing our team members with good jobs, fair wages, industry-leading benefits, and opportunities for growth, we also seek to be an organization worthy of our employees' trust and pride.

In keeping with our commitment to be a socially responsible company, we are dedicated to upholding the principles of diversity, equity, and inclusion. Much of our day-to-day work to promote diversity, equity, and inclusion within the company reflects our longstanding values and practices, which we look forward to formalizing in the near future. In FY2022, we made important advances in several areas. These efforts benefit our team members as well as the company overall and make us stronger and more competitive.



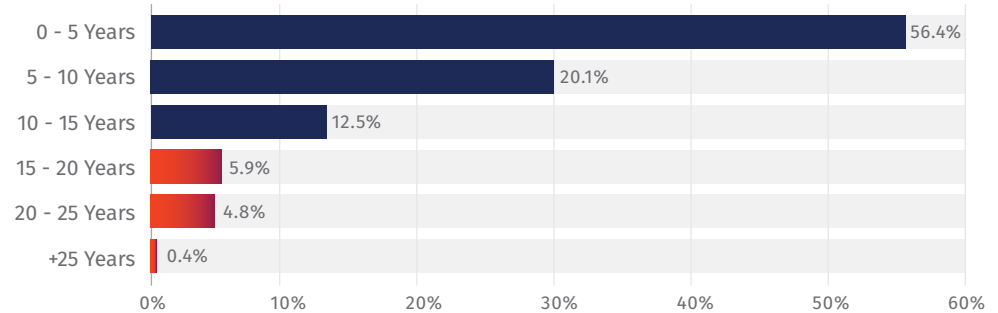
Charting a path toward continued success

In FY2022, we began implementation of a formal talent mapping and succession planning initiative, which will improve the resiliency and long-term sustainability of the company. The initiative builds upon a longstanding practice of promoting team members from within, which is reflected in the high share of PriceSmart employees – nearly 24% – who have been with the company for 10 years or more.

To support our ability to continue to attract and retain top talent, in FY2022 we elevated our commitment to providing industry-leading compensation and benefits by establishing a center of expertise around this topic and creating a position specifically dedicated to it. A major outcome of these changes was the creation of four new job levels within our internal hierarchy. In addition to better aligning PriceSmart with the market, the restructuring also benefits employees by giving them more opportunities to advance in the organization, and more time to hone their managerial skills as they advance.

A related initiative that began in FY2022 is our Women's Leadership training program, which provides instruction and coaching to help senior management-level female employees advance their careers and pursue leadership positions. Participants are matched with sponsors who support their development and advancement by engaging in dialogue about how to practice leadership behaviors on the job. Participants also work with external advisors, a group of senior executives, and board members who serve as active role models and provide situational coaching to the participant.

Employee Tenure at PriceSmart



SUPPORTING FUTURE GROWTH WITH EXTENSIVE TRAINING AND DEVELOPMENT

With more than 10,000 employees across 13 countries and one U.S. territory fulfilling a wide range of job responsibilities, our team's training and development needs are extensive and varied. To address this, we have created several training and education delivery programs which are managed by different departments and tailored to the unique needs of each country and situation. All PriceSmart employees benefit from training and development opportunities throughout the year to expand their knowledge of topics that are directly related to the business.

Our e-learning courses are developed based on topics identified by leadership, and then customized to the specific needs of the business or individual departments. Many of the e-learning courses we offer are provided via LinkedIn Learning Pro, which offers high impact on-demand content delivered by professionals who are experts in their respective fields. These courses are included in the learning paths assigned to each employee participating in the program and can be downloaded for easy access on any device at any time. In addition, in FY2022 we began offering all employees the opportunity to participate in voluntary webinars on other important topics such as wellness and emotional intelligence.

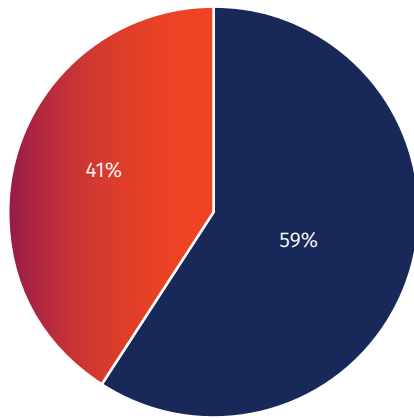
Connecting the PriceSmart family

In FY2022, we made a decision to extend company emails to all employees across the PriceSmart organization. This initiative will help ensure that every employee has access to important information from the company and will also help support training and development of our workforce.



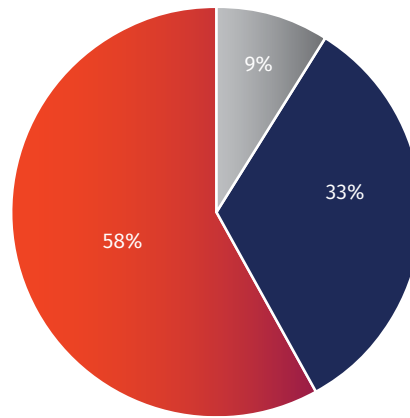
Selected Employee Demographics

PriceSmart — All Employees



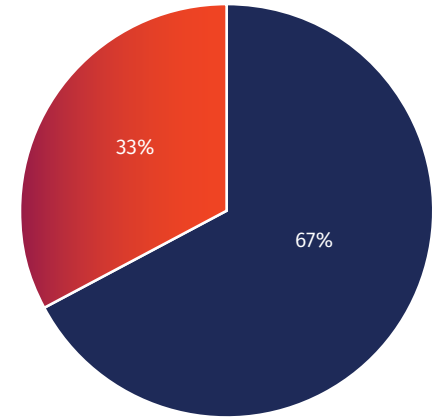
● Female ● Male

PriceSmart — Employees by Age Group



● Under 30 ● Between 30-50 ● Over 50

PriceSmart Executives



● Female ● Male

It's official: PriceSmart has been certified as a **Most Loved Workplace**®!

We are proud to announce that PriceSmart's U.S. operations have been **certified as a Most Loved Workplace**®. The **Most Loved Workplace**® certification is recognized worldwide by employees and employers and is a global benchmark for identifying and recognizing exceptional employee experience.

PriceSmart became certified as a **Most Loved Workplace**® based on its scores on the Love of Workplace Index™, which surveyed U.S. employees on various elements around employee satisfaction and sentiment, including the level of respect, collaboration, support, and sense of belonging they feel inside the company.

This year, 89.3% of our U.S. employees said PriceSmart is a great place to work, 1.2 points higher than the average U.S. company. This certification says a lot about our team members and our company culture!

We are thrilled that our U.S. employees have agreed that we deserve this designation, and there is no way we could have achieved it without their hard work, dedication, and positivity. Our vibrant culture is built on our core values, and we believe that **we are stronger together.**



Creating a culture of safety across PriceSmart

At PriceSmart, our safety department is committed to ensuring the safety of our employees and Members. We maintain the same rigorous safety practices and programs across all our clubs. In FY2022, we established a Corporate Safety Committee composed of senior leadership from all departments. The committee meets twice a year and is responsible for evaluating and improving safety performance throughout the organization. In addition to the Corporate Safety Committee and our safety department, each club maintains a safety committee composed of employees responsible for implementing safety programs and managing occupational health and safety issues.

One notable activity proposed by PriceSmart's Corporate Safety Integrated Systems Department and approved by our Corporate Safety Committee in FY2022 was the engagement of a third-party provider to conduct comprehensive safety risk analysis of our entire operation at three clubs in three different countries. The risk analysis yielded a list of opportunities for improvement in our programs and job requirements and will inform the safety department's FY2023 workplan.

PRICESMART'S APPROACH TO FOOD SAFETY

The safety of our Members is a top priority at PriceSmart, and this is especially true when it comes to the foods we prepare and sell in our clubs. We apply the same strict level of food safety standards in all our clubs. Our rigorous food safety program includes:

- A commitment to food safety across our organization, which is supported by our Corporate Safety Integrated Systems Department and Corporate Food Safety Strategy
- An organization-wide Food Safety Policy that is applicable wherever food products are stored, handled, or processed
- A dedicated Food Safety Committee composed of senior management representatives from key areas
- An industry-leading, in-house microbiological sampling program to ensure that we are meeting the highest standards of food safety performance on an ongoing basis
- Frequent third-party audits of each club that focus on specific aspects of food safety
- As part of our integrated annual audits, internal food safety audits to review our programs and practices
- Inspections, performed by trained and certified inspectors, of local food vendors based in Central and South America and the Caribbean
- Extensive training for team members involved in food preparation, including certification from the U.S.-based National Registry of Food Safety Professionals for managers and supervisors



Supporting our team members with safety training

We leverage our e-learning system to provide job-appropriate safety training to all our employees. Our food preparation employees receive additional training on food safety through the e-learning system as well as online group training sessions.

SAFETY TRAINING SESSIONS

FY2019	FY2020	FY2021	FY2022
17,163	10,632	21,290	15,151

FOOD SAFETY TRAINING SESSIONS

FY2019	FY2020	FY2021	FY2022
1,498	1,199	940	4,153



Self-performing vendor food safety audits

In FY2022, we significantly expanded our in-house food safety vendor audit program, which verifies that local suppliers of food products such as meat, poultry and produce meet PriceSmart’s high standards for food safety.

Launched in FY2021, this program is executed by our highly skilled in-country teams, which are composed of PriceSmart employees who undergo rigorous training that includes both third-party as well as internal instruction, in addition to opportunities for new team members to “shadow” their more experienced colleagues. Several PriceSmart employees have completed the program, and in FY2022 we performed 62 audits.

In addition to providing us with greater control over audits, the program has also enabled us to include a diverse range of team members such as buyers and club associates in the training and audit processes, thereby strengthening our organizational knowledge and capacity. In addition, bringing this critical function in-house has delivered significant cost savings.

OUR SOCIAL IMPACTS

Corporate Citizenship

PriceSmart Foundation: Investing to create economic opportunity, support youth development, and build community resilience

Established in 2022, PriceSmart Foundation is an independent non-profit foundation that works to create an environment of opportunity and access for communities in regions where PriceSmart operates its business.

The Foundation's efforts focus on:

- ▶ Youth-oriented social and educational development
- ▶ Inclusive economic development
- ▶ Community resilience, including:
 - Humanitarian assistance in response to natural disasters and other crises
 - Investments to help communities adapt to climate change

The Foundation's independence enables it to partner with other organizations throughout the Americas and the Caribbean.





Community Contributions

In FY2022, PriceSmart, Inc. and PriceSmart Foundation together committed funding of more than US\$1 million to worthy causes across ten countries in the region, as well as in the U.S. These funds were directed toward disaster relief, youth development, economic opportunity, education, and environmental and community resilience.



PriceSmart volunteers helped make school supply kits for donation to students in Barbados, in partnership with the Sandals Foundation and with support from Price Philanthropies Foundation.

Price Philanthropies: Envisioning equitable access to learning

PRICE
PHILANTHROPIES



Good vision is essential for children to be able to learn in school, yet many low-income students don't have access to vision testing or corrective eyewear. Since 2019, Price Philanthropies has provided financial support to [Vision To Learn](#), a non-profit organization that gives free eye exams and glasses to children in underserved communities across the U.S.

Drawing inspiration from the impact of Vision To Learn's work, in 2021 PriceSmart founder and Price Philanthropies chair Robert Price sought to leverage the expansion of optical centers across most of our clubs to launch a similar program called "Aprender y Crecer Vision" in communities that host PriceSmart clubs.

In FY2022, we initiated a vision screening program that we anticipate will reach more than 30,400 students at the [53 schools](#) in the Aprender y Crecer Vision program in Costa Rica by the end of FY2024. In FY2023, we plan to launch the program in the Dominican Republic, reaching more than 16,600 students by the end of the school year, after which we hope to extend the program to other countries. The entire program is free of charge to children and their families, and takes place at school, making participation easy and convenient. Children who need corrective eyewear get to choose their frames and receive their new glasses in a matter of weeks, along with guidance in adjusting to wearing glasses and instructions on how to care for them. The eye exams are performed by PriceSmart optometrists and Price Philanthropies purchases the glasses from our optical centers.

The benefits of being able to see properly extend far beyond simply helping children access the material presented by their teachers. Approximately 25-30% of children need vision correction, and undiagnosed vision problems often manifest in [behavioral issues](#) including anxiety, a lack of confidence, and disruptive actions in class that interrupt other students' learning. A [2021 study](#) by Johns Hopkins University found that giving glasses to children who need them can quickly result in gains equivalent to an additional four to six months of learning.

Students from the Escuela Central San Sebastián in Costa Rica describe the experience of receiving their new glasses in July 2022:



My parents and siblings told me the glasses were very cute. I wear them all day, even in the park or to take a walk.

Cristel Duran, first grade



I have never worn glasses or had an eye exam before, but I liked the experience. I was very excited about my new glasses because I knew I was going to see better, and I wouldn't have to strain my eyes. It's easier to read books, and I can also see the blackboard very well now!

Yelani Michel Mora, fourth grade



I'm very grateful for my glasses because I see better now. Before I wore glasses, I couldn't see anything when my teacher was writing on the blackboard!

Julian Perez Aguilar, fourth grade



Together for Education Campaign



Since 2007, PriceSmart has sponsored an annual fundraising campaign, “Together for Education,” to benefit Aprender y Crecer. By the end of FY2022, the campaign had collected more than \$14,000,000 from PriceSmart members and over \$5,500,000 in matching funds from Price Philanthropies Foundation. These funds allow Aprender y Crecer

to continue supporting public education, giving back to the communities where PriceSmart clubs operate. The monies are invested in expanding the program to more schools and providing additional equipment, such as valuable collections of children’s literature, educational games for all ages, high-quality educational materials, and classroom furniture.



School supplies and materials for students and teachers



Children’s literature



Sports equipment for the school



Teaching materials



Cleaning supplies



Professional development

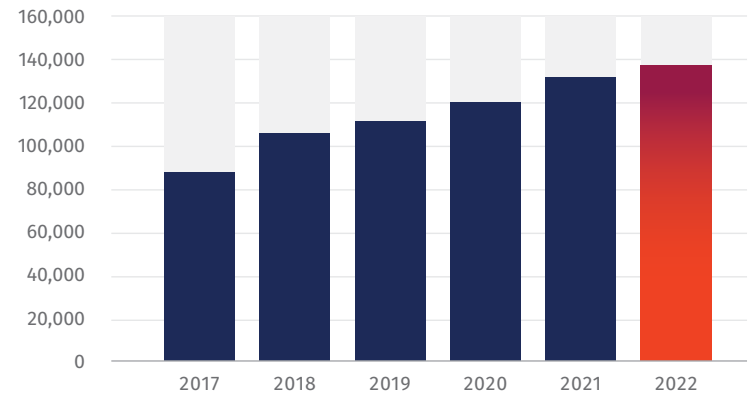
Matching Member generosity to benefit schoolchildren

Aprender y Crecer supports public education in Latin America and the Caribbean. Since 2006, the program has created partnerships with committed schools to support learning in a variety of ways. Funded by donations from PriceSmart Members and matching contributions from Price Philanthropies, Aprender y Crecer has raised nearly \$20 million since its inception.

WHERE WE WORK

In FY2022, Aprender y Crecer reached 135,827 students and 6,700 teachers at 254 public schools in eight countries across Latin America and the Caribbean.

Aprender y Crecer Students



Fostering inclusive economic development in Northern Central America

Northern Central America – comprised of Guatemala, El Salvador, and Honduras¹ – is a region characterized by economic, social and political challenges, a situation further exacerbated in recent years by devastating natural disasters. PriceSmart is committed to supporting efforts to stabilize local economies and improve area residents' quality of life by supporting community-based organizations, engaging in regional initiatives, and playing a leadership role in developing solutions that will bring meaningful change. In [December 2021](#), PriceSmart responded to the White House's [Call to Action](#) to encourage private sector commitments and investment in Central America and joined the [Partnership for Central America](#).



Engaging in regional dialogue

PriceSmart co-sponsored and attended the June 2022 [Summit of the Americas](#) in Los Angeles, which centered around the theme of mapping a route toward a sustainable, resilient, and equitable future. PriceSmart's then-CEO and the President of the PriceSmart Foundation both attended the event, and our then-CEO led a session on regional collaboration, which included the Presidents of the Dominican Republic, Costa Rica, and Panama.



Sherry Bahrambeygui, PriceSmart's CEO from 2019-2022, participates in a panel at the Summit. Copyright Ian Wagreich. Courtesy U.S. Chamber of Commerce.

Investing in economic stability in Northern Central America through women-owned businesses

Creating opportunities for women entrepreneurs in Central America and the Caribbean is vital to the economic growth and development of the region. According to the IFC, "Female entrepreneurs help sustain job creation and economic growth through a high personal-savings rate and by using most of their income to pay for health care, nutrition, and education." The Partnership for Central America reports that "every dollar of investment into women-owned startups here generates 78 cents compared to 31 cents for men, and women reinvest as much as 90% of their incomes back into their communities."



Developing the next generation of female business leaders

In partnership with USAID, MasterCard, and Cargill, PriceSmart is providing funding for the Women's Business Growth Initiative (WBGI), a program at [INCAE](#), Central America's premier business school, that is part of the Guatemala Entrepreneurship Development Initiative ([GEDI](#)). The WBGI will help women-led small and medium enterprises (SMEs) in [Honduras](#) and [Guatemala](#) gain access to markets and capital to grow their businesses and support job creation, thus enhancing economic prospects for themselves, and their communities.

In 2022, PriceSmart collaborated with these partners to [sponsor](#) the participation of 80 Guatemalan women and 40 Honduran women with SMEs in the WBGI program. In addition to co-funding the program, we're also sharing our expertise and vendor guidance with the female entrepreneurs, thereby creating the possibility they can someday become suppliers to large international companies, including PriceSmart.

The Guatemala Entrepreneurship Development Initiative

As part of its strategy to address irregular migration, in 2021, USAID launched GEDI, an alliance that brings local and international private sector partners together "to scale technology-driven, market-led solutions to critical development challenges throughout the country."

With more than 22 years of operations in Guatemala, as well as 2,000 employees and 700,000 Members in northern Central America, PriceSmart has deep roots in the country and is proud to collaborate with GEDI, which is expected to assist at least 500 entrepreneurs with business support services to help them grow and create jobs in areas of high out-migration.



In Her Hands

PriceSmart is proud to be a founding member of [In Her Hands](#), a women's economic empowerment initiative launched in June, 2022 by U.S. Vice President Harris and the Partnership for Central America. By 2030, PCA aims to support and provide opportunities for 5 million women across Guatemala, El Salvador, and Honduras through job creation, technical skilling, financial inclusion, textiles and apparel, and agricultural regeneration programs to pave the paths for the next generation of leaders. Creating and supporting opportunities for women across Northern Central America is fundamental to addressing challenges to investment in the region through driving immediate impact for the formal economy, creating a sustainable system of support, increasing economic productivity and supply chain resilience, and mitigating critical procurement risks.



Helping women-owned businesses access new customers through “road shows”

PriceSmart’s “road show” program provides local small businesses the opportunity to access a much bigger pool of potential customers by showcasing their products in PriceSmart’s clubs. Small businesses that meet PriceSmart’s vendor qualifications are given the opportunity to install a mobile in-club kiosk from which they can market and sell their product to Members.

In November 2021, PriceSmart was proud to participate in a women’s business fair sponsored by USAID and the Palladium Group in which more than 47 women-owned businesses in Guatemala presented their products to potential retailers and distributors. As a result, several of the women entrepreneurs have already done business with PriceSmart through our “road show” initiative.



Workforce development programs for at-risk youth

CADERH is a Honduras-based non-profit organization that “identifies human talent and turns it into success.” CADERH focuses on underprivileged or at-risk youth and provides training programs and workforce development services to equip young people with skills they can use to support themselves and their families.

In FY2022, [Price Philanthropies](#) provided financial support to CADERH and worked with them to develop training programs for refrigeration technicians, bakery and pastry makers, and sales and inventory managers, skillsets identified by PriceSmart as ongoing needs. As part of the 12-month program, over 100 students will have completed training and internships in their focus areas, including nearly 50 who did their internships at PriceSmart’s clubs in Tegucigalpa and San Pedro Sula. Upon completing their program, graduates receive assistance finding jobs with local businesses (including PriceSmart), setting them on a path to develop their careers and achieve greater economic security for them and their families.

29-year-old Keily Rodríguez and 18-year-old Yankel Dickerman both participated in CADERH’s Refrigeration and Air Conditioning training program, after which they completed internships at PriceSmart’s clubs in San Pedro Sula and Tegucigalpa, respectively.



“This course gave me self-confidence and the knowledge that women are capable of leading activities that others may not think we can. The advice I would give to any woman is to believe in herself – we are capable of doing jobs that have traditionally been held by men!”

Keily (pictured at center) is now employed full-time in the maintenance department of a local textile business.

PriceSmart and CADERH have given us an excellent opportunity to work in something new and continue learning. Opportunities like this to be a better person and professional do not appear twice in life, and you must know how to take advantage of them.

Yankel (at left, receiving his program certificate) is currently working as a maintenance contractor for PriceSmart while continuing his university studies.



Reducing waste and helping those in need

At PriceSmart, we're committed to being good neighbors and supporting the communities where we live and work. Over the years, many of our clubs have donated excess food supplies on an ad hoc basis, thereby reducing waste and helping those in need.

In FY2022, we took the first steps toward making this a formal, company-wide program by launching a major initiative to partner with local food banks through the [Global FoodBanking Network \(GFN\)](#), an international NGO whose mission is to nourish the world's hungry through uniting and advancing food banks.

Active since 2007, GFN has a robust system of controls in place to ensure that donors can have confidence that food banks in GFN's network are legitimate and well-run. GFN's size also ensures that they are equipped to handle the large volume of donations we hope to provide. GFN is active in eight countries where PriceSmart has clubs – Colombia, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, and Panama.

In FY2022 we conducted a series of site visits in Costa Rica and Guatemala and initiated our first donations in these two markets in early September 2022. In FY2023, we hope to conduct site visits and begin scheduling donations in the remaining countries listed above. During the first phase of this initiative, we will focus on donating bakery and produce items, although we may expand to include other items in the future.

A major component of the program will be raising awareness among our club managers and associates about this new partnership with GFN and how they can help divert products from the waste stream to benefit those in need. While we seek to minimize overproduction and overstocking, there will always be bakery and produce items that, although they no longer meet our high standards for the products we sell to Members, nevertheless still have significant nutritional value and can help fight hunger.



PriceSmart employees and Banco de Alimentos Guatemala staff assisting with the first donation in Guatemala.



OUR ENVIRONMENTAL IMPACTS

Partnering to reduce plastic pollution

Plastics are essential to many aspects of modern life – but in just a few decades, they have also become one of the world’s most devastating sources of pollution. At PriceSmart, we are committed to addressing the plastic problem in several ways, including:

- ▶ Seeking to minimize the overall plastic content in the products we sell
- ▶ Seeking to increase the recycled or post-consumer plastic content in the products we sell
- ▶ Promoting recycling
- ▶ Replacing plastics with eco-friendly alternatives



Sustainable Solutions bioplastic manufacturing

In FY2022, we retrofitted an existing warehouse in Trinidad and Tobago to create our Sustainable Solutions Manufacturing facility where we will begin producing bioplastic packaging in early FY2023. The facility uses certified home-compostable and recycled PET (polyethylene terephthalate) resin to produce semi-rigid trays, bakery packaging, and food service items that will be used in our clubs, beginning with meat, chicken, and fish trays. The eco-friendly trays will be suitable for home composting, simplifying their disposal. We anticipate that by the end of 2023, the majority of trays used in our clubs will be made from bioplastics and be sourced from the Sustainable Solutions Manufacturing facility, and some of our bakery and food service items will utilize clear plastic domes and covers made at the facility from 100% recycled PET.



Transforming lives by creating circular eco-economies

Recycling is critical to reducing waste, yet many of the countries in which PriceSmart operates do not have the infrastructure necessary to support recycling programs. With facilities in San Pedro Sula, Honduras, and San Salvador, El Salvador, Invema is Central America’s largest recycler, and the company is dedicated to using recycling to create environmental, economic, and social benefits.

In FY2022, PriceSmart partnered with Invema to host a recycling kiosk in the parking lot of our club in San Pedro Sula. Two recycling centers were opened at our Tegucigalpa, Honduras clubs in October 2022. The colorful, artistically designed kiosks are open to all, and provide a convenient way for community members to recycle a wide range of everyday items, from bottles, cans, and cardboard to batteries, e-waste, and scrap metal. They are also 100% solar powered!

Following the success of the kiosks at our stores in Honduras, in FY2023 we hope to significantly increase this to as many as 30 kiosks at clubs in several more countries.

Fighting poverty by protecting the environment

Invema estimates that its operations benefit up to 800,000 men and women across its collection network. The income these individuals earn helps support their families and communities – a vital lifeline in countries where some 50% of the population lives in poverty, the highest rates in Central America.



Discarded bottles and cans don’t have to be an environmental problem. On the contrary, they’re a solution to help address poverty!

George Gatlin, CEO, Invema



Reducing our impacts through energy efficiency

At PriceSmart, we recognize that maximizing the energy efficiency of our operations offers one of the best opportunities to reduce our environmental impacts. We continue to look for ways to further reduce our energy usage. We are also proactive in educating our employees about ways they can help conserve energy. Refrigeration represents the largest portion of electricity use in our clubs, and as such, stocking the freezers and refrigerated display cases presents one of the biggest opportunities to waste – or save – energy. Each of our stocking associates receives guidance in procedures designed to maximize the efficiency with which they retrieve items from cold storage areas and move them to the club floor.

Teaming up to protect forests in Colombia, Guatemala, and Panama

For Earth Day 2022, PriceSmart partnered with P&G to launch the “Happy Earth” campaign, donating funds to support the planting of more than 12,500 trees to The Nature Conservancy to restore critical areas of forest in Guatemala and Colombia, as well as ANCON’s initiative to plant 2,000 trees to help regrow degraded areas of the protected forests in the Panama Canal watershed. The donations are part of a commitment to find opportunities to invest in efforts to support climate resiliency, including natural solutions such as reforestation. In addition, PriceSmart’s buyers are pursuing sourcing of products that utilize materials from sustainably managed forests. In doing so, we’re strengthening the climate resiliency of our communities while also supporting regional economic development.



Sustainably powering our operations with the sun

At the end of FY2022, 42 of our 50 existing clubs have rooftop solar arrays, and solar is considered in the design of any new clubs. In FY2022, we constructed three new clubs with rooftop solar: Portmore, Jamaica; Floridablanca, Colombia; and Aranda, Guatemala. In addition, we installed solar on seven existing clubs: San Cristobal, Guatemala; Usaquén, Colombia; Metro Park, Panamá; Florencia and El Sauce, Honduras; and Santa Elena and Metro Centro, El Salvador. In FY2023, we plan to construct two more clubs – in El Poblado, Medellín, Colombia, and San Miguel, El Salvador – which will add more capacity to our growing solar portfolio.

Year	Total Solar MWh Generated
FY2019	9,953
FY2020	14,983
FY2021	18,123
FY2022	22,925

PriceSmart’s Energy Committee

In FY2022, we re-established our energy committee, which is composed of more than 80 members of the PriceSmart team from all levels of the organization. The committee meets quarterly to discuss the company’s energy-related programs and initiatives, ensure that they are being implemented, and track progress. The committee also provides managers and employees with guidance regarding best practices to reduce energy consumption in our clubs and across the PriceSmart organization.

In FY2023, the committee will work to advance company-wide energy goals, integrate these goals into our operational vision, and track and share progress company-wide, in addition to exploring opportunities to reduce energy usage and expenditures on a club-by-club basis. We are also exploring the use of incentives and rewards to encourage all employees to pursue energy efficiency and conservation.



OUR SUPPLY CHAIN

Delivering the best for our Members

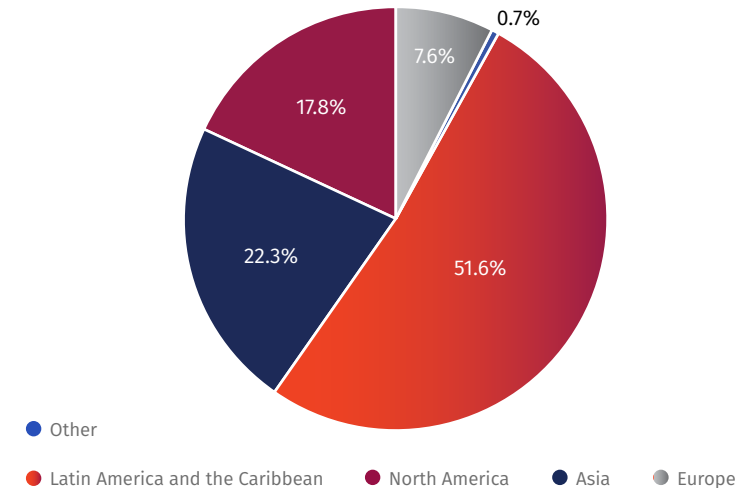
Operating responsibly and ethically has been embedded in our organization since PriceSmart was founded in 1997. As we enter our second year of formal ESR reporting, we are creating programs and policies to formalize longstanding practices that are part of our culture. With more than 1.76 million accounts and Members who purchase millions of items each year, we understand that the choices we make regarding the products we sell are one of our biggest areas of impact. In FY2022, we expanded several existing programs that help improve the sustainability of our operations, as well as launching new ones.

We offer our Members a vast selection of high-quality items from more than 100 countries. More than half of the products we sell originate from countries in Latin America or the Caribbean. Approximately 18% of the products we sell originate from North America, and approximately 22% come from various countries in Asia.

Our vendor agreements require our suppliers to comply with all applicable local, national and international laws, as well as the Foreign Corrupt Practices Act (FCPA). In addition, we maintain a zero-tolerance policy for human trafficking and the use of forced and child labor. Our vendor agreements require our suppliers to represent that they have evaluated their own supply chains as well as the supply chains of their subcontractors to ensure that they are free of human trafficking, forced and child labor, and that they provide their employees and management with training on human trafficking, forced and child labor.



Sources of PriceSmart's Products in FY2022, by Region



Member's Selection

Member's Selection is our line of private label products. At the end of FY2022, we offered more than 500 Member's Selection products across our clubs, a number that increases by 120-180 items each year. Our vision is that our Member's Selection products will continue to be an important driver of our sustainability because they offer us greater flexibility and control over our sourcing and supply chain. While the vast majority of our private label products are food, we are exploring opportunities to improve the sustainability of our "softlines" – predominantly textiles – by increasing the percentage of organic and/or recycled or post-consumer content they contain. In addition, we are also looking for ways to nearshore more of our overall supply chain.

AUDITING FOR EXCELLENCE

To be accepted as a supplier of Member's Selection products, vendors must undergo an audit of their facilities to ensure they meet our high standards. The approval process for new suppliers is rigorous and typically takes up to one year. In addition, regular inspections may be conducted, either by PriceSmart team members or trusted third-party entities, and may involve laboratory testing to validate compliance with expected quality and formulations.





Farming for a sustainable future

2022 marked the fourth anniversary of our Direct Farm Program, which stands on three pillars: social responsibility, economic responsibility, and environmental responsibility. The program seeks to strengthen communities by supporting rural economic development and small- to medium-size farmers – many of whom are women – with consistent and reliable income. By enhancing agricultural productivity and conserving natural resources like soil and water quality, we help build a legacy for the future.

DISTRIBUTING QUALITY FROM OUR PDCS

In FY2022 we achieved full operation of the Direct Farm Program in the Dominican Republic and Colombia with the opening of PriceSmart produce distribution centers (PDCs) in these countries. PDCs are a cornerstone of our program because they provide an easily accessible delivery point for local farmers, and offer a highly efficient, cost-effective way for us to aggregate, sort, and redistribute local and imported produce to our clubs under our Member's Selection Fresh brand.

Prior to opening a PDC, we first establish a country's farming program, which involves enrolling, educating and training, and then certifying individual farmers – a process that can take from several months to more than two years. In addition to the two PDCs opened in FY2022, we have pre-existing farming programs and PDCs in Costa Rica and Panamá, bringing the total to four countries, with internally certified small- and medium-size farmers.

At the end of FY2022, products from our Direct Farm Program were available in 31 of our 50 clubs, and we hope to expand this to 47 of our 52 clubs by the end of FY2023.

INTERNATIONALLY RECOGNIZED TRAINING AND CERTIFICATION

All of the farmers who participate in our Direct Farm Program undergo training and certification through the Global Food Safety Initiative (GFSI), an internationally recognized program that covers both Good Agricultural Practices (GAP) and Good Manufacturing Practices (GMP).

PriceSmart's Direct Farm Program

Farmers



Fresh Produce

Sustainable Income

PriceSmart's Produce Distribution Center



PriceSmart Clubs

PriceSmart Members



- ▶ Predictable pricing and reliable income for families and communities
- ▶ Training in best practices and education in topics including agronomy, agricultural economics, and food safety
- ▶ Development of sustainable rural agriculture
- ▶ Employment opportunities for women and young people
- ▶ Convenient delivery, avoiding the need to travel into a city

- ▶ Highly efficient
- ▶ Increased control over product quality, food safety, and packaging
- ▶ Lower environmental impact through
 - Reduced vehicular traffic and emissions
 - Reduced food waste
 - Increased use of eco-friendly packaging

- ▶ Fresher, higher-quality produce
- ▶ Lower prices
- ▶ Improved supply chain sustainability
- ▶ Traceability options available on some products

Adding value with VAPP

In FY2022, we acquired a value-added processing plant (VAPP) in Panama, which allows us to vertically integrate a portion of our acquisition process for fresh produce. The VAPP is a state-of-the-art facility that processes and vacuum-packs a range of fresh produce products in accordance with internationally recognized food safety standards.

Importantly, the VAPP also enables us to significantly expand the amount of produce we purchase from participants in our Direct Farm program in Panama. Without the VAPP, our purchases are typically limited to Grade A produce suitable for sale in our clubs. With the VAPP, we are also able to purchase Grade B produce – items that otherwise meet the same high standards as Grade A produce but are outside of the desired size range or cosmetically imperfect – and divert it to other uses, such as peeled and pre-cut fruits and vegetables for prepared foods.

This is highly beneficial to our farmers, who appreciate the ability to sell more of their crops to a single buyer, and highly beneficial to the environment, because it reduces waste. It also represents a diversification of our business, as in addition to providing processed produce items to PriceSmart, the VAPP also sells these items to fast food outlets and fast casual restaurants on a wholesale basis. Following the success of the Panama VAPP, we are exploring opportunities to add VAPPs at our PDCs in other countries.





Charting a course for sustainable seafood with Scripps

In 2019, PriceSmart and Price Philanthropies partnered with UC San Diego's world-renowned Scripps Institute of Oceanography to undertake a baseline assessment of seafood sourcing in our Costa Rican clubs. In 2021 we renewed the partnership, and in FY2022 we launched a three-year program to expand the evaluation to the portfolio of seafood products sold in each of our clubs.

In addition, we also hosted three Scripps-led workshops for our buyers focused on topics that include sustainable aquaculture, understanding the ecological and health implications of wild caught and farm raised seafood, the importance of traceability and transparency in declarations about where product is caught, as well as the many different types of seafood certifications and what they mean.

Participants also received coaching on questions to ask and things to look for when assessing a vendor or source. More than 55 members of our buying and sourcing teams from across our markets attended these workshops and gained important knowledge and skills that will equip them to make more sustainable decisions on behalf of PriceSmart and our members.

We look forward to continuing our partnership with the Scripps Institution of Oceanography and to supporting long-term ocean stewardship.



Spotlight | Improving logistics to reduce costs

PriceSmart seeks to provide our Members with an exciting, varied selection of the best products from all over the world. In recent years, Spain has become an important source of top-quality items including olive oil, olives, cured ham, cheese, and wine, as well as preserved fruits and vegetables. As the demand for these items grew, we sought opportunities to improve the logistics of procuring them in ways that would achieve important efficiencies and cost savings.

In FY2021, we launched a pilot program to test the feasibility of a new route to market. Using a consolidation center in Spain, we grouped items from different suppliers based on their destination and shipped them directly to each country, bypassing our distribution center in Miami.

The pilot proved to be a success and offered substantial benefits. In addition to eliminating one leg of freight and the attendant fuel and labor costs, it also enables us to take advantage of free-trade agreements between the European Union and Latin America. The combination of improved logistics, overall efficiency, and reduced duty charges results in meaningful savings for our Members. Many of the products involved in this program are Member's Selection products, so the cost savings generated further improve the value offered with our private label brand. In FY2022 we expanded the consolidation program and are using this efficient route to deliver items from Spain to our clubs in nine countries, and we're exploring the potential of using this approach with other countries and products.



GOVERNANCE

We believe that sound corporate governance practices promote sustainable growth and mitigate risk. Accordingly, we have sought to assemble a Board of Directors with members who can best perpetuate the success of the business and represent stockholder interests through the exercise of sound judgment using their diversity of experience, expertise, and background. Our Board of Directors includes a mix of entrepreneurs, experienced accounting and legal professionals, academics, and governance experts. Our Board of Directors does not have a policy with respect to the separation of the offices of Chief Executive Officer and Board Chair. It is the Board's view that rather than having a rigid policy, the Board, with the advice and assistance of the Nominating/Corporate Governance Committee, and upon consideration of all relevant factors and circumstances, will determine, as and when appropriate, whether to institute a formal policy. While PriceSmart does not have a specific policy regarding board diversity, in connection with its evaluation of director candidates, our Nominating/Corporate Governance Committee considers diversity of expertise and experience in substantive matters pertaining to our business; diversity of background (including diversity of gender, race and ethnicity); and life experience. The Board of Directors and our Nominating/Corporate Governance Committee are committed to actively seeking highly qualified women and individuals from minority groups to include in the pool from which new candidates are selected. Other governance highlights include:

- ▶ All directors are elected annually;
- ▶ All of our executive officers and outside directors are subject to stock ownership requirements;
- ▶ Independent directors meet in executive session, without other directors or management present, on a periodic basis whenever they deem necessary or appropriate, but no less than twice per year; and
- ▶ Directors are provided with orientation and continuing education opportunities.

PriceSmart has eight standing Committees of the Board – Audit, Compensation and Human Capital, Nominating/Corporate Governance, Executive, Finance, Real Estate, Digital Transformation, and Environmental and Social Responsibility. The Nominating/Corporate Governance Committee oversees most governance issues and the Environmental and Social Responsibility Committee assists the Board in discharging its oversight responsibility related to ESR matters such as climate change impacts, energy and natural resource conservation, environmental and supply chain sustainability, human rights, employee health, safety and well-being, diversity and inclusion, public policy engagement, political contributions, corporate charitable and philanthropic activities, and other ESR issues that are relevant and material to the company.



Business Conduct and Ethics

We believe our commitment to conduct business ethically and with integrity is key to our performance. Our Board adopted a Code of Ethics (the “Code”) to provide guiding principles for the company. The Code applies to each and every one of us: employees of all levels, in-house contractors, and our subsidiaries or affiliates. All supervisory and management personnel, including our officers and directors, are expected to lead according to these standards.

The Code covers a wide range of business principles, including:

- Reporting any illegal or unethical behavior
- Zero tolerance for retaliation
- Commitment to diversity, inclusion, and respect
- Health and safety
- Confidentiality
- Using company assets responsibly
- Prohibition of insider trading
- Providing accurate and transparent financial statements and records
- Communicating honestly
- Competition and fair dealing
- Gifts and hospitality
- Avoiding conflicts of interest
- Preventing bribery and corruption
- Compliance with global trade regulations
- Upholding our environmental commitments
- Governmental and political activities

Associates who have questions or concerns about any of these issues are encouraged to talk to supervisors, members of management, local human resources representatives, an in-house company attorney, or our Corporate Ethics and Compliance Office. We do not tolerate retaliation of any kind against associates who make a report. Associates may also report such activity confidentially through our “The Right Way Help Line,” which is available 24 hours a day, seven days a week. We communicate these tenets to our associates via our website, through training, and in our communal workspaces, and we encourage everyone to maintain high ethical standards at all times.

Data Security

PriceSmart is committed to maintaining the security of data that we or our third-party service providers collect and store regarding our Members, employees, and business partners. We rely on information technology systems for point-of-sale processing in our clubs and for e-commerce transactions, supply chain, financial reporting, human resources, club operations, and various other processes and transactions. We continuously invest in technology and pursue best practices to strengthen our data security. As our online business has grown, we have bolstered our protections by expanding our dedicated cybersecurity team, in addition to acquiring cyber insurance coverage. In addition, we have implemented measures to ensure business continuity, such as storing our business data in multiple locations in the U.S. and other jurisdictions where we operate.



APPENDIX

Forward-Looking Statements

This report may contain forward-looking statements concerning PriceSmart, Inc.'s anticipated future revenues and earnings, adequacy of future cash flows, omni-channel initiatives, proposed warehouse club openings, the company's performance relative to competitors, and related matters. These forward-looking statements include, but are not limited to, statements containing the words "expect," "believe," "will," "may," "should," "project," "estimate," "anticipated," "scheduled," "intend," and like expressions, and the negative thereof. These statements are subject to risks and uncertainties that could cause actual results to differ materially including, but not limited to: various political, economic and compliance risks associated with our international operations, adverse changes in economic conditions in our markets, natural disasters, volatility in currency exchange rates and illiquidity of certain local currencies in our markets, competition, consumer and small business spending patterns, political instability, increased costs associated with the integration of online commerce with our traditional business, whether the company can successfully execute strategic initiatives, our reliance on third-party service providers, including those who support transaction and payment processing, data security, and other technology services, cybersecurity breaches that could cause disruptions in our systems or jeopardize the security of Member or business information, cost increases from product and service providers, interruption of supply chains, novel coronavirus (COVID-19) related factors and challenges, exposure to product liability claims and product recalls, recoverability of monies owed to PriceSmart from governments, other important factors discussed in the Risk Factors section of the company's most recent Annual Report on Form 10-K, and other factors discussed from time to time in other filings with the SEC, which are accessible on the SEC's website at www.sec.gov, including quarterly reports on Form 10-Q and current reports on Form 8-K. Forward-looking statements speak only as of the date that they are made, and the company does not undertake to update them, except as required by law.



Materiality Assessment

In 2021, we conducted a materiality assessment to inform our ESR reporting process. The assessment included an extensive document review, an online survey and interviews, and an impact analysis.

We identified our most significant and consequential stakeholder groups by leveraging a variety of references, including a review of industry benchmarks and several different forums with company leadership. After determining that our key stakeholders include executive leadership, employees, Members, vendors, local communities, and NGOs, we then consulted with these individuals and groups through interviews and online surveys.

As a result of this analysis, eight topics were identified as priorities and form the foundation for our current ESR reporting efforts.



PriceSmart's 2021 Materiality Topics



Labor rights and employee wellbeing



Governance



Human capital development



Health, nutrition, and food safety



Relationship with the customer



Responsible products



Eco-efficient operations and waste management



Supply chain

GRI Index

GRI Standard Title	Disclosure #	Disclosure Title	2022 Response
General Disclosures	102-1	Name of the organization	PriceSmart, Inc.
General Disclosures	102-10	Significant changes to the organization and its supply chain	Please see the most recent 10-K.
General Disclosures	102-14	Statement from senior decision-maker	Message from Our CEO (p. 4)
General Disclosures	102-15	Key impacts, risks and opportunities	Please see the most recent 10-K.
General Disclosures	102-16	Values, principles, standards and norms of behavior	Who We Are: Our Mission, Vision and Values (p. 8) Code of Ethics: https://investors.pricemart.com/sites/pricemart/files/2022-01/code-of-ethics-english-01-28-2022.pdf Corporate Governance Guidelines: https://investors.pricemart.com/sites/pricemart/files/corporate-governance/corporate-governance-03042019-v2.pdf
General Disclosures	102-18	Governance structure	Governance (p. 40) Board of Directors: https://investors.pricemart.com/esg/corporate-governance/board-of-directors Committee Composition: https://investors.pricemart.com/esg/corporate-governance/committee-composition Corporate Governance: https://investors.pricemart.com/investor/corporate-governance
General Disclosures	102-20	Executive level responsibility for economic, environmental and social topics	The ESR Team and Department are led by Executive Vice Presidents Brud Drachman and David Price. The ESR Team has direct responsibility for the development, implementation, and communication of the programs and procedures associated with the economic, environmental, and social initiatives. This team has enlisted the responsible department executives in the development of their department's areas of responsibility related to the overall program.
General Disclosures	102-21	Consulting stakeholders on economic, environmental and social topics	Materiality Assessment (p. 43)

GRI Standard Title	Disclosure #	Disclosure Title	2022 Response
General Disclosures	102-22	Composition of the highest governance body and its committees	Please see the most recent 10-K.
General Disclosures	102-26	Role of highest governance body in setting purpose, values, and strategy	<p>The ESR Team works directly with all areas of the company in the assessment and establishment of purpose, values, strategies, policies, and goals related to economic, environmental, and social topics. These are reviewed and discussed with the ESR Committee.</p> <p>In accordance with the ESR Committee Charter, the committee reviews and discusses periodic reports from management on ESR goals and initiatives, assesses management's progress against agreed key ESR targets, advises the Board on core ESR metrics and the operational, regulatory, and reputational impacts of ESR on the company, and provides relevant recommendations.</p>
General Disclosures	102-27	Collective knowledge of highest governance body	Governance (p. 40)
General Disclosures	102-3	Location of headquarters	Company Overview (p. 7)
General Disclosures	102-30	Effectiveness of risk management processes	As we continue to engage in the process of reporting on ESR matters in Environmental and Social Responsibility reports in future years, we will expect to develop the ability to compare and contrast the effectiveness of our risk management processes for environmental and social responsibility matters.
General Disclosures	102-33	Communicating critical concerns	The ESR Committee meets four times per annum and the ESR Management Team meets regularly. In the event that a critical concern relating to ESR occurs, the ESR Committee and/or the ESR Team has the ability to directly communicate with senior management. This can take the form of written communications, oral discussions, and/or a combination thereof. There is also a forum where the senior executives of the company conduct a weekly meeting to review the entirety of the company's operations, which provides another opportunity for communication.
General Disclosures	102-4	Location of operations	Company Overview (p. 7)
General Disclosures	102-40	List of stakeholder groups	During ongoing stakeholder engagement, the company includes the following stakeholder groups: PriceSmart employees, Members, vendors, NGOs, universities, and local communities. We did not include governments, regulatory bodies, investors, and unions in this first materiality exercise, but we will be updating this process in the coming years to include more stakeholders.
General Disclosures	102-42	Identifying and selecting stakeholders	<p>PriceSmart is engaged in an ongoing process of stakeholder surveys and meetings to gather stakeholders' views on what ESR initiatives the given group identifies as most important.</p> <p>To identify and select its stakeholders, the company leveraged a variety of references, including a review of industry benchmarks and several different forums with company leadership, to identify the most significant and consequential stakeholder groups.</p>

GRI Standard Title	Disclosure #	Disclosure Title	2022 Response
General Disclosures	102-43	Approach to stakeholder engagement	<p>The participation methods with our internal stakeholders include surveys, written communication, presentations, meetings, executive leadership emails, and videos. As part of our internal communication process, the ESR Department has an ESR newsletter, which is published internally on a quarterly basis and through which we receive comments or suggestions from our employees.</p> <p>The approach to our external stakeholder is based on written communication, online polling, social media, meetings, and customer service provided in our clubs.</p>
General Disclosures	102-44	Key topics and concerns raised	<p>Top five topics and concerns raised by stakeholder groups:</p> <p>Leadership (Vice President to C-Suite) Governance, human capital development, local communities, eco-efficient operations and labor rights, and employees' well-being.</p> <p>Employees (entry level to director level) Human rights, data security, labor rights and employees' well-being, human capital development, and governance.</p> <p>Members Data security, relationship with the consumer, human rights, health, nutrition and food safety, labor rights, and employee's wellbeing.</p> <p>Vendors Labor rights and employees' well-being, branding and responsible communication, relationship with the consumer, responsible products, and human rights.</p> <p>Local community Packaging, human rights, health, nutrition and food safety, climate change, and direct and indirect job creation.</p>
General Disclosures	102-47	List of material topics	Materiality Assessment (p. 43)
General Disclosures	102-5	Ownership and legal form	Please see the most recent 10-K.
General Disclosures	102-50	Reporting period	This report covers the 2022 fiscal year, which ran from September 1st, 2021, to August 31st, 2022.
General Disclosures	102-51	Date of most recent report	2021 ESR Report (FY21)
General Disclosures	102-52	Reporting cycle	Annual
General Disclosures	102-53	Contact point for questions regarding the report	Please direct any comments or questions regarding the content of this report to PriceSmart's investor relations team at: ir@pricesmart.com

GRI Standard Title	Disclosure #	Disclosure Title	2022 Response
General Disclosures	102-54	Claims of reporting in accordance with the GRI standards	The content of this report has been prepared using the Global Reporting Initiative Standards (GRI Standards) as a guide.
General Disclosures	102-55	GRI content index	This is the GRI Index.
General Disclosures	102-6	Markets served	Please see the most recent 10-K.
General Disclosures	102-7	Scale of the organization	Please see the most recent 10-K.
Procurement Practices	204-1	Proportion of spending on local suppliers	Merchandise sales sourced from local vendors as % of total sales = 51% PriceSmart considers merchandise as being sourced locally, when it is purchased within Latin America and the Caribbean, irrespective of the country within that region where it is sold to Members.
Energy	302-1	Energy consumption within the organization	Renewable Electricity: 105,666,714 kWh Non-Renewable Electricity: 65,171,299 kWh Total Electricity: 170,838,013 kWh
Energy	302-3	Energy intensity	0.38 MWh / Building Area m2
Water and Effluents	303-1	Interactions with water as a shared resource	PriceSmart generally receives its potable water from public utilities. That supply is typically a function of rainwater capture in local reservoirs, which is treated and distributed through a network of piping systems. Primary business uses are for our Member and employee restrooms, the cleaning of food preparation areas, and consumption by Members in the dispensing of self-service beverages. The company has installed low flow plumbing fixtures, sensor activated automatic faucets, and variable speed domestic water pumping stations that optimize the amount of water that is required at any one time.
Water and Effluents	303-2	Management of water discharge-related impacts	The majority of the countries and areas where PriceSmart operates do not have the facilities or infrastructure to manage and treat wastewater on a large scale. This dynamic requires that PriceSmart install its own wastewater treatment plants. The effluent that discharges from these plants must meet standards that ensure that said effluent does not negatively affect the environment and water supply where it is discharged. The majority of the countries in which we operate have regulations that stipulate that our facilities must have wastewater treatment plants. The quality and quantity of the effluent have very strict criteria that we must meet. The quality control over this operation is managed by PriceSmart with regular reporting to the authorities that have jurisdiction. Any variance relative to satisfactory performance standards is immediately managed with corrections being made to the operating parameters of the plants. PriceSmart's end goal is that no one is negatively affected by poorly designed and/or executed performance of a wastewater treatment plant owned and operated by our company.

GRI Standard Title	Disclosure #	Disclosure Title	2022 Response
Water and Effluents	303-3	Water withdrawal	<p><u>Water Withdrawal by Source (ML)</u> Third-party water – 452.79 Ground water – 58.72 Surface water – 0.43 Total - 511.94</p> <p><u>Water Withdrawal Quality (ML)</u> Fresh water (Total dissolved solids ≤ 1000mg/l) - 511.94</p>
Water and Effluents	303-4	Water discharge	<p><u>Water Discharge by Destination (ML)</u></p> <p>Ground water: Fresh water (Total dissolved solids ≤ 1000mg/l) – 13.55 Ground water: No analysis of dissolved solids – 0.77 Ground water total – 14.33</p> <p>Surface water: Fresh water (Total dissolved solids ≤ 1000mg/l) – 18.40 Surface water: Other water (Total dissolved solids > 1000mg/l) – 9.57 Surface water total – 27.98</p> <p>Third-party water: Fresh water (Total dissolved solids ≤ 1000mg/l) – 359.10 Third-party water: Other water (Total dissolved solids > 1000mg/l) – 55.37 Third-party water: No analysis of dissolved solids – 3.97 Third-party water total – 418.44</p> <p>Total Fresh water (Total dissolved solids ≤ 1000mg/l) –391.05 Other water (Total dissolved solids > 1000mg/l) – 64.95 Water without analysis of dissolved solids – 4.74 GRAND TOTAL: 460.74</p>
Water and Effluents	303-5	Water consumption	<p><u>Water Consumption (ML)</u> Total – 51.19</p>
Emissions	305-1	Direct (scope 1) GHG emissions	74,285 MT CO2e (metric tons)
Emissions	305-2	Energy indirect (scope 2) GHG emissions	50,395 MT CO2e (metric tons)
Emissions	305-4	GHG emissions intensity	0.28 MT CO2e /Building Area m2
Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste at PriceSmart is generated from products received for sale, either through their packaging or pallets of merchandise delivered to the clubs. Likewise, we generate waste from our internal operations, including administrative work, the operation of our clubs, and the preparation of products and services that we offer to our Members within our clubs.

GRI Standard Title	Disclosure #	Disclosure Title	2022 Response
Waste 2020	306-2	Management of significant waste-related impacts	<p>For PriceSmart, proper waste management is a fundamental part of our environmental responsibility and business integrity. As part of our commitment to proper waste management, the ESR Team, in partnership with the Operations Department, leads the Corporate Solid Waste Management Program. This program provides guidelines to manage solid waste disposal. In addition, the program integrates the management of solid waste generated during business operation and by our employees, Members and visitors during their time in our clubs. The objective of this program is to manage waste through reduction, reuse, and recycling to prevent it from going to a landfill.</p> <p>As a part of our solid waste management processes, our team has identified the various kinds of waste generated and whether third-party waste management solutions are available for use by our clubs in each of the countries where PriceSmart operates. Where applicable, our team is now in the process of contracting with a waste management service in each country to meet the needs of our clubs.</p> <p>In addition to the Solid Waste Management Program, PriceSmart has a Waste Management Reporting tool, which is a digital resource for overall management, data gathering, and reporting on the performance of the waste management program.</p>
Waste 2020	306-3	Waste generated	<p>At this time, the company does not weigh ordinary waste that is sent to the sanitary landfill. Therefore, there is no reportable data for this category of waste. In the majority of our clubs, ordinary waste is collected by the local public service provider for each community or municipality. These services do not carry out waste weighing procedures.</p>
Waste 2020	306-4	Waste diverted from disposal	<p><u>Waste diverted from disposal by weight (metric tons)</u></p> <ul style="list-style-type: none"> Fryer oil - 228 Cardboard - 11,490 Plastic-containers - 35 Paper - 5 Lead - 1 Stretch-wrap - 577 Office batteries - 1 Scrap metal - 40 Automotive oil - 0.1 Aluminum/Can - 0.42 Glass - 4 Tetra Brik - 0.2 <p>Total - 12,381</p> <p><u>Waste diverted from disposal by units (ea.)</u></p> <ul style="list-style-type: none"> Pallets - 410,455 Car Batteries - 21,208 Electronics - 9,337 Tires - 90,233 Large appliances - 9,157 Ink cartridges - 4,052 Fluorescents - 386,140 <p>Total - 930,582</p>

GRI Standard Title	Disclosure #	Disclosure Title	2022 Response
Employment	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People (p. 11)
Occupational Health & Safety	403-2	Hazard identification, risk assessment, and incident investigation	PriceSmart has an Incident and Injury Reporting Policy, supported by an Incident and Injury Reporting Program for both employees and third-party incidents. All the information regarding these injuries and incidents, in addition to the actions taken to prevent recurrences, are recorded in the PriceSmart Incident Report Software. This software also allows us to analyze data to define priorities and plan actions to reduce accidents and lost days, improve safety related work conditions, and achieve other objectives related to worker and member safety measures.
Occupational Health & Safety	403-4	Worker participation, consultation, and communication on occupational health and safety	<p>As an element of our approach to safety, each club maintains a Safety Committee made up of employees responsible for managing occupational health and safety issues under the direction of the Warehouse Manager.</p> <p>The Safety Committee is responsible for the implementation of safety programs. This is accomplished by:</p> <ul style="list-style-type: none"> • Ensuring employees in each club are aware of the safety guidelines outlined in a Safety Manual created by the Corporate Safety Department. The Safety Manual is a corporate document prepared for use in all operating facilities. • Actively communicating with local authorities, including ambulance services, fire departments, and law enforcement, and providing local information to the club and its employees. • Adopting a preventive approach to unsafe behaviors and conditions in each club. • Gathering safety suggestions from employees. • Communicating safety matters to the employees. • Conducting fact-finding investigations and inspections. • Reviewing monthly incidents and accidents. • Investigating incidents/accidents and recommending corrective actions.
Occupational Health & Safety	403-6	Promotion of worker health	<p>As a company, we work to promote a healthy life for our employees at our clubs, distribution centers, and offices. PriceSmart facilitates access to essential healthcare services through a country-specific approach, utilizing a combination of mechanisms such as medical insurance and company doctors. In countries where access to healthcare services is regulated by local legislation, PriceSmart complies with local guidelines.</p> <p>To respect workers' right to privacy, the medical records of each employee are confidential and access to these records is limited. Employee medical records are never used as criteria for decisions regarding employment or engagement of workers, including termination, demotion, promotion or offering of prospects, compensation, or any other favorable or unfavorable treatment. We will continue to promote the health and safety of our employees so that we can promote the well-being of our employees, provide better experiences for our Members, and continue to succeed in our business.</p>
Customer Health & Safety	416-1	Assessment of the health and safety impacts of product and service categories	Creating a Culture of Safety Across PriceSmart (p. 15)

SASB Index

Topic	Disclosure Title	Disclosure #	2022 Response
Air Emissions from Refrigeration	Gross global Scope 1 emissions from refrigerants	FB-FR-110b.1	69,999 MT CO2e (metric tons)
	Percentage of refrigerants consumed with zero ozone-depleting potential	FB-FR-110b.2	26%
Energy Management	(1) Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable	FB-FR-130a.1	Operational Energy Consumed: 170,838,013 kWh Percentage Grid Electricity: 87% Percentage Renewable (solar): 13%
Management of Environmental & Social Impacts in the Supply Chain	Discussion of strategies to reduce the environmental impact of packaging	FB-FR-430a.4	Our Environmental Impacts (p. 28)
Energy Management in Retail & Distribution	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	CG-MR-130a.1	Total Electricity Consumed: 170,838,013 kWh Percentage Grid electricity: 87% Percentage Renewable (solar): 13%
Product Sourcing, Packaging & Marketing	Discussion of strategies to reduce the environmental impact of packaging	CG-MR-410a.3	Our Environmental Impacts (p. 28)
Activity Metric		Disclosure #	2022 Response
Number of: (1) retail locations and (2) distribution centers		FB-FR-000.A	(1) Retail locations: 50 clubs (2) Distribution Centers: 7 distribution centers and 4 produce distribution centers
Total area of: (1) retail space and (2) distribution centers		FB-FR-000.B	(1) Retail space (approx.): 375,961 m2 (2) Distribution centers and produce distribution centers: 72,860 m2

