



DOLLAR GENERAL®

A Better Life

SERVING OTHERS REPORT 2020

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About This Report

Our mission of *Serving Others*, the foundation on which our business was built and continues to operate today, serves as a guiding force to support the company's future, including our commitment to environmental, social and governance (ESG) matters. This report provides information about our efforts and initiatives in this space, including select metrics from the Sustainability Accounting Standards Board (SASB) standards for the Consumer Goods—Multiline and Specialty Retailers and identifies where our programs are aligned with, and help support, the United Nations Sustainable Development Goals (SDGs). This document covers the fiscal year ending January 29, 2021, unless otherwise noted.

Sustainable Development Goals

The 17 Sustainable Development Goals, SDGs, set forth a framework to build a better world for people and our planet by 2030, and are designed to be applied by governments and organizations worldwide. Our Serving Others program supports and aligns most closely with the highlighted seven goals. As we continue to enhance our program, we will seek ways to further how we can positively impact the SDGs.



Letter from our CEO

Over the course of Dollar General's 82 years of business, we have proudly walked alongside our neighbors through both the good times and the challenging ones. We have been there with open doors helping meet basic needs. Over the past year, the resiliency of our business model and the dedication of our team members allowed us to quickly adapt in a changing environment to serve the needs of our customers and our DG family.

When COVID-19 forced closures and limited interactions with others, we were one of the first retailers to offer senior hours to our customers. Additionally, we increased the number of stores with DG pick-up capabilities to provide added ease and convenience. When global supply chains were affected, we worked diligently to mitigate the impact to our stores so that we were able to meet our customers' needs.

All of this was made possible by the dedication and commitment of our team members. To show our gratitude, we paid approximately \$167 million in appreciation bonuses and awarded \$5.25 million to our Employee Assistance Foundation. In a time when the health and

wellness of those around us was on all of our minds, we also extended our telehealth benefits and waived all telehealth co-pays for our associates.

As we grow and further strengthen our company, we realize that in order to build a pathway to continued success for everyone, it cannot be done in isolation but instead in collaboration with teams committed to improving outcomes and opportunities for others. Whether through job creation, talent development and training, diversity and inclusion efforts, sustainable business practices, education and literacy grants, value creation for our shareholders or providing quality products at affordable prices, we

strive to be an important part of the fabric of our communities and create opportunities for others to thrive.

In the following pages, we share a glimpse of our journey to strengthen our position as a purpose-driven company. It highlights our efforts to create a more resilient, diverse, inclusive, and sustainable future. We look forward to working together as a team and in partnership with our communities and vendors to *Serve Others*.

Sincerely,



Todd J. Vasos
Chief Executive Officer



Todd J. Vasos
Chief Executive Officer

Dollar General at a Glance

As of January 29, 2021

17,000+
Stores

157,000+
Employees

46
States

\$33.7B
in Sales

26

Distribution
Centers

16 traditional distribution centers
9 fresh distribution centers
1 combination distribution center

#112

Rank on the
Fortune 500 List

↓\$

Low-priced
Product Model

~22% of products
priced at \$1 or less

Top 25

Forbes Top 25
responders to the
COVID-19 pandemic



DOLLAR GENERAL

Our History



The first Dollar General retail store opens. Turner's Department Store in Springfield, Kentucky converted to the first Dollar General store in June 1955. The store's business model was simple. No item would cost more than \$1. Soon, Dollar General stores began sprouting up across southern Kentucky.

1955



1976 Dollar General exceeds annual sales of \$100 million.

1976



The Dollar General Literacy Foundation is established. Founded on the belief that literacy opens doors for personal, professional and economic growth, the Dollar General Literacy Foundation provides financial support for libraries, schools and nonprofits to further literacy and education both nationally and in the communities that Dollar General serves.

1993

1939

J.L. Turner and Cal Turner, Sr. open J.L. Turner and Son Wholesale in Scottsville, Kentucky. Each invested \$5,000 and became partners in a wholesale, dry-goods business to serve retailers that survived the Great Depression.



1968

Dollar General becomes a public company.



1989

Dollar General celebrates its 50th anniversary. Fifty years after the founding of J.L. Turner and Son Wholesale, Dollar General operated approximately 1,300 stores in 23 states, employing more than 7,000 individuals.



FORTUNE 500

Dollar General relocates its corporate office to Goodlettsville, Tennessee. **2000**



In April, Dollar General opens its 10,000th store in Merced, California. In November, Dollar General is named to the S&P 500®. **2012**



Dollar General named to *Fortune* magazine's 2020 list of World's Most Admired Companies. *Training* magazine names Dollar General's training and development program to its top spot for the second consecutive year. **2020**

1999
Dollar General recognized on the *Fortune* 500 list for the first time.



2009
Dollar General becomes a public company (again). After the company went private for two years, Dollar General returned to the NYSE under its current stock symbol DG.



2019
Dollar General's training and development program named #1 worldwide by *Training* magazine. Dollar General celebrates the grand opening of its 16,000th store in Panama City, Florida.



Our Mission

Dollar General's mission is captured in two simple, but powerful words—***Serving Others***. This mission drives our continuous pursuit of ways to better serve our customers, communities, employees, shareholders and vendors. As we strive for operational excellence, our mission is at the heart of everything we do.

Serving Others

FOR CUSTOMERS

Convenience, Quality & Great Prices

FOR EMPLOYEES

Respect & Opportunity

FOR SHAREHOLDERS

A Superior Return

FOR COMMUNITIES

A Better Life



Who We Are

DOLLAR GENERAL

We are today's neighborhood general store, serving the needs of our customers by providing convenience, value & service - Every day!

OUR VISION



OUR VALUES

We believe in:

- Demonstrating integrity in everything we do.
- Providing employees the opportunity for growth and development in a friendly and fun environment.
- Delivering results through hard work and a shared commitment to excellence.
- Celebrating success and recognizing the contribution of others.
- Owning our actions and decisions and learning from our mistakes.
- Respecting the dignity and differences of others.

OPERATING PRIORITIES

-  Driving profitable sales growth
-  Capturing growth opportunities
-  Enhancing our position as a low cost operator
-  Investing in our diverse teams through development, empowerment & inclusion

COVID-19 Update

The events of the past year have highlighted the essential role that Dollar General plays in the communities we serve, as our customers have relied on us more than ever to provide them with the products they need at prices they can afford in a convenient easy-to-shop small box environment.

Amid the COVID-19 pandemic, the health and safety of our employees, customers and local communities has remained our top priority. In response to the pandemic, we have implemented several proactive and preventative measures, which are outlined below, and we are proud to have remained open to serve our neighbors as one of America's essential retailers.

HOW WE ARE SERVING OTHERS:

Vaccination Support for Employees

We are working to remove barriers by providing our frontline, hourly store team members with a one-time payment equivalent of four hours of regular pay after receiving a completed COVID-19

vaccination and our exempt team members with additional labor hours to accommodate for their time away from the store.

Additional Safety Measures

We continue to provide PPE to employees, including facial coverings, and have added hand sanitizer for employee and customer use. Additionally, in all traditional distribution centers and cold storage facilities, temperature scan checks are administered for each employee prior to each shift.

Social Distancing

Social distancing measures are being exercised across our organization and are designed to help keep individuals six feet apart. In stores, floor spacing markers and more than 40,000 plexiglass register barriers have



DOLLAR GENERAL

Serving Others During the Pandemic

HELPING KEEP CUSTOMERS AND EMPLOYEES SAFE

Senior Hours

ONE OF THE FIRST TO IMPLEMENT
SENIOR HOURS AT A RETAIL OR
GROCERY STORE

Four Hours

EQUIVALENT PAY GIVEN TO
HOURLY FRONTLINE EMPLOYEES
WHO RECEIVE A COMPLETE
COVID VACCINATION

40,000+

TOTAL NUMBER OF
PLEXIGLASS SHIELDS INSTALLED
AT CHECKOUT REGISTERS

~17,000+

NUMBER OF STORES
WHERE DG ADDED
PICKUP CAPABILITIES

As of fiscal year-end



been installed throughout the chain. Distribution and cold storage facilities also have implemented traffic flow pattern indicators alongside additional distancing measures in common areas such as restrooms, locker rooms and break rooms.

Enhanced Cleaning Protocols

From stores and distribution centers to the Dollar General Private Fleet and corporate offices, we have implemented enhanced cleaning protocols as part of our daily operations.

Paid Sick Leave

By entering their worksite, employees are confirming that they are COVID symptom free, have not been in direct contact with someone known to have tested positive for COVID and are not awaiting the results of a COVID test. Employees who are experiencing fever or other symptoms of the virus are asked to stay home. Also, employees impacted by COVID-19, including those who must remain at home due to their own diagnosis, to care for an immediate family or household member or while awaiting test results based on their own health symptoms, are paid for regularly scheduled hours during those times.

Employee Bonuses

Dollar General awarded approximately \$167 million in appreciation bonuses to eligible employees in our stores, distribution centers and private fleet networks during our 2020 fiscal year. These bonuses demonstrate our gratitude to the team members who allowed us to serve our customers and communities during a very challenging year.

Increased Telehealth Services

For employees not enrolled in Dollar General medical plans, we provided an additional opportunity to enroll in a telehealth program, which provides affordable healthcare options to employees without physically visiting a healthcare provider's office. We are also currently waiving all telehealth co-pays for employees covered under Dollar General's medical plans.

Senior Hour

We were one of the first to announce senior hours, which are designed to allow some of the most vulnerable customers the ability to shop during the first hour that stores are open. By encouraging customers to plan their shopping trips around these hours, this allows seniors to purchase the essential items they need in less busy and crowded shopping periods.

Contactless Shopping

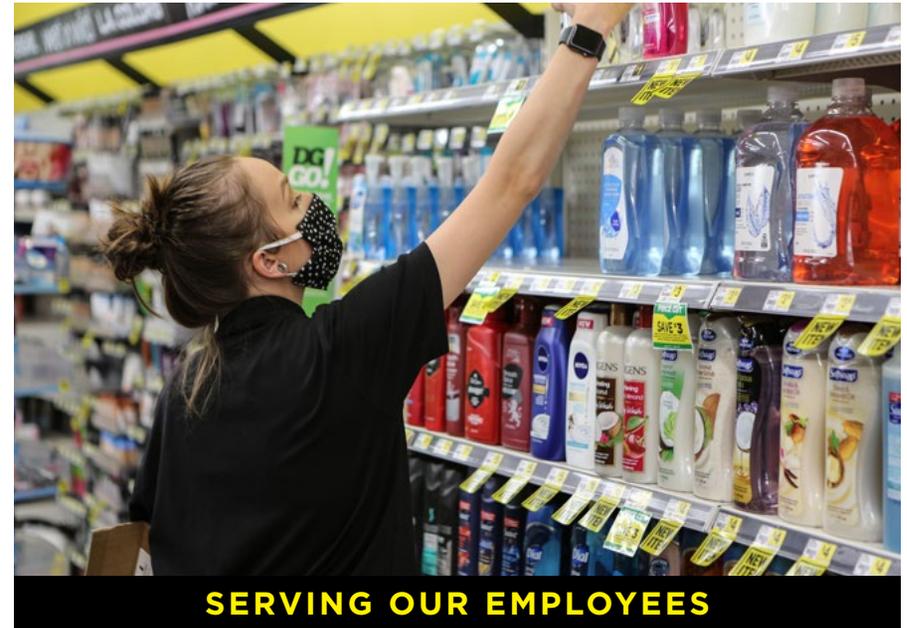
We are enhancing customers' shopping experiences by offering Dollar General Pickup and increasing the number of stores with self-checkout. Dollar General Pickup is now available for most stores and allows customers to shop from the convenience of the Dollar General app on their smart phone. After placing an order, customers receive a communication when their order is ready. Once at the store, customers can grab their order from the in-store Dollar General Pickup shelves and be on their way. Dollar General Pickup also allows customers to take full advantage of the Dollar General Digital Coupons for instant savings.

Ongoing Communication

We continue to remind employees on a regular basis of the steps to help avoid or contain the spread of the COVID-19 virus as well as steps they should take if they experience symptoms or have direct contact with someone who tested positive for the virus. Protocols have also been established on how employees should respond to both direct and indirect exposure to the virus.

Dollar General Employee Assistance Foundation Donation

In 2020, Dollar General made a \$5.25 million donation to the Dollar General Employee Assistance Foundation, which provides financial assistance to employees during specified times of need.



SERVING OUR EMPLOYEES

\$5.25M

**TO SUPPORT EMPLOYEES
AMOUNT AWARDED TO OUR
EMPLOYEE ASSISTANCE FOUNDATION
TO SUPPORT EMPLOYEES
DURING TIMES OF NEED**

~\$167M

**TOTAL OF EMPLOYEE
APPRECIATION BONUSES
AWARDED**

SERVING OUR COMMUNITIES

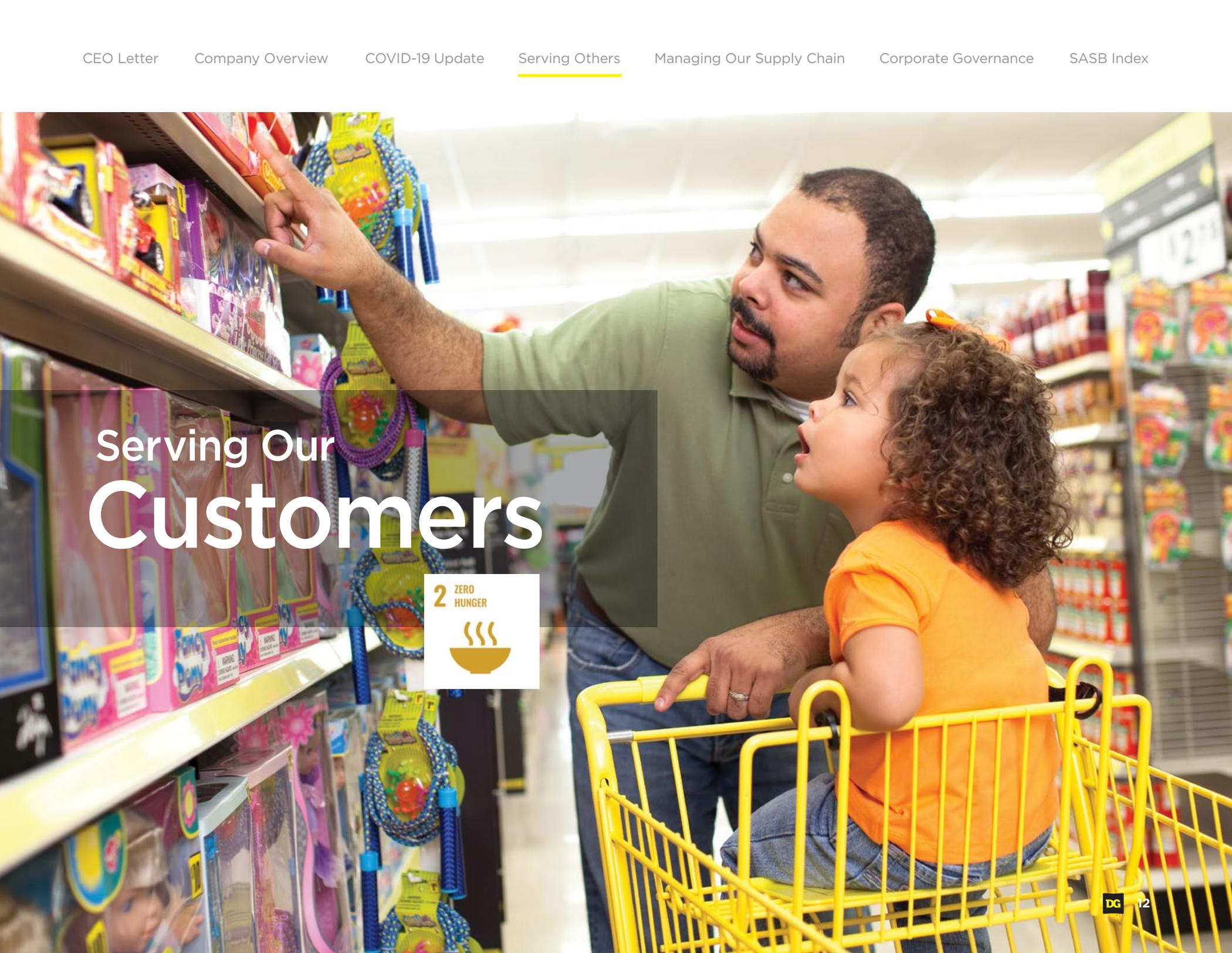
\$2M

**PROVIDED BY THE DOLLAR GENERAL
LITERACY FOUNDATION TO SAVE
THE CHILDREN'S COVID-19 RESPONSE
EFFORTS IN RURAL AMERICA**

~75%

**TOTAL NUMBER OF AMERICANS
WITHIN APPROXIMATELY
5 MILES OF A DOLLAR GENERAL**

As of fiscal year-end



Serving Our Customers

2 ZERO HUNGER



OUR CUSTOMERS**Serving Our Customers**

Founded in 1939, Dollar General is a leader in the value sector providing customers with everyday products at great prices in a convenient, easy-to-shop store. Whether preparing a meal for a special occasion, helping your child with a school project, welcoming a pet into the family or planning a night to pamper yourself, Dollar General stores are filled with the essentials that help make life's every day moments possible at prices you can afford with name brands you trust.

INCREASING ACCESS TO OUR STORES AND HEALTHIER FOODS**Convenience and ease of shopping are important to our customers.**

Each potential store location is carefully evaluated to ensure Dollar General is able to deliver a convenient, affordable retail option to the local community. Our store locations reflect our belief that all individuals deserve access to everyday essentials at affordable prices. Dollar General stores can be found in urban, suburban and rural communities, including many communities where traditional grocers and other retailers have chosen not to operate.

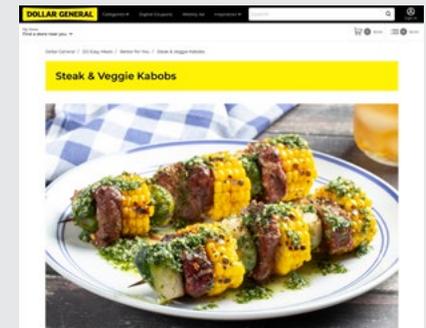
Each of Dollar General's 17,000+ locations provide customers with components of a healthy diet such as milk, eggs, bread, cheese, frozen and canned fruits and vegetables, grains, lean proteins and more. Additionally, we have a number of healthier initiatives in select stores including a "Better for You" assortment that provides a broader selection of healthier food options, including our Good & Smart private brand. As of fiscal year-end 2020, these offerings were available in nearly 7,300 stores.



In fiscal year 2020, Dollar General opened 1,000 new stores, remodeled 1,670, relocated 110 and expanded into the state of Washington - marking our 46th state. We are excited to extend our geographic footprint, broaden workforce opportunities and serve more communities across the country in 2021.



Healthy meals are easy at Dollar General. In partnership with a nutritionist, we crafted *Better for You* recipes that can be made from ingredients purchased at Dollar General. For more information on these delicious and nutritious recipes, visit the "Inspiration" section of our website under "DG Easy Meals" and "Better for You."

**Geaux Get Healthy**

Dollar General partnered with Baton Rouge Mayor-President, Sharon Weston Broome, and her "Geaux Get Healthy" initiative to provide healthier food options, including produce, to residents of the Baton Rouge community. The curated produce assortment offers fresh fruits and vegetables including lettuce, tomatoes, onions, apples, strawberries, potatoes, sweet potatoes, lemons, limes, salad mixes and more.



OUR CUSTOMERS**Dollar General's Current Restricted Substances List:**

Formaldehyde, Toluene, Nonylphenol Ethoxylates, Butylparaben, Propylparaben, Trichloroethylene, Triclocarban and Triclosan

By December 2022, the company expects to have worked with its vendors to eliminate those chemicals on the company's current Restricted Substance List from all private label formulated products sold at Dollar General, within home, cleaning, beauty and personal care departments.

PRODUCT SAFETY & QUALITY

We are committed to providing our customers and their families with safe, quality products at great values. Our commitment includes sourcing products from vendors and manufacturers that are expected to meet or exceed applicable local, state and federal safety requirements, including those relating to product ingredients and components, labeling and packaging, as well as the environment. Additionally, vendors are required to adhere to our Code of Business Conduct and Ethics as well as our workplace conditions expectations.

We primarily look to the applicable regulatory standards when evaluating the safety and quality of our products. We are always interested in ways to improve the safety and quality of the items we carry, taking into account our ability to continue to offer those items at the affordable prices that our customers need and expect.

Safety and Regulatory Testing

Dollar General partners with global independent, third-party testing laboratories to conduct various physical, mechanical,

electrical (when required) and chemical tests on the company's direct import products based on applicable federal, state and local regulatory and safety requirements, as well as additional company expectations. Product labels are also evaluated based on regulatory requirements and for appropriate use and safety instructions.

Dollar General's product safety and regulatory compliance program, which is outlined in more detail below, applies to direct imports and certain domestically purchased private label items. We develop product safety and compliance testing protocols in collaboration with some of the largest testing companies in the world including Intertek, UL (Underwriters Laboratories) and MTS (Modern Testing Services).

Chemical Policy and Restricted Chemical List

In 2019, Dollar General announced a policy designed to go beyond what is required by law and take additional steps to reduce or eliminate certain chemicals of concern from our products. Through this policy, Dollar General urges its suppliers and

vendor partners to use safer alternatives to chemicals listed in the company's current Restricted Substances List. Further, Dollar General expects all formulated private brand suppliers within cleaning, beauty and personal care to register their products' formulations with the UL WERCSmart® system on at least an annual basis and to use safer alternatives to chemicals listed in the company's Restricted Substances List. Through this process, Dollar General expects to gain additional insight into the chemical composition of these products and to evaluate the expansion of the Restricted Substances list to other chemicals. If a product is determined to contain a substance included on the restricted substances list, Dollar General will partner with the vendor to ensure that the chemical is removed and replaced.

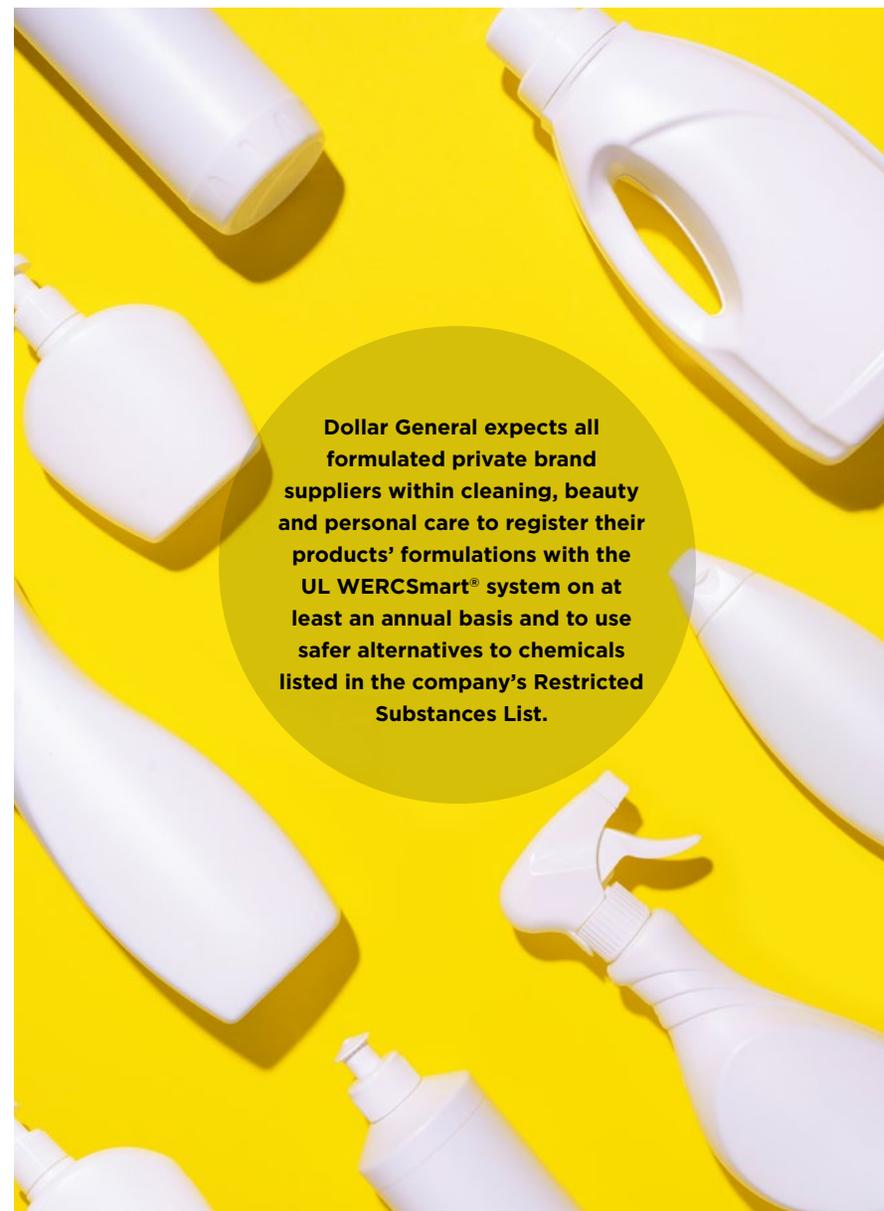
OUR CUSTOMERS**Product Testing**

To ensure product safety and compliance, all direct import and certain private label items undergo periodic laboratory testing, the frequency of which depends on, among other things, the risk profile of the product or product category. This testing is performed by independent, third-party laboratories on randomly selected items.

Product Recalls

Product recalls (whether direct import, private label or national brand) and product safety inquiries and investigations are coordinated by the company's Global Compliance department with the support of a cross-functional team of individuals from other areas of the company. A product recall may be instituted either as the result of an internal product safety investigation or based upon direction provided to the company by a government agency or a vendor.

Product safety investigations are initiated when the company receives information regarding a potential product safety or quality issue. The scope of any such investigation will be determined on a case-by-case basis, taking into account, among other things, the nature of the potential issue and any alleged harm caused by the product. Not every report or investigation of a potential product safety or quality issue will result in a product recall. If it is determined that a product recall is necessary, the Global Compliance team is notified and coordinates the removal of product from inventory.



Serving Our Employees



OUR EMPLOYEES**Serving Our Employees**

Driving our success is our fourth operating priority – Investing in our diverse teams through development, empowerment and inclusion, which is the foundation for our talent philosophy of “Attract, Develop and Retain.”

Our employees are the heart of our company and bring our mission of *Serving Others* to life. To that end, we work hard each day to create opportunities for our diverse teams to grow and thrive in an inclusive environment.

Whether our employees are entering the workforce for the first time or looking for ways to build their careers, as one of the fastest-growing retailers in America, we have a variety of opportunities for individuals to

grow with us. We have helped thousands of employees from our stores, distribution centers, store support center and international sourcing offices develop their careers and advance within the company. As of fiscal year-end 2020, approximately 73% of store managers and thousands of employees, including several members of our senior leadership team, have been promoted from within the organization. Additionally, we have a strong pathway to success for entry-level workers where on average, a part-time sales associate can be promoted to an assistant manager in just one year.

ATTRACTING TALENT

We seek to provide market-competitive compensation and benefits packages that attract talent to the organization and then retain and incentivize performance. We offer a broad range of benefits, including: medical, prescription, telemedicine, dental and vision

plans; flexible spending accounts; disability insurance; 401(k) plan; paid vacation; employee assistance program (including access to legal assistance and counseling); healthy lifestyle and disease management programs; discounts for products and services; parental leave; adoption assistance; and service award recognition. Eligibility and benefit levels are based upon, among other things, an individual's part-time or full-time status, position and tenure. To help measure the success of our overall employee compensation and benefits programs, we monitor employee applicant flow and staffing levels across the organization, as well as employee turnover, particularly at the store manager level.



~3 million
Training hours
in 2020

~73% PROMOTED FROM WITHIN
Approximately 73% of store managers and thousands of employees have been promoted from within the organization

As of fiscal year-end

OUR EMPLOYEES**LEADERSHIP DEVELOPMENT & TRAINING**

In 2020, under the guidance of our award-winning training team, we invested nearly three million training hours in employees at all levels of the company to promote education and development.

The portfolio of training opportunities is designed to help employees gain new skills and experiences to grow their career, providing a blueprint for moving people from an entry-level job to a business leader. Whether through store or district manager trainings, classes at our training centers or programs for our executive leaders, development opportunities are available to individuals throughout their employment journey.

In addition to instructor-led trainings, Dollar General also has a robust library of online educational content that is available for employees to access at times that are convenient for them.

Education Credits and Scholarship

Dollar General's partnership with the American Council on Education and its University Alliance helps employees earn their college degree.

ACE Program

Dollar General partnered with the American Council on Education's (ACE) Learning Evaluations team to evaluate our company's Store Manager Training program for possible college credit. After ACE's rigorous, third-party evaluation and recommendations, Dollar General store managers who complete the company's Store Manager Training program are eligible to receive up to nine semester credit hours toward the completion of an undergraduate degree.

DG University Alliance

The DG University Alliance is a university partnership and scholarship program allowing employees and their family members to access higher education. In 2020, Dollar General expanded the participating colleges and universities from 8 to more than 200, providing all employees, regardless of part-time or full-time status, with even more opportunities to receive tuition benefits, including discounts, fee waivers and deferred billing. The Alliance also offers a scholarship program, which is available to full-time employees who meet applicable criteria.

**TOP
100**

In February 2021, Dollar General was inducted into *Training* magazine's prestigious Top 100 Hall of Fame, following two consecutive years as the magazine's top training and development program and 10 consecutive years among its Top 100 list.

200+

Colleges and universities participate in the DG University Alliance, providing all employees with even more opportunities to receive tuition benefits.

OUR EMPLOYEES**RETAINING AND ENGAGING TALENT**

Employee engagement is integral to maintaining our culture. To help us facilitate increased awareness regarding company operating priorities and strategies, we host regular employee town hall meetings. Additionally, we conduct employee feedback surveys throughout the enterprise, focusing on employee engagement, manager effectiveness, recognition and belonging. Knowledge gained from the surveys is used to help improve the employee experience, foster inclusivity, empower employees and create action plans for further engagement. This frequent feedback also helps in driving recognition programs for all levels and allows us to deliver tools for recognition throughout the enterprise. Our focus on employee engagement helped us achieve 79% overall employee satisfaction during fiscal year 2020.

Engagement Scores for fiscal year 2020¹

Overall Company Engagement	73%
Overall Company Recognition	74%
Overall Company Overall Employee Satisfaction	79%
Overall Company Participation	79%
Overall Company Manager Effectiveness	85%
Overall Company Belonging	86%

79%
Overall
Employee
Satisfaction



86%
Overall
Company
Belonging

DIVERSITY & INCLUSION

Our core values include respecting the dignity and differences of others, and Dollar General is committed to fostering an inclusive environment where every employee feels valued, respected, supported and is able to bring their authentic self to work every day.

In 2020, we convened a cross-functional and diverse team of employees to help ensure that our beliefs and convictions are accurately expressed in our operating priorities. In addition, we hosted listening sessions with employees from all levels and functional areas to learn how we can foster a more inclusive environment. These efforts led to a fine-tuning of our fourth operating priority from “Investing in Our People as a Competitive Advantage” to “Investing in Our Diverse Teams through Development, Empowerment & Inclusion.”

Employee Resource Groups

Dollar General has five Employee Resource Groups (ERGs). Each group is organized around a chosen commonality and works to leverage differences, promote awareness and build a more inclusive culture consistent with Dollar General’s mission and core values. Each employee-led group has an executive sponsor who helps the ERG leadership create programming to support employee career development, communities and culture. Our ERGs further focus on opportunities to satisfy customer needs and provide a stronger tie to the communities in which our employees live and serve.



¹ Results represent the weighted combined average of scores from our store, distribution center and store support center employees.

OUR EMPLOYEES

Military Support

Dollar General proudly supports all those who have served and continue to serve our country. We offer exclusive discounts to active military, veterans and their immediate family members. Additionally, our military employee resource group, SERVE, provides opportunities for our employees who are members of military families to connect and volunteer. We are also a founding partner of the Paychecks for Patriots program, which supports service members' transition to civilian life through meaningful employment opportunities.

LGBTQ+

Dollar General was recently named to Professional Woman's Magazine (PWM) Best of the Best Employers List for Top LGBTQ+ Friendly Companies. For more than 21 years, PWM has polled hundreds of Fortune 1000 companies for its Best of the Best evaluations to bring the latest information and guidance to readers as well as encourage active outreach and diversity policies among corporations and government agencies. In 2020, Dollar General received a score of 90 (out of a possible 100) on the Corporate Equality Index (CEI). Started in 2002, the CEI is a national benchmarking report on businesses that gauges policies and practices as they relate to LGBTQ+ workplace equality. The CEI is administered by the Human Rights Campaign Foundation.



Named Professional Woman's Magazine Best of the Best Employers List for LGBTQ+ Friendly Companies

In addition to offering exclusive discounts to military families, Dollar General is proud to partner with United Through Reading to help ensure children do not have to miss bedtime stories because their family member is away on military service.

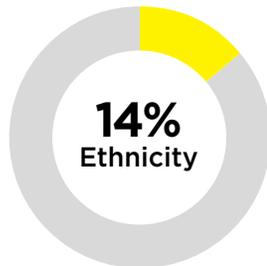
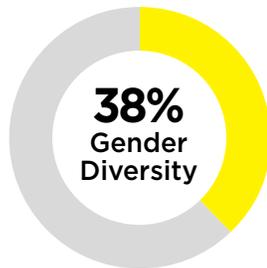


OUR EMPLOYEES**WORKFORCE COMPOSITION**

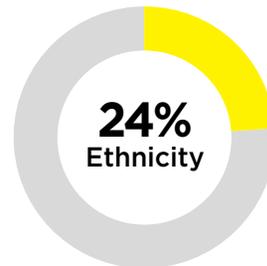
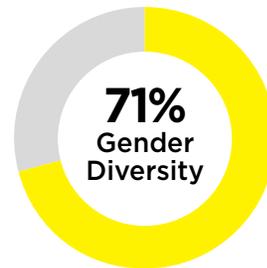
As of December 31, 2020

Officer Group

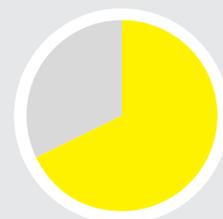
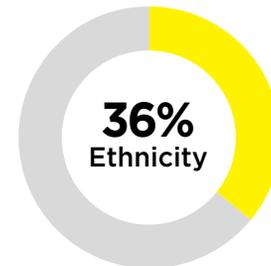
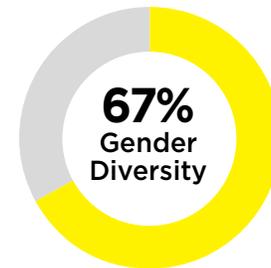
The following data includes all employees at the Vice President level and above.

**Management**

The following data includes all employees at the manager level and above, with the exception of Dollar General's Officer Group and employees based outside of the United States.

**Non-Management**

The following data includes all full-time and part-time non-management employees based in the United States.



68%
of our total workforce
is female

SOCIAL JUSTICE

In 2020, we pledged \$5 million to support organizations that are working to accelerate racial and social justice.

Funding includes a multi-year commitment to support the Equal Justice Initiative's work to address criminal justice reform and challenge racial and economic injustice through education and awareness. The Atlanta-based Operation Hope will receive \$1 million to support its efforts to advance financial dignity and inclusion through financial literacy training and coaching programs. INROADS will receive \$1 million to support internship and education programs for ethnically diverse students across the country.

In addition to supporting nonprofits in their efforts to foster more inclusive communities, Dollar General's AAERG published "Active Allyship at Dollar General: Navigating the Steps Forward". The guide is a resource to help employees understand ways they can play an active role in creating a more welcoming and inclusive environment.



Serving Our Communities

4 QUALITY
EDUCATION

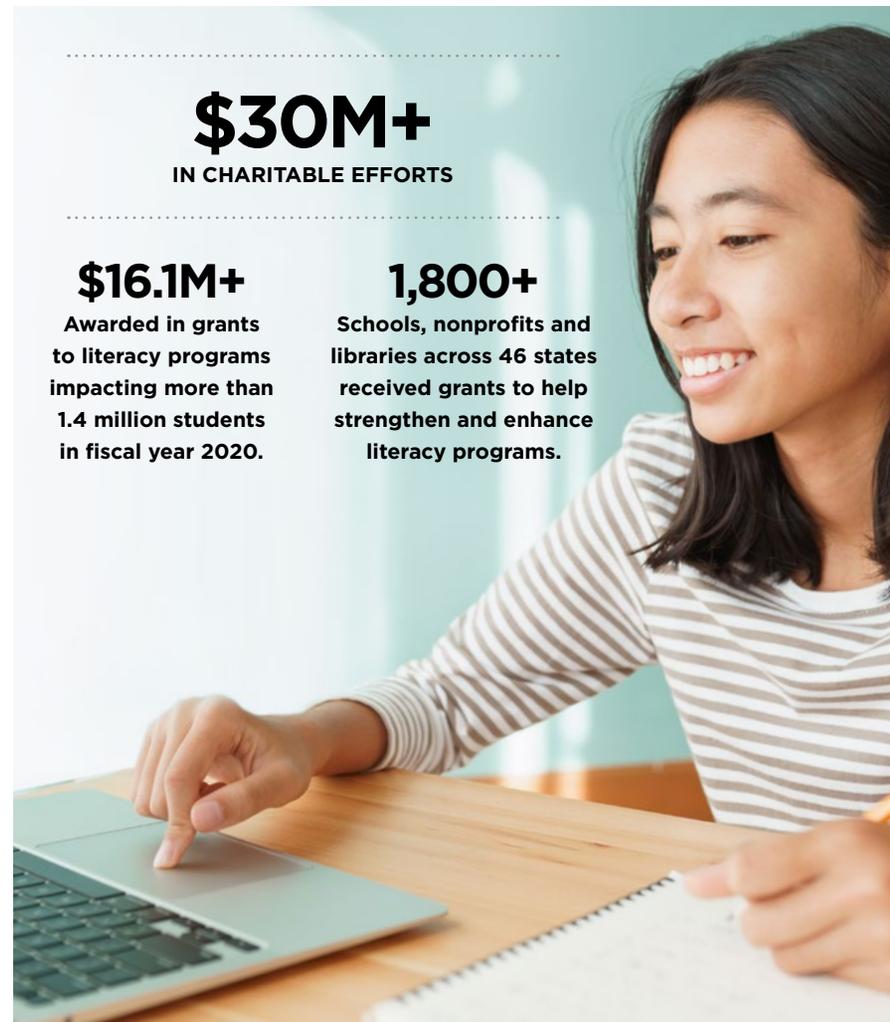


10 REDUCED
INEQUALITIES



OUR COMMUNITIES**Serving Our Communities**

Investing in the communities we call home is an integral part of our mission of *Serving Others*. In fiscal year 2020, Dollar General and its Foundations invested more than \$30 million in charitable efforts that focus on nourishing the mind and body through education, kindness and pediatric cancer care.



\$30M+

IN CHARITABLE EFFORTS

\$16.1M+

Awarded in grants to literacy programs impacting more than 1.4 million students in fiscal year 2020.

1,800+

Schools, nonprofits and libraries across 46 states received grants to help strengthen and enhance literacy programs.

LITERACY AND EDUCATION

For more than 27 years, the Dollar General Literacy Foundation (DGLF) has been investing in education programs across the country. In fiscal year 2020, the Foundation awarded more than \$16.1 million in grants to programs impacting more than 1.4 million students. More than 1,800 schools, nonprofit organizations and libraries across the 46 states in which Dollar General operates received grants to help strengthen and enhance literacy programs, provide access to educational materials and technology, and give teachers the tools and support they need to better serve students. While this is not a comprehensive list, some partnership highlights from 2020 are provided below.

Creating Access to Education

In the spring of 2020 when education was disrupted by nationwide school closures, the Dollar General Literacy Foundation awarded \$2 million to **Save the Children** to help more than 300,000 vulnerable children in rural communities have access to literacy and learning materials and nutrition.

To support adult learners and the nonprofits serving them, we partnered with **ProLiteracy** to launch the Mobile Learning Fund. The fund is designed to increase access to new learning opportunities for adults by providing adult literacy program providers with digital educational materials to help learners with upskilling in math, literacy and technology via engaging mobile solutions.

We are also partnering with the **American Indian College Fund** to extend access to programming for adults working towards their high school equivalency on Tribal Colleges and Universities campuses.

OUR COMMUNITIES**Building Home Libraries**

In partnership with **Reading Is Fundamental** in 2020, Dollar General provided over 128,000 books to more than 38,000 children. The free books were distributed three times a year to elementary-aged students in communities where Dollar General distribution centers are located.

Supporting Story Times

In partnership with **United Through Reading**, we help ensure children do not have to miss the special bonding moments of story time because their family member is away on military service. To help make this possible, we provide support to facilitate video-recorded stories and reading libraries on military bases and ships around the globe so that men and women in the Armed Forces can record themselves reading a story to their loved ones.

Rebuilding Libraries and Providing Basic School Supplies

During moments when natural disasters or fires impact schools, the Dollar General Literacy Foundation partners with nonprofit organizations to aid in the recovery efforts.

In partnership with the American Libraries Association (ALA)**and the American Association of School Librarians (AASL),**

we created the Beyond Words program to provide funding to school libraries devastated by disaster to help replace print, digital and technology resources. Since 2007, the Foundation has awarded more than \$2.6 million to public school library rebuilding efforts. In 2020, we helped schools impacted by wildfires, flooding and tornadoes across the county.

When disasters impact a school, students and teachers' supplies are often lost. As a national sponsor of the **Kids in Need Foundation's** Second Responder Program, we provide backpacks, school supplies and teacher supplies to schools, students and teachers impacted by disaster. During 2020, we provided supplies to 560 teachers, 13 schools and over 10,000 students.

128,000

Books have been provided to more than 38,000 children in 2020 through our partnership with Reading Is Fundamental.

10,000

Students received backpacks and school supplies in response to disasters through our sponsorship of the Kids in Need Foundation.



OUR COMMUNITIES**DG Kindness**

Every day, we hear stories of our Dollar General family leading with compassion and kindness.

To celebrate these moments of kindness, we launched the **DG Kindness** campaign in the fall of 2020. Each week, we celebrate one employee's story by providing a \$1,000 donation to a charity in their hometown to amplify their act of kindness. At 2020 fiscal year-end, we had celebrated 17 weeks of spreading kindness.

Children's Health

In 2020, Dollar General proudly celebrated 15-years of partnership and support of St. Jude Children's Research Hospital. Through corporate gifts and an annual in-store *Thanks & Giving* campaign, we have raised more than \$26 million to support the life-saving work at St. Jude.

In addition to financial support, Dollar General helps make the holidays a little brighter by hosting Santa's Workshop on St. Jude's campus for patients and their siblings. Attendees receive free toys and gift cards, participate in fun crafts, enjoy snacks, laugh and receive a visit from a few special friends. For patients who are not able to attend, special gift bags full of toys and holiday cheer are created and delivered to their rooms.

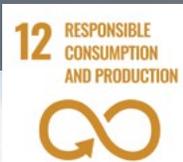
Employee Assistance Foundation

During 2020, Dollar General donated \$5.25 million to the Dollar General Employee Assistance Foundation to provide much needed hope and help to our employees during difficult times. Whether an employee loses a loved-one or has damage to their home by natural disaster or fire, for over 15-years the Foundation has been there to offer support. Funding for the Foundation comes from the company, board members and our coworkers joining together to serve the Dollar General family.

**DG Kindness**

Training Store Manager, Heidi B's heart was heavy after seeing the impact of the devastating wildfires on her hometown community in Oregon. She began helping community members sift through the destruction to look for family treasures that may have survived the fire. She also purchased 150 angels and placed them in front of homes that were destroyed to try to bring hope to those who lost everything. For Heidi's compassion and commitment to *Serving Others*, we recognized her as part of our DG Kindness campaign and donated to the Santiam Canyon Wildfire Relief Fund in her honor.

Serving the Environment



THE ENVIRONMENT**Serving the Environment**

Dollar General is committed to ensuring the communities we call home remain vibrant for generations to come. Part of being a good neighbor means being a responsible steward of our natural resources and working to reduce our environmental footprint through sustainable and business-friendly practices. As we grow our business, we continuously explore ways to further reduce and limit our impact on the planet while balancing operational and customer needs.

Our Footprint

We believe that *Serving Others* includes helping to ensure the health of our planet and mitigating our potential impact on climate change. Whether through Environmental Protection Agency certifications for our fleet, using energy efficient lighting and machines or repurposing products to avoid landfill impact, we are working to create positive change.

KEY METRICS

Carbon Footprint¹	2019	2020
Enterprise Square Footage	138,342,000	146,256,000
GHG Emissions Scope 1 (MT CO ₂ e)	347,831	408,623
GHG Emissions Scope 2 (MT CO ₂ e)	1,114,435	1,214,410
GHG Emissions Scope 1 and 2 Total (MT CO ₂ e)	1,462,266	1,623,033
Carbon Intensity (MT CO ₂ e /1000 SQ FT)	10.6	11.1
Energy Consumed Purchased Electricity (kWh)	2,372,941,107	2,582,574,879

Energy Conservation

In 2016, we initiated a broad-based LED light installation effort in our stores with the intent of reducing energy costs and reducing the impact of our carbon footprint. As of fiscal year-end, 99 percent of our stores' interior lighting has been converted to LED lighting resulting in a reduction in energy usage in our stores by 19 percent since the implementation began. Additionally, where permitted under our lease terms, we have converted all exterior lighting to LED.

To help regulate energy consumption, energy management systems are included in nearly all Dollar General stores. Additionally, all new and replacement HVAC systems include variable frequency drives to help generate further energy efficiencies, resulting in approximately seven percent energy use reduction in stores where they are installed, which at fiscal year-end represented 21 percent of our chain.

In addition to lighting and HVAC efforts, as part of our cooler door expansion, we are actively replacing inefficient and aged coolers and freezers with ENERGY STAR[®] rated units, which are approximately 23% more efficient.

Finally, we have installed solar panels in a limited number of stores in Illinois and Missouri.

¹ Square footage is for fiscal year-end; all other metrics for calendar year-end.

Notes: Enterprise square footage includes retail and distribution centers. Total square footage increased by 5.7%. Scope 1 includes stationary (natural gas, propane, heating oil, and backhaul generators) and mobile (corporate jet, fleet vehicles, owned trucking, owned refrigeration trailers, and leased trucking) emissions. Scope 2 includes purchased electricity. Purchased electricity reduction can be attributed to efforts such as: increased use of more energy efficient lighting, energy management systems, VFD HVAC systems and the installation of ENERGY STAR[®] coolers.

THE ENVIRONMENT

RECYCLING

(calendar year 2020)



274,098

Tons of Cardboard



1,459

Tons of Paper



2,358

Tons of Plastic



2.2 Million

Pallets



5
Million

Trees Saved



1.9
Billion

Gallons Water Saved



487
Million

kWh Energy Saved



722,285

Barrels Oil Saved

THE ENVIRONMENT**Pallets**

Our distribution centers are engaged in ensuring our pallet program has minimal impact on the environment. The pallet pool is a mix of vendor owned pallets that are leased for use and whitewood pallets that we own once received. We return all leased pallets to the appropriate vendor after use, and we reuse the whitewood pallets. If any whitewood pallets are unsafe for reuse and cannot be repaired, they are recycled for other end goods.

Tertiary Packaging

To increase efficiencies for our distribution centers and reduce our environmental impact, we conducted an economic order quantity analysis that allowed us to reduce the number of partial pallets received. The decrease in partial pallets allowed us to reduce inbound deliveries, employee touches and the number of pallets being utilized for product. This effort resulted in a reduction of more than 807,000 pallets in fiscal year 2020 as compared to the previous fiscal year.

Plastics

Dollar General initiated a plastic film recycling program in which distribution centers collect and bale plastic film returned from our store teams along with the plastic wrap used at the distribution facility to help protect pallets. From the start of this program in February 2012 through December 31, 2020, Dollar General has recycled and repurposed more than 16,576 tons of plastic film.

Cardboard Backhauling

The company implemented a cardboard backhauling initiative more than a decade ago. This initiative calls for cardboard shipped to our stores to be broken down and returned to our distribution centers for recycling or sale to paper mills. More than 2.2 million tons of cardboard have been recycled since the beginning of this program in 2008, which is equivalent to nearly 39 million trees saved.

**Mixed Paper Recycling**

All unsold or outdated magazines, newspapers, greeting cards, and store paperwork (to the extent that it does not contain confidential or personal information) are returned to our distribution centers to be recycled. Since 2010, we have recycled over 32,588 tons of mixed paper.

Network Services

We work to recycle and e-cycle our outdated network equipment, all according to EPA guidelines.

Store Support Center

Ongoing recycling efforts at our Store Support Center include the following items: cardboard, loose paper, plastic bottles, aluminum cans, shrink wrap, light bulbs, batteries, cooking oil, toner cartridges, scrap metal, obsolete fixtures, broken furniture and motors.

New Store Growth and Store Remodels

Partnering with preferred developers, Dollar General has implemented a virtually-zero waste construction program to reduce the excess materials that remain after a store is built. As we remodel and optimize store formats to better serve our customers, we work to minimize waste through the recycling efforts listed above and through metal recycling programs.

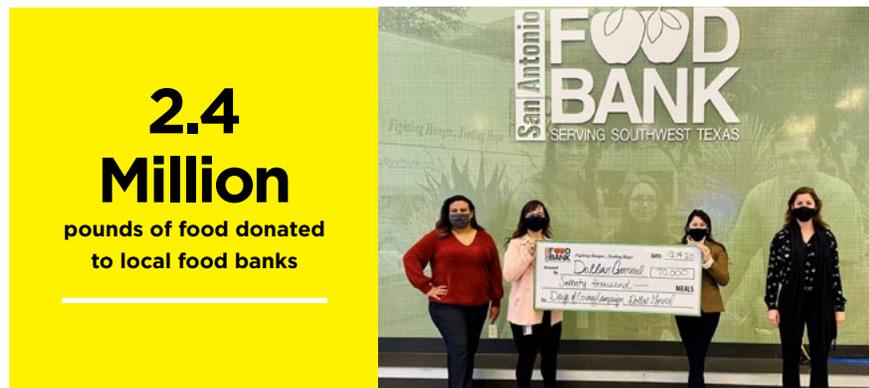
THE ENVIRONMENT**REDUCING FOOD WASTE**

In the United States over 42 million people face food insecurity. To help reduce food waste and support local food distribution efforts, Dollar General distribution centers and stores in select markets are partnering with Feeding America®. During 2020, we donated more than 2.4 million pounds of food to local food banks which is equivalent to over 1.7 million meals.

The Power of Spilled Milk

In 2020, Dollar General partnered with Rubicon to divert 12,348 tons of expired dairy waste from landfill. Of this total, 8,174 tons were sent to regional producers of animal feed, where they were used as high-quality additives to feed farm animals. Compared to a landfilling scenario, we estimate the reuse of this waste as animal feed resulted in the avoidance of 1,152 tons of CO₂e or the equivalent of 249 passenger vehicles driven for one year.

In addition to the animal feed program, 4,174 tons of expired dairy waste was sent to a farm to process through an anaerobic digester. Through this specialized process a Pennsylvania farm close to our Pottsville, Pennsylvania distribution center is able to turn the milk into natural gas, which is then used to generate electricity. The electricity created from the milk at the distribution center is not only able to power the approximately 1,200 acre farm, but superfluous power is sold to the local electric company.

**DISTRIBUTION CENTERS**

Our state-of-the-art distribution center facilities are strategically located to enable us to efficiently serve our stores needs while operating in an environmentally mindful way. Through strategic placement of our facilities, we are able to create economic empowerment opportunities for the local workforce and communities while also positioning our transportation team for more efficient hauls and reduced stem miles.

We are mindful of conservation efforts in operating our facilities. Among the energy-saving building practices utilized in our distribution centers are:

- LED lighting with occupancy sensors
- Electric-powered material handling machines (e.g., forklifts)
- Controllable light levels
- White TPO roof membranes that reflect sunlight and help with heating/cooling energy usage
- Advanced warehouse cooling systems
- Energy-efficient dock doors, seals and windows
- Increase the use of variable frequency drives (VFD) for climate control equipment and conveyors

Additionally, we use adiabatic condensers in 38% of our distribution centers. These condensers offer energy efficient solutions by using water only as needed based on ambient temperatures and system demand and do not require chemicals to treat the water.

THE ENVIRONMENT**TRANSPORTATION**

We work diligently to create the most efficient routing systems for our truck deliveries to ensure the lowest mileage between our distribution centers and stores. This helps reduce the total number of miles driven and subsequent diesel fuel consumption. Since 2018, we have reduced our stem miles from our traditional distribution centers by 2.7%. Over the past year, we have reduced stem miles from our fresh distribution centers by 5.6%.

To help further improve freight transportation efficiency, in 2020, 100% of our outbound fleet carriers and 89% of our inbound fleet carriers were certified by the Environmental Protection Agency's SmartWay™ program. Through data collection, the program helps companies benchmark and adjust to industry

90%

of our total fleet carriers are SmartWay™ certified.

best practices and enhance the sustainability of their supply chains.

Our global supply chain utilizes various methods of transportation to deliver goods throughout our network. To optimize routing, reduce cost and lower fuel consumption, we rely on single and intermodal networks of transportation utilizing traditional truckloads, rail and ocean liners. In fiscal year 2020, 19% of our total cartons were shipped using intermodal transportation.

In alignment with the International Maritime Organization's new standards, Dollar General and its ocean carriers migrated to a low-sulfur fuel in 2020.

Dollar General's Private Fleet

To serve our new stores opening across the U.S. each week, our private trucking fleet continues to grow. Our private fleet is a GI Bill® certified employer offering a competitive compensation package with the opportunity for drivers to earn up to \$90,000 a year, annual bonus opportunities and day-one competitive benefits eligibility. For warehouse employees interested in pursuing this career path, we offer an internal Class A CDL training program. In 2020, our private fleet nearly doubled in terms of number of employees and 47% of fleet leaders were promoted internally.

**DG Kindness**

Martin Robbles began his career with Dollar General's Private Fleet five years ago. When school was interrupted by COVID-19, his daughter, Khloe, learned that some of her classmates did not have hot meals at home. The father-daughter duo sprang into action and built a lemonade stand raising money for the San Antonio Food Bank. For Martin and his daughter's generosity and compassion, we recognized them as part of our DG Kindness campaign and joined them in donating to the food bank's efforts.

Managing Our Supply Chain



Managing Our Supply Chain

In keeping with our core value of respecting the dignity and differences of others, we are committed to advancing human rights protections throughout our supply chain.

HUMAN RIGHTS AND WORKPLACE CONDITIONS

Our human rights and workplace conditions expectations, which are applicable to each vendor and communicated in a variety of ways, include the following:

- All employees in the production of company merchandise must be at least 16 years of age, regardless of country law (which may allow younger workers).
- Suppliers may not use involuntary or forced labor.
- Wages and benefits must comply with the local and country laws.
- Suppliers must comply with all applicable legal limits for working hours. Employees may not work more than six consecutive days.
- Supplier employees must be employed, paid, promoted and terminated based on occupational ability and not based on personal characteristics such as race, sex or beliefs.
- Supplier will not tolerate or condone physical, sexual, psychological or verbal harassment or abuse of any Supplier employee.
- Supplier will demonstrate commitment to the health and safety of employees to prevent accidents and injury occurring in the course of work.
- If Supplier provides residential housing for employees, Supplier must ensure the housing is healthy and safe.

We have a zero-tolerance policy against child labor, forced or slaved labor and worker discrimination/harassment. We will not conduct business with vendors or facilities that are found to have engaged in or allowed these behaviors.

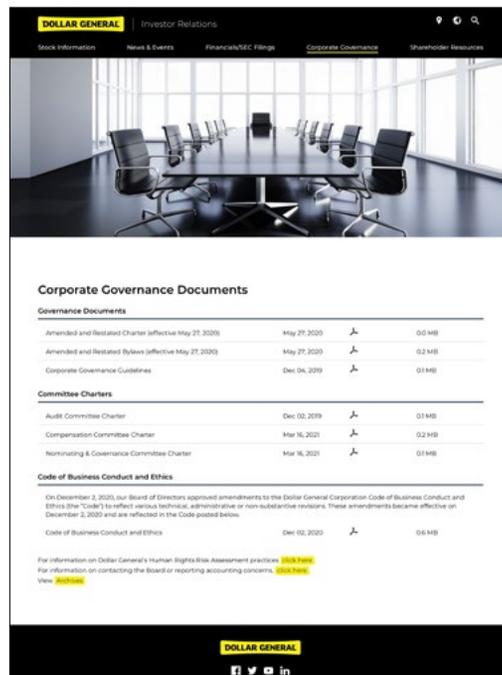
Dollar General requires all vendors to have high standards of ethical labor practices which includes work environment expectations. Facilities producing direct import merchandise for Dollar General are audited annually by an independent third-party firm. The audit is based upon the International Labor Organization standards. We utilize two different third-party audit firms to help ensure consistency and integrity in the process.

Every direct import factory doing business with Dollar General must have passing assessment score or an approved Corrective Action Plan. Shipping approval will not be issued until this requirement is satisfied. A factory's failure to cooperate during this evaluation may result in an immediate order cancellation. Factories receiving sufficiently low performance ratings will not be allowed to produce products for Dollar General until corrections have been made and an additional audit is conducted to validate the corrections.

Dollar General employees with direct import or supply chain responsibilities are expected to familiarize themselves and comply with the company's safety and workplace conditions expectations, as well as with the risks presented with certain product categories and sourcing countries. Members of Dollar General's Global Compliance Department review vendor and facility performance with Sourcing and Merchandising leadership to ensure understanding of issues that pose unacceptable workplace conditions or potential product regulatory and safety concerns.

Vendors are made aware of the company's expectations in numerous ways, including but not limited to the vendor onboarding process, the Vendor Guide, the Code of Business Conduct and Ethics, supplier and other agreements, and periodic in-person vendor summits and meetings.

To view our Code of Business Conduct and Ethics and for more information about our Human Rights Risk Assessment practices, visit the Corporate Governance section of our website. ►



DIVERSITY SUMMIT

In an effort to extend opportunities for a broader range of suppliers, Dollar General hosted our second Supplier and Diversity Innovation Summit in the Fall of 2020, which was attended by over 100 suppliers representing diverse companies.

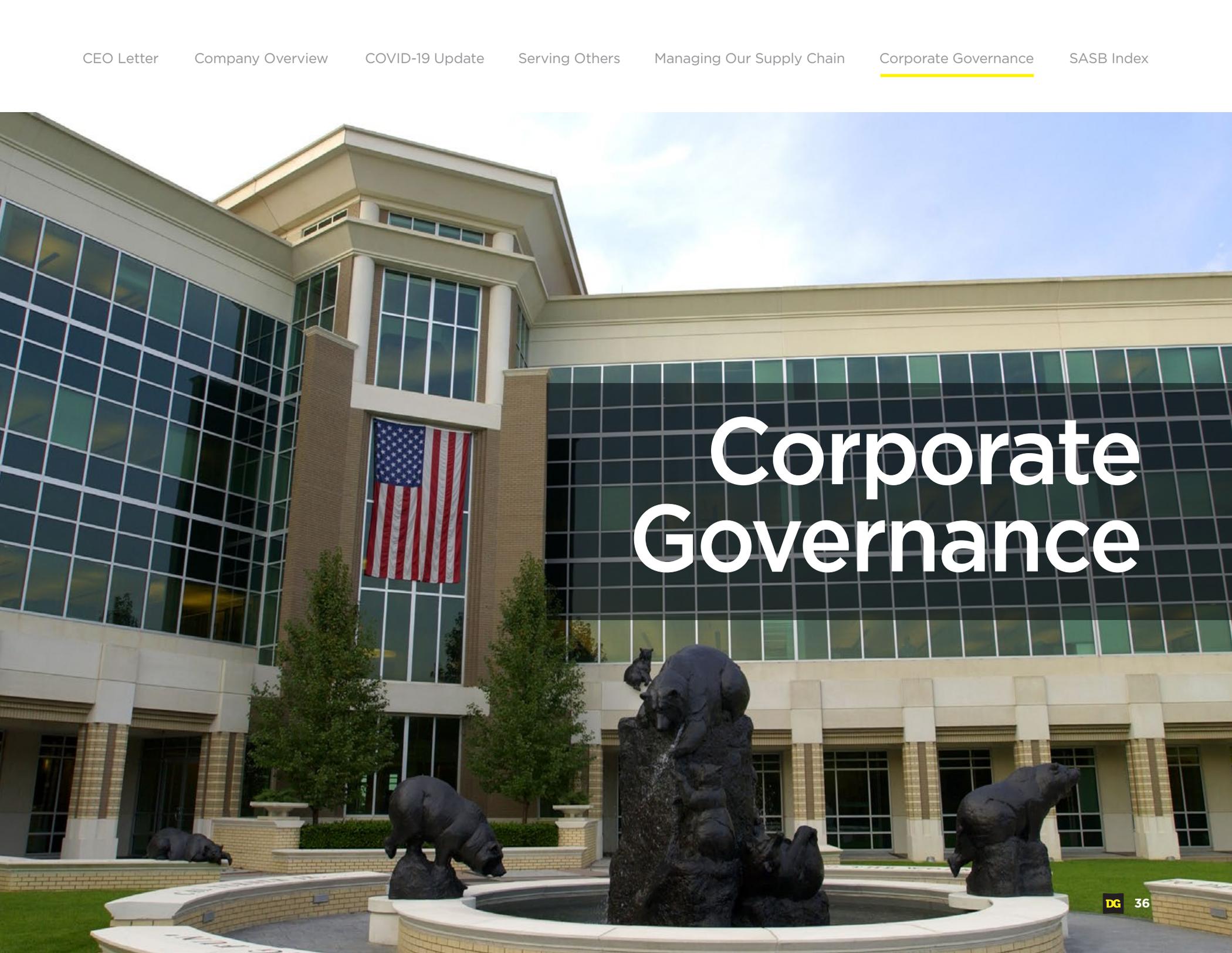
In order to participate, suppliers were required to hold at least one of the below certifications and provide items listed in the categories below:

Diversity Certifications

- Women Business Enterprise (WBE)
- Women Owned Small Business (WOSB)
- Ethnic Minority Owned - NMSDC Certified
- State Certified Minority Owned
- Veteran Owned - NaVOBA
- Service-Disabled Veteran Owned - VA Confirmed
- Disability - Owned Business Enterprise (DOBE) Certification
- Disadvantaged Business Enterprise - Government Certified
- Small Disadvantaged Business - Government Certified
- Gay, Lesbian, Bi-Sexual or Transgender Owned - NGLCC Certified
- Small Business Certified - SBA(8)A Certified
- WBENC Certified

Merchandise Categories

- Beauty
- Personal Care
- Over-the-Counter/Wellness
- General Merchandise
- Grocery



Corporate Governance

Corporate Governance

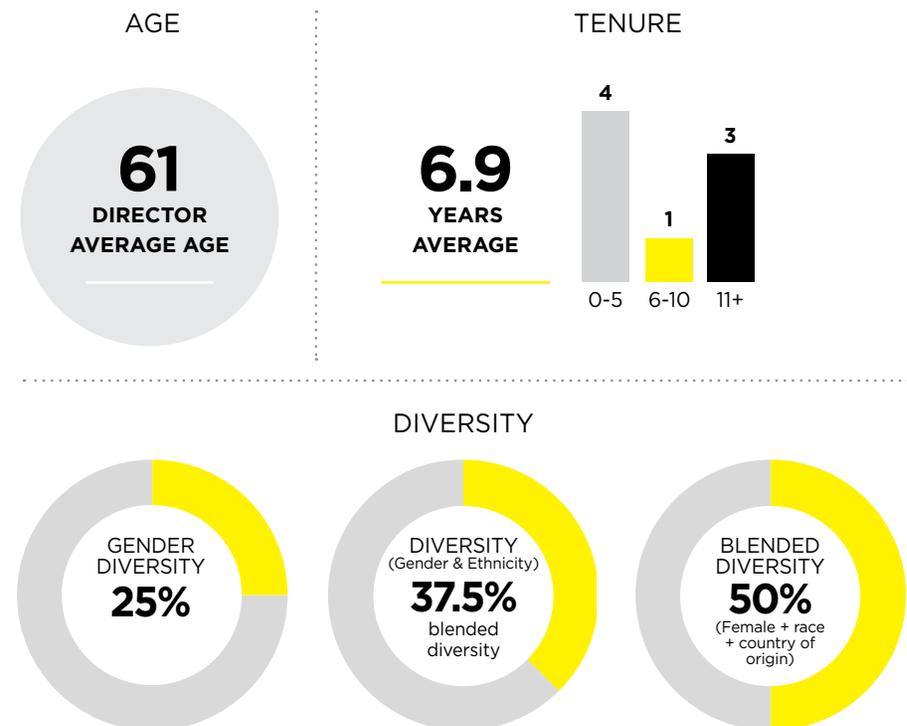
We are committed to sound corporate governance practices to help us maintain our competitive advantage, drive results and create long-term value. We invite you to read our Corporate Governance Guidelines and other governance documents on the Investor Information—Corporate Governance page of our website, as well as our 2021 Proxy Statement, for more details regarding some of the information in this report.

BOARD LEADERSHIP

Our Board of Directors represents a diverse mix of backgrounds, experience, viewpoints, age, tenure, gender, race and country of origin, exercising independent oversight of management and our company's strategy to maximize long-term shareholder value and the fulfillment of our mission. Each of our directors is elected annually via majority voting and, other than our CEO, satisfies our independence criteria and that of the New York Stock Exchange. Of our independent directors, 43% have joined our Board within the last five years. Our Bylaws contain a proxy access provision on substantially market standard terms.

Independent Board Chairman

Our Board is chaired by an independent director. The Chairman serves as a liaison between the Board and our CEO, approves Board meeting agendas, facilitates communication of annual evaluation feedback to the Board and to individual directors as further discussed below, and participates with the Compensation Committee in the annual CEO performance evaluation. This leadership structure allows our CEO to focus his time and energy on managing our business, while our Chairman devotes his time and attention to matters of Board oversight and governance. The Board, however, recognizes that no single leadership model is right for all companies and at all times, and the Board will review its leadership structure as appropriate to ensure it continues to be in the best interests of Dollar General and our shareholders.



As of 2020 fiscal year end

Annual Evaluations and Board Succession Planning

The Board, each standing committee and each individual non-employee director are evaluated annually using written questionnaires and a process approved by the Nominating Committee. Our Chairman of the Board, who also serves as Chairman of the Nominating Committee, discusses the results of the individual evaluations, as well as succession considerations, with each director. These evaluations and discussions also help inform director re-nomination decisions.

Regularly Scheduled Independent Director Sessions

Opportunity is available at each regularly scheduled Board meeting for executive sessions of the non-management directors (all of whom, as noted above, currently are independent). The Chairman of the Board presides over all executive sessions of the non-management and the independent directors.

Shareholder Engagement

To build and maintain relationships with shareholders and to ensure their perspectives are understood and considered by the Board, we conduct year-round outreach through our senior management, investor relations and legal teams. In 2020, we engaged in focused shareholder engagement efforts regarding environmental, social and governance (ESG) matters, inviting shareholders representing more

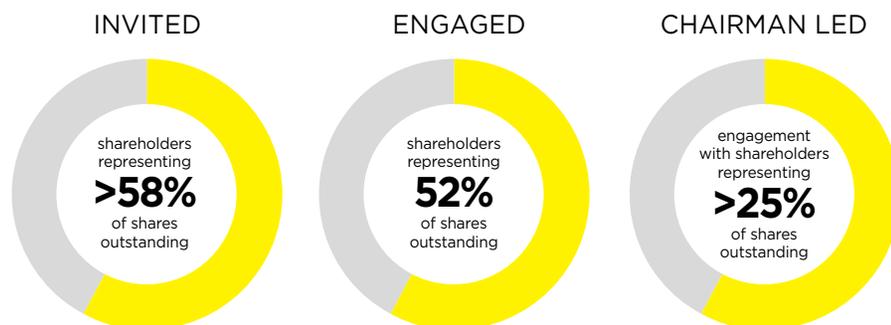
than 58% of our outstanding shares to discuss their perspectives on these matters. We ultimately held conversations with investors comprising 52% of shares outstanding. Our Chairman of the Board, who also serves as Chairman of the Nominating Committee, led the engagement with shareholders representing over 25% of shares outstanding. Topics discussed during these meetings generally centered on our COVID-19 response; ESG oversight, management and disclosure; our executive compensation program structure; the Board refreshment and evaluation process; and our overall governance profile. Feedback from these meetings was shared with the Board to inform future decisions regarding these matters.

Annual CEO Performance Evaluations

The CEO is annually evaluated under the leadership of the Compensation Committee and the Chairman of the Board. All independent directors are invited to provide input into this discussion.

RISK OVERSIGHT

Our Board of Directors and its three standing committees, the Audit Committee, the Compensation Committee and the Nominating Committee, have an important role in our risk oversight process. The entire Board is regularly informed about risks through the committee reporting process, as well as through special reports and updates from management and advisors. This enables the Board and its committees to coordinate the risk oversight role, particularly with respect to risk interrelationships. The Board believes this division of risk management responsibilities effectively addresses the material risks facing Dollar General. The Board further believes that our leadership structure, described above, supports the risk oversight function of the Board as it allows our independent directors, through independent Board committees and executive sessions of independent directors, to exercise effective oversight of management's actions in identifying risks and implementing effective risk management policies and controls.



Strategic Planning Risk Oversight. Our company's strategy is firmly rooted in our long-standing mission of Serving Others, as we consistently strive to improve our performance while retaining our customer-centric focus. The Board actively oversees our corporate strategy and related risks through both annual strategic planning meetings and discussions and reports on the status of and risks to our strategic initiatives at quarterly meetings.

Enterprise Risk Oversight. We identify and manage our key risks using our enterprise risk management program. This framework evaluates significant internal and external business, financial, legal, reputational and other risks, identifies mitigation strategies, and assesses any residual risk. The program employs interviews with various levels of management and our Board and reviews of strategic initiatives, recent or potential legislative or regulatory changes, certain internal metrics and other information. The Audit Committee oversees this program, reviewing enterprise risk evaluation results at least annually and high residual risk categories, along with their mitigation strategies, quarterly. In addition, as part of its regular review of progress versus the strategic plan, our Board reviews related material risks as appropriate. Our General Counsel also periodically provides information to the Board regarding our insurance coverage and programs as well as litigation and other legal risks.

Cybersecurity Risk Oversight. In addition to consideration as part of the enterprise risk management program, cybersecurity risk is further evaluated through various internal and external audits and assessments designed to validate the effectiveness of our controls for managing the security of our information assets. Management develops action plans to address select identified opportunities for improvement, and the Audit Committee quarterly reviews reports and metrics pertaining to cybersecurity risks and mitigation efforts with our Chief Information Officer and our Chief Information Security Officer.

Human Capital Management Oversight. Our Board of Directors and the Compensation Committee oversee aspects of our human capital management. Our Board annually discusses management succession planning with the Chief Executive Officer and the Chief People Officer,

reviews significant employee-related litigation and legal matters at least quarterly with our General Counsel, and periodically discusses our diversity and inclusion initiatives with our Vice President of Diversity and Inclusion. In addition, the Compensation Committee oversees our executive compensation program and the overall compensation philosophy and principles for the general employee population and reviews quarterly our diversity and inclusion efforts and results.

Governance, Corporate Social Responsibility and Sustainability Risk Oversight. The Nominating Committee has responsibility for general oversight of corporate governance, including oversight of our ESG-related shareholder outreach program and shareholder proposals. The Nominating Committee receives regular reports on ESG engagements with shareholders and viewpoints provided by shareholders and reviews detailed information regarding corporate governance trends and practices, all of which informs recommendations to the Board. Recent examples of changes recommended by the Nominating Committee as a result of these reviews include the implementation of proxy access in 2017, the removal of the supermajority voting provisions from our Charter and Bylaws in 2020 and the company-sponsored proposal included in our 2021 proxy statement to implement the right of shareholders holding in the aggregate at least 25% of our common stock to request special meetings. The Nominating Committee also was recently delegated oversight responsibility for significant corporate social responsibility and sustainability matters, except to the extent that a matter is overseen by the full Board or a separate committee. A cross-functional group comprised of senior leaders and the Vice-President of Corporate Social Responsibility and Philanthropy provides day-to-day guidance and support on the company's ESG-related efforts.

Board Committees

Our Board of Directors has established three standing committees comprised solely of independent directors. The functions of the Board's three standing committees are described in applicable Board-adopted written charters available on the Corporate Governance section of our website and are summarized below. In addition to the functions outlined below, each committee performs an annual self-evaluation, periodically reviews and reassesses its charter, evaluates and makes recommendations concerning shareholder proposals that are within the committee's expertise, and performs the risk oversight roles outlined above.

Committee	Committee Functions
Audit	<ul style="list-style-type: none"> • Selects the independent auditor and periodically considers the advisability of audit firm rotation • Annually evaluates the independent auditor's qualifications, performance and independence, as well as the lead audit partner and reviews the annual report on the independent auditor's internal quality control procedures and any material issues raised by its most recent review of internal quality controls • Pre-approves audit engagement fees and terms and all permitted non-audit services and fees, and discusses the audit scope and any audit problems or difficulties • Sets policies regarding the hiring of current and former employees of the independent auditor • Discusses the annual audited and quarterly unaudited financial statements with management and the independent auditor <ul style="list-style-type: none"> • Reviews CEO/CFO disclosures regarding any significant deficiencies or material weaknesses in our internal control over financial reporting, and establishes procedures for receipt, retention and treatment of complaints regarding accounting or internal controls • Discusses the types of information to be disclosed in earnings press releases and provided to analysts and rating agencies • Oversees our enterprise risk management program, including reports and metrics pertaining to cybersecurity risks • Reviews internal audit activities, projects and budget • Discusses with our general counsel legal matters having an impact on financial statements • Furnishes the committee report required in our proxy statement
Compensation	<ul style="list-style-type: none"> • Reviews and approves corporate goals and objectives relevant to CEO compensation • Determines executive officer compensation (with an opportunity for the independent directors to ratify CEO compensation) and recommends Board compensation for Board approval • Oversees overall compensation philosophy and principles for the general employee population • Establishes short-term and long-term incentive compensation programs for senior officers and approves all equity awards • Oversees share ownership guidelines and holding requirements for Board members and senior officers <ul style="list-style-type: none"> • Oversees the performance evaluation process for senior officers • Reviews and discusses disclosure regarding executive compensation, including Compensation Discussion and Analysis and compensation tables (in addition to preparing the report on executive compensation for our proxy statement) • Selects and determines fees and scope of work of its compensation consultant • Oversees and evaluates the independence of its compensation consultant and other advisors • Oversees diversity and inclusion efforts and results
Nomination and Governance	<ul style="list-style-type: none"> • Develops and recommends criteria for selecting new directors • Screens and recommends to our Board individuals qualified to serve on our Board • Recommends Board committee structure and membership • Recommends persons to fill Board and committee vacancies • Develops and recommends Corporate Governance Guidelines and corporate governance practices and oversees corporate governance issues, including the ESG-related shareholder engagement program <ul style="list-style-type: none"> • Oversees the process governing annual Board, committee and director evaluations • Oversees significant corporate social responsibility and sustainability matters • Evaluates ESG-related shareholder proposals unless within the subject matter jurisdiction or expertise of another independent Board committee

SUCCESSION PLANNING

Our Board of Directors ensures that a formalized process governs long-term management development and succession and formally reviews our succession plan for officers, as well as other notable talent, at least annually. Our comprehensive succession planning program encompasses not only our CEO and other executive officers but all employees through the front-line supervisory level. The program focuses on key succession elements, including identification of potential successors for positions where internal succession is appropriate, assessment of each potential successor's level of readiness, diversity considerations, and preparation of individual growth and development plans. Our long-term business strategy is also considered with respect to CEO succession planning. In addition, we maintain and review with the Board of Directors periodically a confidential procedure for the timely and efficient transfer of the CEO's responsibilities in the event of an emergency or his sudden incapacitation or departure.

Stock Ownership Guidelines and Holding Requirements

Our Board of Directors has put in place significant stock ownership guidelines for senior officers and directors that are tied to a multiple of base salary or director fees, as applicable, as well as holding requirements.

Hedging and Pledging Prohibitions

We prohibit executive officers, directors and their controlled persons from: (1) hedging against any decrease in the market value of equity securities awarded by Dollar General and held by them; (2) pledging our securities as collateral; and (3) holding our securities in a margin account. Controlled Persons include the Board member's, executive officer's or employee's respective spouses, immediate family members sharing their home or that are economically dependent on them, entities that they control, and trusts in which they serve as a trustee or are a beneficiary.

Clawback Policy

Our annual performance share unit awards and the annual Teamshare cash bonus program allow for the clawback of performance-based incentive compensation paid or awarded to a named executive officer in the case of a material financial restatement of our consolidated financial statements resulting from fraud or intentional misconduct on the part of the executive officer.

ETHICAL CONDUCT

Our mission and values are built on a foundation of trust, honesty, fairness and respect. Our commitment to maintaining a values-driven, integrity-based culture guides our interactions with fellow employees, business partners, shareholders and customers. To ensure this trust is maintained and that we operate with the highest ethical standards, all employees, officers, Board members and vendors are expected to adhere to our Code of Business Conduct and Ethics. Our Code of Business Conduct and Ethics can be found in the Investor Information section of our website. The Board of Directors and the executive leadership team provide oversight for the code.

Vendors are made aware of the company's Code of Business Conduct and Ethics, and the importance of adhering to it in numerous ways including, but not limited to, the vendor onboarding process, the company's Vendor Guide, supplier and other agreements, and periodic meetings with the company. When interacting with and/or executing these documents, Vendors agree to not only abide by the Code of Business Conduct and Ethics, but also refrain from engaging in any conduct contrary to it.

Speaking Up

We encourage reporting of behavior that is illegal, unethical or questionable; sharing concerns; asking questions; and seeking guidance, and we have an open-door policy for individuals to do so. In addition, we provide a widely published 24/7 hotline to report legal or ethical concerns, anonymously if desired, to a live operator. We have a non-retaliation policy for reports that are made in good faith.

DATA PRIVACY & SECURITY

Protecting the personal information of our employees, customers and business partners, as well as our own confidential and proprietary business information, is important to us. We approach information security in a holistic, defense-in-depth manner, and layer security controls to strengthen our protective posture. We work diligently to safeguard our data according to applicable industry regulations and laws, as well as best practices.

While based on industry-recognized frameworks such as ISO/IEC 27001, NIST, PCI DSS, and similar others, our information security program is designed to meet the unique information security needs of the Dollar General environment, which includes accounting for an evolving risk climate, emerging threats and technologies, threat and technology trends and more. Robust vulnerability and threat management programs work to identify and react to exploitable vulnerabilities that may exist in the environment. These programs consist of multiple administrative and technical controls including, but not limited to, vulnerability scanning, application security testing and penetration testing.

Security training and awareness programs are integrated into our onboarding and ongoing activities. While organizations providing contingent workers are responsible for general security training and awareness of their personnel, all employee and contingent worker email account holders are included in periodic phishing testing and training activities.

Multiple independent information security program assessments, audits, and similar are conducted annually by both internal and external assessors, auditors and similar.

Additionally, Dollar General takes customer cardholder data security very seriously. Strategic approaches to protecting customer cardholder information include not storing or handling customers' unencrypted full credit/debit card information, which reduces customer cardholder data exposure risk. In-store credit/debit transactions utilize point-to-point or end-to-end encryption solutions, and online (e.g., e-commerce and other digital sales channels) storefronts utilize secure, tokenized third-party credit payment services.

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ACTIVITY METRICS

as of fiscal year-end

Metric	Code	2020	2019	2018
(1) Number of retail locations	CG-MR-000.A	17,177	16,278	15,370
(2) Number of distribution centers		26	22	17
(1) Total area of retail space	CG-MR-000.B	127,056,000	120,342,000	113,755,000
(2) Total area of distribution centers		19.2 million	18.0 million	16.3 million

ACCOUNTING METRICS

Topic	Metric	Code	Disclosure
Energy Management in Retail & Distribution	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	CG-MR-130a.1	Our Footprint
Data Security	Description of approach to identifying and addressing data security risks	CG-MR-230a.1	Cybersecurity Risk Oversight Data Privacy & Security
	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	CG-MR-230a.2	When public disclosure criteria are met, data breaches are included in the 2020 Form 10-K
Labor Practices	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	CG-MR-310a.3	When public disclosure criteria are met, monetary losses as a result of legal proceedings associated labor law violations are included in the 2020 Form 10-K

Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	CG-MR-330a.1	<u>Workforce Composition</u>
	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	CG-MR-330a.2	When public disclosure criteria are met, monetary losses as a result of legal proceedings associated employment discrimination are included in the 2020 <u>Form 10-K</u>
Product Sourcing, Packaging & Marketing	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-MR-410a.2	<u>Chemical Policy and Restricted Chemical List</u> <u>Dollar General Chemical Policy</u>
	Discussion of strategies to reduce the environmental impact of packaging	CG-MR-410a.3	<u>Tertiary Packaging</u>

Dollar General Chemical Policy

Dollar General is committed to offering for sale only those products that meet or exceed applicable legal and regulatory requirements, including those relating to product and environmental safety. Where practicable and in keeping with the company's obligation to create long-term value for its shareholders as a whole, the company will endeavor to go beyond what is required by law and take additional steps to reduce or eliminate certain high priority chemicals (the "Chemicals")¹ in and from its private label core formulated products in certain departments (initially, Home Cleaning and Beauty & Personal Care) (the "Products"). These Chemicals will be posted on its Restricted Substances List (RSL).

Specifically, the company intends to:

- By the end of fiscal year 2019, urge its suppliers to use safer alternatives for the Chemicals on its RSL with alternatives (e.g., those identified by the U.S. Environmental Protection Agency's Safe Choice program).
- Require the elimination of these Chemicals from the Products by December, 2022
- Encourage suppliers of other (i.e., non-private) brands in the home cleaning and beauty & personal care departments to reduce or eliminate their use of the Chemicals in products sold to Dollar General.
- By the end of fiscal year 2019, launch initiatives with its suppliers to enhance information collection regarding the chemical composition of the products sold to Dollar General, including:
 - Communication of the expectation that by March 31, 2020 suppliers will register product formulations with the UL WERCSmart[®] system and provide Dollar General with consent to access and utilize this data.
 - Include the expectation of cooperation regarding these efforts in the company's vendor guidance, as well as in applicable supplier agreements.
 - Communicate its expectation that suppliers will provide full formulation data, including disclosure of fragrance constituents.
- Review and evaluate the list of products and chemicals covered by this policy on an annual basis, referencing information provided by the above-referenced process.
- Encourage core private label suppliers in the above departments to improve transparency with consumers regarding the ingredients in their products.
- Begin collecting information regarding any third-party certifications awarded to products sold by the company based upon the use of safer ingredients or environmental performance.
- Document these efforts in the company's annual *Serving Others* report.

¹ These eight chemicals are Formaldehyde, Toluene, Triclosan, Nonylphenol Ethoxylates, Butylparaben, Propylparaben, Trichloroethylene, and Triclocarban.