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Statements in this Corporate Sustainability Report and Dollar Tree, Inc.’s website regarding the company’s Environmental, Social, Governance (ESG) initiatives and future operating results, outlook, growth, plans, and business strategies, including statements regarding projected savings and anticipated improvements to the company’s business and ESG metrics as a result of its initiatives and programs, as well as any other statements that are not related to present facts or current conditions or that are not purely historical, constitute forward-looking statements. These forward-looking statements are based on the company’s historical performance and its plans, estimates, and expectations as of April 1, 2021. Forward-looking statements are not guarantees that the future results, plans, intentions, or expectations expressed or implied by the company will be achieved. Matters subject to forward-looking statements involve known and unknown risks and uncertainties, including economic, legislative, regulatory, competitive, and other factors, which may cause actual financial or operating results, levels of activity, or the timing of events to be materially different than those expressed or implied by forward-looking statements. Important factors that could cause or contribute to such differences include execution of the company’s plans and its success in realizing the benefits expected to result from its initiatives and programs, including its sustainability initiatives, and the other factors set forth in Part I, “Item 1A. Risk Factors” in the Company’s 2020 Annual Report on Form 10-K, as may be amended or updated in the company’s Quarterly Reports on Form 10-Q or other filings with the SEC. Except as required by law, the company specifically disclaims any obligation to update any forward-looking statements as a result of developments occurring after the date of this report, even if its estimates change, and you should not rely on statements contained herein as representing the company’s views as of any date subsequent to the date of this report.
Dollar Tree and Family Dollar are two brands dedicated to something very simple: making peoples’ lives easier. Our promise is to make sure shoppers have the things they need in their everyday lives—and to create an experience that is uniquely convenient and affordable. But we do not want to merely fulfill this promise. We also carefully consider how we impact the places where we open our stores and are dedicated to creating jobs and directly investing in our communities. As we work toward this mission, we are continuously thinking about how we can become a more sustainable business for a better tomorrow.

**OUR MISSION**

Dollar Tree is a customer-oriented operator of variety stores, focused on delivering great value and convenience to customers across North America. We operate with measured and profitable growth, empower associates to share in our opportunities, rewards and successes, and work with others in an honest and considerate way.

**OUR VALUES**

We bring a can-do attitude to everything we do, and act responsibly and with integrity and courtesy within our communities. We practice sound judgment and do the right things for the right reasons. Our commitment to always show respect for each other, our communities, and the company as a whole is unwavering as we work toward fulfilling our mission.

**OUR STRATEGY**

Everyone from our executive team to our associates are driven by the WINNER strategy, which guides every decision we make.

Wow the customer  
Invest in our people  
New stores—more, better, faster  
New businesses—new growth engines  
Ensure consistent, profitable growth  
Reinvent ourselves continuously
LETTER FROM THE CEO

Our communities are at the core of all we do. While providing customers with affordable, everyday essentials at great value and exciting products to celebrate life events, we continue to strive to be the best corporate citizen for all stakeholders – customers, associates, shareholders, vendors and the neighborhoods, towns and rural markets our more than 15,600 Dollar Tree and Family Dollar stores serve.

While exceeding $25 billion in annual sales for the first time in 2020, we recognize our role as a leader in the retail space, and we encourage ourselves and others to help the world continually be a healthier, safer and more prosperous place for all. From opening and renovating thousands of energy-efficient stores, partnering with community leaders to encourage economic and social growth, supporting charitable partnerships and focusing on providing associates with development opportunities and flexible career paths – to going “above and beyond” regulatory requirements in order to source sustainable products, adopting new policies and procedures and establishing baselines to measure our progress – we are focused on our environmental, social and governance (ESG) initiatives and enhancing our reporting and transparency on these important matters.

Along with a solid operational performance, Fiscal 2020 was a pivotal year for the organization, which included achieving important milestones and accomplishing several sustainability goals, such as:

• Proactively reaching out to our largest institutional holders (~ 56% of the shares outstanding) to invite them to engage with our Governance, Investor Relations and senior management teams regarding ESG matters;
• Conducting a detailed assessment of our impact on the environment and measuring our carbon footprint to establish an initial baseline;
• Developing our first generation of climate goals aimed at reducing our emissions and increasing our use of renewable energy goals in our operations and our supply chain;
• Fostering a corporate culture of Diversity, Equity and Inclusion (DEI) and forming our DEI Executive Council, charged to build on our progress of embracing differences, ensuring fair treatment and providing equal access to opportunities and resources;
• Participating for a second consecutive year in the Clean Production Action’s Chemical Footprint Project, a tool for benchmarking companies as they select

“While we have accomplished a great deal in recent years, we remain steadfastly focused on improvement, especially as related to our ESG goals and initiatives.”
safer alternatives and reduce their use of chemicals of high concern;

• Partnering with ADT® Commercial for comprehensive and innovative security solutions and real-time video monitoring services to stores across the U.S.;

• Initiating a test of fresh produce and frozen meats in dozens of Family Dollar stores, focused on markets where shoppers have fewer grocery options;

• Launching our inaugural ‘Choose to Give’ workplace giving campaign, in which the Company and associates donated $2.7 million to our three largest charitable partners: Boys & Girls Clubs of America, Operation Homefront and United Way of South Hampton Roads;

• Paying approximately $279 million in COVID-related expenditures, mainly to reward frontline store and distribution center associates with wage premiums and bonuses in recognition of their extraordinary efforts to serve customers during one of the most unprecedented times in modern history; and

• Diligently maintaining safe and clean environments to help mitigate COVID-19 risks, while keeping store shelves stocked with essential products at great value in convenient store locations.

While we have accomplished a great deal in recent years, we remain steadfastly committed to improvement, especially as related to our ESG goals and initiatives. The following report demonstrates our focus on meaningful projects that minimize corporate sustainability risks while reducing costs and driving efficiency, which we believe ultimately ensures the creation of sustainable value to all stakeholders.

Thank you for being part of our journey as we continue to move forward in our commitment to sustainability and a better world.

Michael A. Witynski
President and Chief Executive Officer
Dollar Tree, Inc.

THANK YOU TO OUR HEROES – STORE AND DISTRIBUTION CENTER ASSOCIATES – WHO SERVE THEIR COMMUNITIES EVERY DAY.
At Dollar Tree, we believe that shopping should be fun—and that we have done our job when customers walk away feeling as if they have uncovered amazing items at an unbelievable value that make their lives easier and better.

The predecessor of our Dollar Tree stores was founded in 1953 as a “five-and-dime” variety store in southeastern Virginia, still home to our corporate headquarters. From that humble start nearly seven decades ago, our business has grown into an international retailer of more than 15,600 stores across the U.S. and Canada.

At our Dollar Tree stores, we offer a range of merchandise—from household essentials and beauty items to toys and teaching supplies—primarily at the $1 price point in the U.S. or $1.25 (CAD) at Dollar Tree Canada stores. Most of these items sell for more elsewhere, which means that our customers can stretch their dollars to get the products they need at extreme value.

In 2015, we merged with the Family Dollar chain, whose discount retail stores focus on delivering top value for family essentials with competitively-priced merchandise that generally ranges from $1 to $10. Family Dollar sells food and beverages, household cleaners, health aids, apparel, home decor, and more.
1980
Inspired by the traditional “five-and-dime” store format, Company founders Macon Brock, Doug Perry, and Ray Compton launch "Only $1.00" stores in Georgia, Tennessee, and Virginia.

1993
The chain is rebranded to Dollar Tree Stores.

1995
Dollar Tree goes public on the NASDAQ exchange.

1997
Dollar Tree breaks ground on its new Store Support Center in Chesapeake, Virginia.

2008
Dollar Tree earns a place on the Fortune 500 and has the number one performing stock for the entire Fortune 500 during the year.

2010
Dollar Tree operates its first retail locations outside of the U.S. when it acquires 86 Canadian Dollar Giant stores.

2011
The Company’s first Corporate Sustainability Report (CSR) is published.

2014
Dollar Tree celebrates the opening of its 5,000th store.

2015
The company completes the transformative merger with Family Dollar, and the combined enterprise operates more than 13,000 stores.

2021
The company releases an enhanced CSR reporting for the first time on greenhouse gas metrics and goals.
SNAPSHOT OF OUR BUSINESS

Our company continues to grow while staying true to our shared mission of providing customers with fantastic value. In 2020, consolidated net sales increased to $25.51 billion and we ended the fiscal year with 15,685 retail stores.

Dollar Tree stores sell three main types of merchandise:

- **Consumable Merchandise:** Everyday consumables, such as household paper, food, candy, health, and personal care items.
- **Variety Merchandise:** Toys, durable houseware, gifts, stationery, party goods, and arts and crafts supplies.
- **Seasonal Goods:** Holiday-specific items, such as Christmas, Easter, Halloween, and Valentine’s Day merchandise.

In 2019, we began testing multi-price assortments in more than 100 Dollar Tree stores, specifically providing even greater value and exciting products at the $3 and $5 price points. We are expanding this initiative to a total of 500 stores in 2021.
Our Family Dollar stores provide customers with a quality, high-value assortment of basic necessities and seasonal merchandise. We offer competitively-priced national brands from leading manufacturers alongside name brand equivalent-value, lower-priced private labels:

- **Consumable Merchandise:** Food and beverage, pet food and supplies, hardware and automotive supplies, paper products, and household chemicals.
- **Home Products:** Housewares, giftware, bed linens and home decor.
- **Apparel and Accessories Merchandise:** Clothing, fashion accessories, and shoes.
- **Seasonal and Electronics Merchandise:** Holiday items, party supplies, and personal electronics such as prepaid cell phones and services.

In late 2020, we announced our new partnership with Instacart, providing customers with same-day delivery options from more than 6,000 Family Dollar stores. We are focused on meeting the evolving needs of our Family Dollar customers and we believe the Instacart platform is enabling us to broaden the reach of our customer base.

Historically, small towns and rural markets have had very limited retail options. Shoppers often travel long distances to meet all of their shopping needs, but we are changing that. By building on the success of both brands, we have created a new combination store format for markets with populations of 3,000 to 4,000.
From its founding, Dollar Tree has operated its business with integrity and concern for others. The company is focused each day on promoting a welcoming and safe environment for its customers and associates. The principles that guide Dollar Tree are ingrained in its people and its operations. From the safety of the products it sells to its concern for the individuals who make them, Dollar Tree strives to stay focused on these values.

From an initial focus on customer and associate welfare, our vision has widened over the decades to encompass concerns in the communities where we work and live. Early on, our attention was drawn to developing standards about the products we sell, what goes into making them, and how our vendors and supply chain can promote a safer, more equitable world. At the same time, our customers and our shareholders were asking for more details about our efforts across a range of sustainability topics. Ten years ago, this led us to produce our very first Corporate Sustainability Report, bringing to the company’s website a consolidated source for information about Dollar Tree’s operations as they relate to environmental issues, social impact, and corporate governance. The report is now updated annually.

Over time, we realized that stakeholders were seeking even more robust data, and in 2019 we committed to expanding our Corporate Sustainability Report.

In response, the company identified climate change
as an area of new focus, with broad ramifications for the future, and set out to provide significant additional information about Dollar Tree’s response to the crisis.

When we made this commitment, we had no sense of the unique challenges that 2020 would present to our country, our customers, our communities and our associates. As the COVID-19 pandemic took hold around the world, the senseless deaths of George Floyd, Ahmaud Arbery, Breonna Taylor, Rayshard Brooks and other minority men and women unleashed widespread anguish and sparked renewed calls for social justice and racial equity. In response to these challenges, Dollar Tree reassessed, among other things, the daily safety and security needs of our customers and associates as well as the impact of systemic racism and injustice on the communities we serve.

These challenges also gave us an opportunity to reflect more broadly on our previous approach to sustainability and to embark on a new journey to enhance our identification, management, and disclosure of key risks relating to ESG (Environmental, Social, and Governance) issues, particularly around diversity, equity and inclusion (DEI), adding to our focus on climate change. We were driven not only by a desire to calculate and mitigate, but also by the promise that our efforts could make a real difference and set us on a path to a brighter future.

For the first time, Dollar Tree has partnered with outside experts to define and measure its carbon emissions footprint, to set long-term greenhouse gas (GHG) emissions goals, and to prepare a formal climate disclosure report. Over the coming months and years, we will further develop our goals and disclosures around environmental sustainability in response to our continued analysis and learning around climate change initiatives and renewable energy, anticipated governmental and regulatory requirements, and the demonstrated strong concerns of our customers and shareholders.

Inside our headquarters, the expanding scope of sustainability reporting has been matched by ever increasing management attention to these issues and oversight by our Board of Directors. Through our newly-formed Diversity, Equity and Inclusion Executive Council, senior managers can advocate for strategies to promote and embrace diversity, ensure fair treatment, and enable everyone—across the communities we serve, our associates, and our customers and vendors—to feel welcome and have equal access to opportunities and resources. To help measure our efforts, we also expanded our social disclosures, providing more transparency around the racial, ethnic, and gender makeup of our evolving workforce.

In order to reflect its view that sustainability, as a category of business risk, deserved special attention, the Board of Directors first established explicit oversight responsibilities (via a committee) in 2019. Expanding on the growing range of ESG topics deserving focus, the Board of Directors recently revised its committee charters such that

- the Compensation Committee will now oversee and evaluate DEI and human capital programs, metrics and management topics;
- the Audit Committee’s oversight of cyber, privacy, and data security risks has been documented in great detail; and
- the Nominating and Corporate Governance Committee has been renamed the Nominating, Governance, and Sustainability Committee and relevant duties and responsibilities, including ESG disclosure and shareholder engagement on ESG topics, have been expanded.

At Dollar Tree and Family Dollar, our passion has always been to bring incredible value to customers who need it the most. Our more than 207,000 associates live and work in the very same communities where we “serve the underserved” every day. The challenges presented to our associates, customers, and communities in 2020 gave us a new lens through which to view, and re-engage with, ESG concerns that impact us all. This 2021 Corporate Sustainability Report, and the work that underlies it, marks the launch of a new phase in our journey to improve our processes and disclosures around significant corporate ESG initiatives, particularly DEI and climate change, and deepens our commitment to help create a safer, better, and more sustainable tomorrow.

1 See Environmental Stewardship, page 16.
When the COVID-19 pandemic initially reached the U.S. in March 2020, no one understood the impact it would have on our lives nor how long it would last. Today, the effects of COVID-19 still weigh on many of us, especially those in disadvantaged groups, who were hit hardest by the pandemic. Many of our customers are members of these communities who relied on Dollar Tree and Family Dollar to provide affordable food, cleaning supplies, over-the-counter cold and flu medicine, and other essential items they could not access elsewhere. At the same time, our customers expected us to provide a safe shopping environment. And we rose to the occasion.

As more customers discovered, or rediscovered our stores, we invested heavily in our associates. For example, we hired 25,000 new associates and have paid more than $213 million in premium pay to our frontline workers. We also adjusted our benefits to better support our associates through this challenging and often confusing time.

Since the beginning, we have made the safety of our associates, customers, and vendors our top priority. We adhere to the guidance of the Centers for Disease Control and Prevention (CDC) as well as state and local health departments. We have adopted many safety measures, and continuously adjust our protocols as necessary.
SAFETY MEASURES

Personal Protective Equipment (PPE)
We provide face coverings to associates in stores, at the SSC, and in our distribution centers to wear on their shifts, and associates also have the option to wear their own. Associates are continuously reminded of the importance of wearing face coverings by store and field leadership via email communications, on calls, and during store visits.

Social Distancing
Associates are required to maintain six feet of distance between each other and customers. To help customers comply with the requirement, we have marked six-feet spacing on the floors in checkout lines and remind them through in-store PA messages. For stores where the floor plan isn’t as conducive to social distancing, we have implemented special protocols such as additional partitions on both sides of checkout or closing off every other register.

Additional Signage
Signs communicating safety requirements, including social distancing and wearing face coverings, are clearly posted at the entrance and throughout stores to keep shoppers and associates informed.

Plexiglass Guards
One of the first steps we took was to install plexiglass barriers at cash registers in all of our stores to help protect our shoppers and cashiers.

Associate Health Screenings
In an effort to minimize exposure among our workforce and customers, we established a self-assessment program which provides guidance for the associates to monitor their health no more than two hours before every shift. It requires associates to self-check for COVID-19 symptoms and review potential COVID-19 exposures in accordance with CDC guidance and to stay home if they do not successfully complete the self-screening. This assessment also extends to vendors who visit the stores, as well as to all associates who work at our distribution centers. Distribution center associates also undergo temperature checks upon arrival through sensors upon entry.

Restricted Travel
For field teams—including district managers, regional directors, and field asset protection—we have restricted travel and minimized face-to-face meetings. When travel is necessary, we have implemented protocols such as only allowing one person per car, restricting overnight trips and prohibiting dining inside of restaurants.

Positive Case Protocol
This protocol follows CDC guidance and allows us to trace contact between individuals who have contracted COVID-19 and others who may have come in prolonged close contact with them. This may include quarantine measures for affected associates and store closures to allow for deep cleaning and sanitizing. This also helps us refine our processes.

Enhanced Cleaning Protocols
We have implemented enhanced cleaning protocols across the company. We provide our teams with hand sanitizer and cleaning supplies. At stores, cleaning and sanitizing takes place on at least an hourly basis and includes common areas and surfaces such as door handles, shopping carts and baskets, keypads, and register counters. We also engage third-party professional cleaning services as necessary. This enhanced cleaning protocol also extends to our distribution centers.
ASSOCIATE PAY AND BENEFITS

Pay Policy
Dollar Tree and Family Dollar implemented wage premiums for store and distribution center hourly-paid associates. For store managers, in lieu of the premium we provided minimum guaranteed sales bonuses. We also provided special bonuses for certain salaried associates in our field operations and distribution centers. Distribution center associates were eligible for sanitation pay—associates earned more per hour when they volunteered to clean up after a COVID-19 event in the building—as well as pay for additional training that was necessary for learning new cleaning protocols. Wage changes are continuously evaluated. We also adopted a policy that provides full pay to associates who test positive for COVID-19 and/or who are required to quarantine because of an exposure at work to someone who had tested positive for the virus.

Employee Benefits
The Benefits team chose to relax the company leave eligibility rules to better support our associates who had to be absent from work. We also waived copays on United Healthcare virtual visits to assist associates enrolled in the Company’s medical plan to avoid in-person doctor’s visits.

CARING FOR OUR CUSTOMERS

Contactless Payment
Most registers are now equipped with contactless payment through Tap to Pay with Visa, MasterCard, Apple Pay, and Google Pay. This still requires touching the keypad to confirm a transaction but does minimize contact.

Early Shopping for At-Risk Customers
In select markets, we continue to dedicate the first shopping hour to at-risk customers including senior citizens, individuals with pre-existing health conditions, and pregnant women.

Return Policy Changes
For the safety of our customers and associates, we temporarily suspended our return and exchange policy in order to ensure that purchased products have not previously left our stores. We also temporarily suspended receiving bottle returns. These policies have since been reinstated.

Distribution Centers
Within each distribution center, we created a “store” to allow our associates to shop for needed supplies at work when supplies were scarce in retail locations.
WORKPLACE RESILIENCE: UNSUNG HEROES

Last year was especially challenging, and our associates rose to the occasion to help not only their communities, but also each other. In April, the Company began recognizing these “unsung heroes” within our stores and distribution centers—and hundreds of heart-warming stories of goodwill and sacrifice were shared. For example, associate Sarah Brown in Store #472 in Fayetteville, NC, made face masks and gave them away to senior shoppers. And store manager Robert Kedian in Gorton, MA, was recognized for holding Store #8465’s grand opening following CDC guidance in April 2020.

478 the number of Unsung Heroes stories shared between April 6 and June 5, 2020.

GIVING BACK TO THE COMMUNITY

Dollar Tree and Family Dollar make annual contributions to our philanthropic partners, and in 2020, we did so with the pandemic in mind. A $250,000 portion of our corporate gift to United Way of South Hampton Roads was designated for the organization’s Coronavirus Recovery Fund; at the time of the donation in April, it was the largest gift the fund had received. We also donated 4,000 masks to the United Way of South Hampton Roads, the Boys & Girls Clubs of America for use in southeast Virginia, and Operation Homefront.

For more than a decade, we have provided significant support to Operation Homefront. Despite the pandemic, we were still able to support military families in a big way with our customers donating millions of school supplies and toys. During events, donated items were distributed to military families from the safety of their cars. In Las Vegas, for example, 300 families received the items while driving through a winter wonderland complete with snow and Santa Claus. And when Operation Homefront volunteers were unable to collect toys in person, stores partnered with organizations in their own communities to bring joy to customers who lived close by.

Between early April and late September 2020, Distribution Center #10 in Windsor, CT, fulfilled an order with more than 1,100,000 items as part of a pandemic relief effort sponsored by a public innovation firm in New York City. The items were used to create care packages for residents in all five boroughs.
COVID-19’S IMPACT ON OUR BUSINESS

Operations and Growth
The COVID-19 pandemic has had a significant impact on various aspects of our day-to-day business and operations. As an essential business, our stores have remained open during the pandemic to serve customers. During this time, through the resourcefulness and ingenuity of our associates, we have successfully addressed, among other things, associate and customer safety concerns, changes in the mix of products being sold (such as increased sales of essential products and reductions in party and seasonal goods designed for large-group gatherings), and supply chain challenges.

The pandemic also presented a challenge to our store opening and renovation plans. Although new store openings during fiscal year 2020 were affected by construction delays caused by COVID-19, we were able to open 341 Dollar Tree stores and 156 Family Dollar stores, just nine and 44 stores fewer than, respectively, our original plans. We also renovated approximately 770 Family Dollar stores to the H2 format (an improved model of Family Dollar stores) in fiscal year 2020, compared with our original plan of 1,250 renovations.

Company Innovations
As a result of COVID-19, we found innovative and practical solutions to adapt to a world that included fewer personal interactions. This has had unexpected yet positive consequences, such as increased productivity. For example, our field leaders can virtually visit eight to 15 stores per day via cameras and phone conversations, a much greater number than if they had to visit each store in person as they did in the past. The success of the program has the Company reviewing ways to create a system that will facilitate more remote visits.

We also moved quickly to remote recruiting and hiring, which we did successfully thanks in part to an interview guide created by our Human Resources team. This year, newly-hired associates only entered a building for orientation.

To accommodate stay-at-home orders and meet customers where they are, we introduced the ability to shop—for everything from toys and kitchenware to cleaning supplies and baby essentials—through FamilyDollar.com. Online customers can take advantage of free in-store pickup and direct home delivery, and our company’s digital team has rolled out same-day delivery options through Instacart for even greater value and convenience.
As a large retailer, our vision is to have a positive impact on the lives of our customers and associates, and the communities in which they live and work. We understand that our business, including our store operations, the products we sell and our supply chain, depend on limited natural resources and impact the environment in various ways, including through the energy we use, the water we consume, and the waste we generate. We care about our impact on the environment and the impact of climate change on our business and on all future generations. As we move forward, we are committed to reducing our environmental impact and addressing the risks posed to our business by climate change.

ENVIRONMENT

In 2020, we initiated a process to formalize our environmental strategy, building on our existing in-store environmental initiatives. We updated our Environmental Policy, which sets out our commitments to:

- Reduce our environmental impact and plan for potential impact of climate change and other environmental risks pertinent to the business;
- Upgrade our operations to use more energy-efficient systems;
- Partner with vendors that also work to reduce their environmental impact; and
- Communicate our commitments and progress to our stakeholders.

View our Environmental Policy
These commitments apply to all areas of our business, including store and distribution center construction, renovation and maintenance; transportation; energy and water usage; education of our associates; vendor selection and expectations; waste management; and product and their packaging selection.

CLIMATE CHANGE AND OUR BUSINESS

As a retailer, we recognize that climate change may impact our business in several ways, from our operations and supply chain to our product offerings. Over the past decade, we have invested extensively in making our stores and facilities more energy efficient—by replacing lighting of our stores with more efficient, environmentally-friendly LED lighting, and installing energy management systems and HVAC replacement systems to lower our energy consumption and costs. In our supply chain, we are driving efficiencies through investment in transportation optimization technology, backhaul miles reduction, and participation in the EPA’s SmartWay® program. We are also committed to helping our customers lead more sustainable lifestyles by expanding the number of products we offer that are energy efficient.

We continue to move forward on these initiatives. In 2020, we made significant progress in understanding how climate change will impact our business and our long-term strategy. In addition to calculating our first GHG (greenhouse gas) footprint, we developed our first generation of climate goals aimed at reducing our emissions and increasing our use of renewable energy goals in our operations and our supply chain.

The following section discusses our approach for evaluating and managing climate change risks and opportunities and is guided by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We are working towards disclosure that reflects the recommendations of the TCFD, across its four pillars: (1) governance, (2) strategy, (3) risk management, and (4) metrics and targets.

Governance

The Nominating, Governance and Sustainability Committee (NGSC) of our Board of Directors has a key role in the oversight of environmental and sustainability matters affecting the company. The NGSC’s primary responsibilities are to oversee the company’s overall environmental and sustainability strategy, develop and recommend appropriate policies and procedures to the Board of Directors, oversee the company’s systems for evaluating material risks and opportunities related to environmental and sustainability matters, and oversee the company’s approach to shareholder and stakeholder engagement on such matters.

Our Chief Legal Officer is responsible for managing our overall environmental sustainability strategy, including climate change. The Chief Legal Officer

The Nominating, Governance and Sustainability Committee of our Board of Directors meets at least twice a year to review ESG matters.
periodically reports on progress to both the NGSC and the Board of Directors. Our Board of Directors is kept informed of environmental and sustainability risks to the business and approves our environmental and sustainability strategies and policies. The Board of Directors also reviews and approves the company’s annual budget, which includes a budget for energy efficiency and climate risk mitigation efforts. The Board of Directors, NGSC, and our executive leadership team are aware of the potential for climate change impacts to our business and are beginning to evaluate climate change risk and opportunities in light of the recommendations of the TCFD.

In 2020, we established an executive Sustainability Committee that includes key leaders from various departments in the company. This Committee is responsible for providing executive oversight of the company’s progress on meeting our sustainability goals and objectives.

For additional information on our governance policies and practices, please see the Governance and Ethics section of this report.

Risk Management

In 2020, we assembled for the first time a cross-functional senior leadership group with representation from Real Estate, Operations, Property Management, Finance, Legal, Human Resources, Product Procurement, Transportation, Governance, Engineering, and Logistics to assess how we may be impacted by the physical risks of climate change and the transition to a low-carbon economy and to develop our first generation of climate goals.

Based on our initial assessment, our most significant risk is the higher cost of goods from our suppliers due to the impacts of a carbon price. As a value retailer, any significant increase in the cost of goods we buy will affect our ability to serve our customers. We note below other climate change risks associated with potential operational and market changes.

**TABLE 1: Climate change risks that could impact our business and value chain**

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<th>RISK</th>
<th>POTENTIAL IMPACT</th>
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| Regulation       | Environmental regulation relating to store and distribution center operations and products could increase our operating and merchandising costs, which could result in lower demand for our products.  
These regulations may include, but are not limited to, hazardous waste, recycling, single-use plastics, Extended Producer Responsibility, use of refrigerants, carbon pricing or tax, product efficiency standards and product labeling. These regulations also create potential opportunities for increased sales of higher efficiency or more sustainable products. |
| Market           | Climate change may drive an increase in demand for more sustainable, energy-efficient products, or preferences to purchase from companies that prioritize sustainability.                                                      |
| Reputation       | As a customer-oriented, value-driven company, our reputation among customers and the people in the communities we serve is important to us. We desire to have the reputation of being a dependable supplier of products that meet or exceed regulatory, legal, and, where applicable, industry standards. |
| Physical Acute   | We may experience increased severity and frequency of extreme weather events such as cyclones, hurricanes, tornadoes and floods. Extreme and unpredictable weather events and patterns may increase operating costs, disrupt our supply chain, change customer buying patterns, result in store closures and impede physical access to our stores. |
| Physical Chronic | Changes in average temperatures may lead to higher operating costs.                                                                                                                                               |

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2 Physical risks relate to the chronic or acute changes of climate change, such as temperature and sea-level rise and extreme weather events. Transition risks arise from policy changes, technological innovations, market changes, and other factors that result from the transition to a low-carbon future. We considered events and risks within a 10-year time horizon.
Strategy

As a value retailer, climate change may impact many aspects of our business, from our products and operations to our supply chain and reputation. Table 2 presents how we have addressed climate change impacts to date, or how we plan to address climate change impacts on our business in the near-term. We have not performed a climate-related scenario analysis to inform our strategy, but we anticipate undertaking an assessment in the future to consider the impact of climate-related risk and opportunities on our business, strategy and financial planning process over the short, medium, and long-term time horizons.

TABLE 2: Actions taken to address potential climate change risks and opportunities

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<tr>
<th>VALUE CHAIN</th>
<th>POTENTIAL IMPACT ON OUR BUSINESS</th>
<th>ACTIONS OR PLANS TO ADDRESS RISK AND OPPORTUNITY</th>
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<tr>
<td>Products</td>
<td>The increased cost of goods due to regulation or supply chain disruptions could impact our ability to keep product prices low. Customer preference may shift to favor companies that provide more sustainable product offerings.</td>
<td>Improved our understanding of our Scope 3 emissions to identify the product categories associated with the highest GHG emissions along their lifecycle. Opportunities to expand the number of products that are energy efficient to help our customers lead more sustainable lifestyles. We have increased our offerings of products to help customers live more sustainably.</td>
</tr>
<tr>
<td>Operations</td>
<td>Extreme weather events could cause temporary closure of our stores and distribution centers or could impact the ability of our consumers to travel to our stores. We recognize sea level rise and rising temperatures as a possibility but determined these risks to be low risk for our business. Regulation may increase the cost of operating our stores due to higher energy costs.</td>
<td>We consider the impacts of extreme weather events in our risk assessment and disaster planning process for stores and critical infrastructure. In planning for extreme weather events where an extended electrical power outage is expected (including outages resulting from California’s new Public Safety Power Shutoff program to prevent wildfires), stores prepare by adding dry ice to the freezers and coolers to avoid shrink in perishable products. An expanded e-commerce presence will reduce disruptions to consumers accessing our stores. We have invested significantly in making our stores, distribution centers and SSC more energy efficient. These investments include upgrading to LED lighting, implementing an energy management system, replacing freezers and coolers, completing HVAC and boiler upgrades and optimizing the design for new stores. The prioritization of these efforts is influenced by increased efficiencies and lower costs.</td>
</tr>
</tbody>
</table>

See [GHG reductions in our operations and value chain](#) for our energy efficiency efforts in 2020.

Our efficiency standard for all new stores will drive further consistency and improved environmental performance across our portfolio of stores, even as we continue to grow. For a description of the efficiency standard, see the [Dollar Tree In-Store Energy Efficiency Standard](#) in [GHG reductions in our operations and value chain](#).

We are also exploring the feasibility of securing renewable energy for our stores through Virtual Power Purchase Agreements. See [Renewable Energy](#) in [GHG reductions in our operations and value chain](#).
Supply chain and value chain: Increased frequency and severity of extreme weather events may damage supplier manufacturing facilities. Regulation may increase the cost of producing goods sold. We consider the impacts of extreme weather events in our supply chain. Resilience is built into our supply chain given our diverse base of suppliers and portfolio of products.

Reputation: Negative reputation from stakeholders as a result of perceived inadequate action on climate change. We enhanced our sustainability reporting including disclosure of our carbon footprint, GHG reduction initiatives and GHG goals. We updated our Environmental Policy in April 2020. In 2021, we joined the Virginia Corporate Sustainability and Environmental Executive Committee to collaborate with leading businesses in Virginia to advance sustainability initiatives that promote long-term economic success.

Metrics and Targets
We are excited to announce our first generation of climate goals, including our Dollar Tree In-Store Energy Efficiency Standard. These goals allow us to align our initiatives to a climate change strategy and track real progress against goals, both internally and externally. We look forward to translating climate risks into opportunities for our business while we reduce our carbon footprint.

OUR INITIAL CLIMATE GOALS

**SCOPE 1 AND 2 EMISSIONS**
- Beginning in 2022, all new stores will meet our In-Store Energy Efficiency standards.
- By 2031, we will reduce Scope 1 and 2 emissions by 25% per square foot across our retail stores, distribution centers, and Store Support Center.

**SCOPE 3 GOAL/COMMITMENT**
We are committed to engaging with our top suppliers to understand their sustainability commitments. We target 75% of our supplier spend\(^1\) to be with companies which have measurable greenhouse gas reduction or renewable energy targets by 2031.

\(^1\) Supplier spend related to purchased goods resold to the customer
OUR CARBON FOOTPRINT
While we have been focused on reducing our energy use and GHG emissions for many years, 2020 marked the first year that we prepared a comprehensive GHG inventory to measure our carbon footprint to establish an initial baseline. We used the World Resources Institute’s GHG Protocol Corporate Accounting and Reporting Standard to calculate metric tons of greenhouse gas emissions (Scope 1, 2 and select Scope 3) and energy.

Energy and Greenhouse Gas Emissions
Our energy and GHG emissions come from the energy we consume across our stores and distribution centers, the emissions associated with the production of the goods we sell and the transportation of those goods from our suppliers to our stores.

Our Operational Footprint - Scope 1 and 2
We monitor and collect energy, fuel consumption data and GHG emissions for U.S.- and Canada-based facilities, including our more than 15,600 retail stores, 26 distribution centers, and our headquarters known as the Store Support Center (SSC).

Scope 1: Our transportation vehicles (i.e., leased vehicles and distribution center equipment), backup generators, and the refrigeration in our freezers and coolers were included in our Scope 1 calculation.

Scope 2: Our Scope 2 calculation includes the purchased electricity and steam used in our facilities. The electricity, consumed at our retail stores, distribution centers and SSC, accounts for 82% of our overall operational footprint (Scopes 1 and 2) and 16% of our total footprint (Scopes 1, 2 and 3).

Our Value Chain Emissions - Scope 3
Value chain emissions make up 80% of our total GHG footprint and therefore represents our most significant impact. The sources of Scope 3 emissions in our footprint include purchased goods that we sell to the consumer, transportation and distribution of our goods from our suppliers to our distribution centers and stores, and our corporate business travel.

<table>
<thead>
<tr>
<th>SCOPE</th>
<th>EMISSIONS mt CO₂e (2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>239,704</td>
</tr>
<tr>
<td>Scope 2</td>
<td>1,132,928</td>
</tr>
<tr>
<td>Scope 3</td>
<td>5,486,397</td>
</tr>
<tr>
<td>TOTAL</td>
<td>6,859,028</td>
</tr>
</tbody>
</table>

TABLE 3: Scope 3 Emissions Percentages

- **0.02%** Emissions associated with our business travel
- **15.3%** Emissions associated with the transport of the goods to our distribution centers and stores
- **84.7%** Emissions required to produce the goods we sell at our stores

Purchased goods resold to the consumer: These emissions are from goods purchased from our suppliers that are then resold to consumers at our retail stores across the U.S. and Canada. These emissions include product life cycle emissions from resource extraction to manufacturing of the products. We used the EPA’s supply chain greenhouse
gas emission factors for U.S. industries and commodities to calculate emissions for this category. Table 4 below summarizes the five largest product categories for Dollar Tree by emissions in 2020.

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sugar, candy, and chocolate</td>
<td>13.5%</td>
</tr>
<tr>
<td>Paper products</td>
<td>11.7%</td>
</tr>
<tr>
<td>General merchandise</td>
<td>9.8%</td>
</tr>
<tr>
<td>Snack foods</td>
<td>9.0%</td>
</tr>
<tr>
<td>Frozen food</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

**Upstream transportation and distribution:** Transport and distribution made up approximately 15% of our emissions in 2020. These include the following subcategories of transport: (1) transport between our suppliers and distribution centers, including backhaul carriers that optimize the distance and loads carried, (2) transport between our distribution centers and retail stores (also known as outbound transport), and (3) imports or international shipments that transport our goods from international ports of origin to our distribution centers in the U.S. and third-party facilities in Canada.

**Business travel:** As with most companies in 2020, our business travel made up a small percentage of our Scope 3 emissions. These emissions are from business travel on airplanes and use of rental cars.

We identified these categories based on relevance to the business and current data availability. We will continue to refine our understanding of our Scope 3 emissions and expand the categories we calculate in future years.

See Appendix for a breakdown of our GHG and additional relevant metrics.
• HVAC upgrades: In 2020, we installed energy-efficient HVAC units in 399 stores. These newer HVAC units have variable frequency drives to save energy and prolong equipment life. Over the last two years, we upgraded HVAC units in 531 stores.

• Battery Reduction: In 2017, we partnered with Crown Battery to reduce the types of batteries needed for our forklifts. At the beginning of our program, we had over 20 different types of forklift batteries. By working with Crown Battery, we optimized our battery needs to only two types for all new forklifts. Also, we reduced the number of required batteries from three to two per forklift. Through this program, we have calculated a savings of 7.3 million kWh in comparison to the battery energy needs prior to implementation.

• Battery Technology: We introduced centralized watering in the forklift batteries to improve temperature control, extend battery life, and ensure associates’ health and safety. Over the last year, we added battery cell monitoring on all new batteries and rolled out battery management software to ten distribution centers. These two technologies increase battery life and efficiency, which ultimately reduces energy usage and GHG emissions.

**Dollar Tree In-Store Energy Efficiency Standard**

As part of our 2020 goals, we have developed a Dollar Tree In-Store Energy Efficiency Standard for all new stores, relocations, or expansion projects. Beginning in 2022, all new stores will meet the following standard:

- All stores will be equipped with **LED lighting**;
- For new roofs or roof replacements, stores will have a **cool roof system**, which has a higher solar reflectance and higher thermal emittance than standard roofs;
- All glass will be **low emissivity glass**;
- All stores will be equipped with **low energy hand dryers**;
- All stores will be equipped with **motion detected occupancy sensors** in restrooms;
- **Energy management systems** will be installed at all stores;
- All new or replacement **HVAC units will be high-efficiency units**;
- All new or replacement building insulation will meet or exceed the required International Energy Conservation Code;
- All stores will install a **cardboard baler** or cardboard recycling container;
- All stores will install a **non-electric drinking fountain** when a new or replacement fountain is required; and
- Additional criteria related to **reducing water consumption and product or chemical waste** are also included.

We will also pursue these standards for existing and renovated stores as appropriate. We are retrofitting our existing stores with upgraded LED lighting and HVAC replacements.
Renewable Energy

We are evaluating the use of renewable energy to reduce our footprint, including the possibility of utilizing renewable energy transactions, such as Virtual Power Purchase Agreements.

Our Scope 3 Reduction Initiatives

Value chain emissions come from a variety of sources and suppliers. A large portion of our value chain emissions is from the transportation and distribution of our goods from our suppliers to our distribution centers and ultimately to our retail stores. To date, we have instituted a few initiatives and programs to target reductions related to our transportation and distribution.

- **Transportation Optimization Software:** To reduce the impact of trucking, we currently optimize full truckloads to reduce miles driven as measured on a per-store basis using state-of-the-art optimization software. This software maximizes the cargo utilization of each trailer shipped, thereby reducing total miles driven.

- **Backhaul miles program:** Our program works to reduce the number of trucks that go to and from the distribution centers. We use available fleet capacity to pick up and deliver vendor shipments inbound to our distribution centers, thereby reducing empty miles driven. For every backhaul mile, we saved an additional mile of an empty truck driven back to our distribution centers. In 2020, we had approximately 6 million backhaul miles, which translates to avoided emissions of 8,364 mt CO₂e.

- **SmartWay Shipping:** In addition, since 2013, we have participated in the U.S. EPA’s SmartWay Shipper Performance Program that seeks to reduce transportation-related carbon emissions by creating incentives for transportation providers to improve fuel efficiency. This program enhances our supply chain sustainability by measuring, benchmarking and improving freight transportation efficiency. In 2019, the most recent reporting year, 100% of our truck shipping was completed using EPA SmartWay-certified carriers.

Engagement with Suppliers

Further reduction in Scope 3 emissions will rely on our engagement with our supply chain. In 2021, we set a goal to engage with our top suppliers on their carbon strategies, including GHG goals and renewable energy targets.

For additional information on supplier engagement, please see the Product Sourcing, Product Safety and Engaging with our Supply Chain sections of this report.

Waste

Emissions generated from waste can contribute to value chain emissions. To date, we have instituted a number of initiatives and programs to target reductions in waste-related emissions and waste generation.

- **Battery recycling:** In 2017, we partnered with Crown Battery to develop a battery recycling program for our forklifts. Crown Battery manufactures its batteries in a closed loop whereby it recycles battery cases into new products. In 2020, we recycled 648,880 pounds of lead acid batteries, which is equivalent to 15,800 standard car batteries. All of our new batteries manufactured in 2020 contain recycled lead from our old batteries.

- **Cardboard and plastic recycling and packaging:** Our stores will continue to engage in the collection and recycling of cardboard and other waste products. Over the past three years, our stores and distribution centers have recycled greater than 1.2 million tons of cardboard, plastics, fibers, metals, glass, and organics. In addition, we plan to reduce our impact by integrating recyclable materials into our packaging and reduce our overall use of packaging materials.
More than 207,000 associates across North America work at our stores, distribution centers, and Store Support Center (SSC), and we consider each and every person crucial to our success. Our goal as a company is to empower our associates to live their best lives—both at work and at home.

At Dollar Tree, our associates are given equal opportunities to grow and build meaningful careers; no matter the position, no matter the location. To that end, we are continuously assessing our programs and benefits to invest in our team’s potential. We are committed to providing them with a robust benefits plan that addresses physical, mental and financial wellness. Our company is also dedicated to creating a diverse, equitable, and inclusive work environment.

RETENTION

Our commitment to hiring and training the best store leaders continued in 2020 with a decrease of YOY store manager turnover rate by 18% for Family Dollar and 8% for Dollar Tree. For the past four years, Family Dollar and Dollar Tree’s store manager turnover rates have improved by 30% and 22%, respectively.
COMPENSATION

We are committed to providing market-competitive pay for all positions and we are a pay-for-performance organization, offering performance-based compensation opportunities at nearly all levels of the organization, including hourly-paid positions. We are also committed to our policy of gender and racial pay equity as an important part of our mission. Full-time associates can participate in our Retirement Savings Plan, which provides a dollar-for-dollar match on the first 5% of employee contributions and all associates can participate in our Employee Stock Purchase Plan.

Both Dollar Tree and Family Dollar offer a monthly Store Manager Bonus Program, that rewards store managers for performance.

In fiscal 2020, a year in which the company saw record sales, Store Managers in 98% of our stores earned bonus compensation.

BENEFITS

We are proud to offer comprehensive benefits to eligible associates in order to address the needs of our diverse workforce. By supporting our associates’ health and work-life balance, we believe we are setting up our teams for success.

Physical and Mental Health

Virtual Medical Visits: The company’s medical coverage allows for associates to seek medical care from the comfort of their home for a variety of non-emergency medical conditions.

Dental & Vision: Associates have the freedom to choose from a multitude of providers, with access to additional perks outside of traditional coverage.

Parental Leave & Primary Caregiver: Parental Leave provides two weeks paid time off (at 100% pay) for either parent. Primary Caregiver Leave provides up to four weeks paid time off (at 100% pay) for eligible associates who are the primary caregiver for newborns or adopted children. Associates are eligible to receive both leave benefits, for a total of six weeks. Associates can also extend their leave for additional time off through the Family Medical Leave Act.

Wellness Program: We support associates in achieving personal goals such as weight loss, eating healthy, and tobacco cessation. We also have programs that can help them manage chronic health conditions. In 2020, we doubled our wellness incentive under the medical plan and added a new free virtual physical therapy resource.

REAL APPEAL

This online weight-loss program is available at no additional cost to associates through the UnitedHealthcare medical plan. It helps them set achievable goals and provides resources such as online group sessions with a coach.
Employee Assistance Program: Every associate is a unique individual, and the company can help with a variety of challenges they and their families may face. A few examples include:

- Starting a Family
- Parenting and Family Issues
- Resilience Skills
- Best Practices for Working Remotely
- Financial and Legal Services
- Caring for Aging Parents
- Coping with Grief

Financial Health

401(k): Full-time associates can participate in the 401(k) plan, beginning 30 days after the date of hire. The company matches 100% of the first 5% of employee contributions after one year of service.

Stock Purchase Program: To help build their investment portfolios, all associates employed for at least three months can take advantage of Dollar Tree’s Employee Stock Purchase Program, which allows them to purchase Dollar Tree stock (NASDAQ: DLTR) at a generous 15% discount off the market price.

Reimbursement & Spending Accounts: Associates are able to save pre-tax dollars on health care, dependent care, and commuter expenses.

Pay Any-Day: This voluntary benefit allows associates to advance their payday earnings for flexibility on meeting their bills and expenses.

NEW FOR 2021

Company Education Assistance Program
In 2021, we are building upon our past educational assistance programs with ValuEd, a new program designed to attract, retain, and develop talent while removing barriers to education. Associates are eligible for tuition reimbursement, can receive personalized education coaching, support with the application process, discounted tuition at over 200 colleges and universities, and financial aid application assistance.

New Retirement Plan Administrator
The company is now partnering with the retirement plan administrator Empower Retirement®, which provides associates with easier tools to save. For example, there is a financial wellness survey to help associates create a personal action plan in addition to a learning center to help associates understand topics such as debt management and budgeting for families.

Associate Relief Fund
In 2021, Family Dollar’s relief fund will be expanded company-wide. This fund offers financial grants to those associates who experience extreme financial hardship due to unexpected events such as natural disaster, family loss, illness, or family-member job loss.

Family Scholarship Program
As part of our commitment to supporting our associates and their families, we are partnering with the National Merit Scholarship Corporation to launch a scholarship program for associates who have high school-age children. Ten scholarship winners will receive stipends of $1,000 per year for up to four years of college.
Human Rights Policy

Dollar Tree and Family Dollar respect the human rights and dignity of all workers in not only our retail stores, distribution centers, and SSC but also our international supply chain. We will not conduct business with factories that do not respect basic human rights and all vendors must comply with our Code of Vendor Conduct. Further, Dollar Tree partners with independent third-parties who conduct social compliance audits of its new and existing direct import vendor facilities. The social compliance audits are announced and include inspections of the facilities, documentation review, and private interviews of the workers. We are dedicated to the elimination of forced labor, child labor, and discrimination in employment of any kind.

For more information, you can view our Code of Ethics, Code of Vendor Conduct, and California Transparency in Supply Chains Act statement on our website.

LEARNING & DEVELOPMENT

We are committed to building a culture of learning, one that allows our associates to grow their skill sets regardless of where they are in their career or whether they work in a retail store, distribution center, or Store Support Center. We do this by offering a variety of general and job-specific training programs, including virtual opportunities that focus on leadership development, communication skills, and computer training. Our plan is to expand our learning and development offerings in the future as we continue to consider the changing needs of our associates.

Onboarding: In 2020, we unveiled a virtual onboarding experience so new associates feel welcomed and supported, especially during the first 90 days at the company.

Online Learning Tool: In 2020, we launched an enhanced computer-based learning system called iLearn. For the first time since Dollar Tree and Family Dollar joined together, this allowed associates from both brands to have access to the same training systems.

Store Manager Training: With this new program—which became available in iLearn in August 2020—store managers were able to quickly learn how to run a brand-standard store without the use of paper books.

Virtual Classroom: Due to COVID-19 travel restrictions, the company was not able to offer in-person group training. Instead, we created an interactive virtual classroom for programs such as the Model Store Trainer (MST) certifications.

In 2020, more than 700 Dollar Tree and Family Dollar store managers were fully certified as new MSTs.
PROMOTING A SAFE WORKPLACE

At Dollar Tree and Family Dollar, the safety of our associates and customers is a critical goal. Creating a culture of safety is something the company takes very seriously, and we have established a safety program to promote accident prevention and to achieve a safe working environment for our associates. All of our associates participate in training during work hours.

We also care about the physical security of our associates and our customers while they are on the job or shopping. We recognize that our stores represent an investment in some neighborhoods many other retailers will not serve, provide essential, affordable items at convenient, close-to-home locations and create jobs, career paths and economic vitality while partnering with community leaders to support economic and social growth. Alongside that investment, we have invested millions of dollars in site safety, remote monitoring, and enhanced store safety protocols.

The safety of our associates and our customers is critical, and we tailor our store operations, current best practices, and security protocols for each store. We work with, and support, local law enforcement, and evolve our tactics to further enhance our protocols and mitigate risks, including by providing ongoing associate training. We also utilize third-party security guards as another layer of security, and we have partnered with ADT® Commercial for comprehensive and innovative security solutions and real-time video monitoring services in stores across the U.S. Dollar Tree deeply understands the concerns about the changing nature of our shared communities, and we are always looking for new ways to help our neighborhoods be healthier, safer, and more prosperous.

Field Manager Responsibilities: Our field managers are responsible for ensuring the safety program is available to all associates and verifying that each associate completes all necessary training. Managers conduct monthly safety meetings as well as safety audits for each store in order to identify and resolve any deficiencies in a timely manner.

Associate Responsibilities: Accident prevention requires the continued effort and participation of all associates at every level of our organization. Associates are expected to observe all safety rules and use good judgment to prevent accidents and injuries, including asking for help if needed when operating equipment or tools. If unsafe conditions are observed, they understand to report them immediately to a manager. Associates understand that they have the right to report safety concerns without fear of retaliation.

Environmental Health and Safety Department: Our Environmental Health and Safety Department establishes standard safety protocols and operating procedures across the company. It communicates health and safety protocols to our retail stores, distribution centers, and to the corporate headquarters.

Occupational Health and Safety Training: Our associates receive safety training when they begin working for us and it continues through their tenure with the company. Maintenance technicians annually receive specialized safety training, as well as technical training on electrical, mechanical, and controls systems.

Hazard Communication Program: There are some associates who may be at risk of exposure to hazardous substances under normal working conditions or during an emergency. Therefore, we created a policy of routinely and clearly communicating information regarding the hazards of each chemical as well as safety precautions for handling the chemicals.

ADDITIONAL TRAINING

- Workplace Harassment Prevention Training
- Introduction to Phishing Training
- Powered Material Handling Equipment Training
- Injury and Illness Prevention Program
- Guidelines on Safe Lifting Practices
- Fire Safety Awareness
- Regular Safety Audits
CREATING A CULTURE OF INCLUSION

At Dollar Tree and Family Dollar, our goal is to create and support a diverse and inclusive workforce where the individual differences among us are understood, respected, and appreciated. We understand the importance of cultivating an environment that is truly accepting, and one where associates can bring their true selves to work. Creating a culture of inclusion is also critically important to our overall mission so we can connect to each other, our customers, and our community. As an industry leader, we must make diversity, equity, and inclusion a priority.

Dollar Tree and Family Dollar also understand that we serve communities where the impacts of systemic racism are pervasive, and we as a company have the chance to do better in supporting them. Our executive team is coming together to do the hard work of self-examination that is required to build a more equitable and inclusive society. Our goal is to foster meaningful relationships with diverse community partners and invest more in the communities we call home.

As we embark on this DEI journey to the benefit of both our associates and to the communities we serve, we are guided by our values of our can-do attitude, sound judgment, and commitment to always show respect for each other and our communities—all of which will help us move forward with achieving our DEI goals.

Diversity by the Numbers

Our diverse workforce of over 207,000 associates strengthens our competitive advantage and reflects the customers we serve. These charts reflect the demographics of Dollar Tree and Family Dollar’s U.S. workforce in fiscal year 2020. Charts do not necessarily add up to 100% because they exclude “no response,” or because of rounding.

**U.S. WORKFORCE**

- **Total= 204,056 associates**
  - **44.3% White**
  - **31.6% Male**
  - **68.4% Female**
  - **29.1% Black**
  - **20.6% Latino**
  - **1.4% Asian**
  - **4.4% Other**
We are committed to fostering an inclusive culture that continually strives for excellence in all aspects of our business. With this commitment, our top priority is to provide each associate with career growth opportunities in a safe, positive, and professional work environment.”

BETTY CLICK  
Chief Human Resources Officer
OUR DIVERSITY, EQUITY AND INCLUSION (DEI) COMMITMENT

Our DEI programs and initiatives are focused around four areas:

Recruitment

Our goal is to continue to attract and retain diverse talent that is representative of the communities we serve at all levels of the company. We are developing standardized recruiting, interviewing, and hiring processes to help with this goal. **61% of new hires in 2020 were minority and 66.5% were female.**

Retention

The happier and more fulfilled our associates are coming to work, the more likely they are to stay and grow with the company. Moving forward, we will be devoting more attention to achieving successful retention strategies for diverse associates.

Advancement & Promotion

We are dedicated to helping all of our associates advance in their careers. Part of our action plan is to make available more opportunities for more professional development. In 2020, **52% of promotions were minority associates and 75% were female.**

Satisfaction

We conduct an annual Associate Satisfaction Survey (though due to COVID-19, we did not conduct one in 2020). In 2021, we plan to resume the survey and will include a greater focus on DEI. Based on the findings, we will be able to take greater action to make sure we are meeting the needs of our associates when it comes to DEI.

Diversity, Equity and Inclusion Executive Council

Created in 2020, this council consists of a diverse group of senior leaders from each division at the company and is working diligently to create and implement the company’s DEI-focused strategies. As we work toward achieving our goals, the council will provide oversight on DEI efforts and capture and report metrics to assess whether we are fostering meaningful organizational change across the company.

Resource Groups

Dollar Tree and Family Dollar are committed to forming a number of employee resource groups available for associates to join, and we also encourage associates to come together to create new groups if desired. These resource groups are a platform for communities within a targeted demographic, as well as their allies, to come together to support each other.

Our biggest and most active ERG was founded in 2019 to be a resource for our female associates organized around community, culture and customer service. Our plan is for each ERG to be aligned with a corresponding DEI Council subcommittee focused on the demographic. Each employee resource group will have an executive sponsor who is a member of the DEI Executive Council.

DEI Employee Training

In 2020, as we grappled with the senseless deaths of George Floyd, Breonna Taylor, and other minority men and women, we introduced three associate trainings on the topic of unconscious bias: “Understanding Unconscious Bias,” “Overcoming Unconscious Bias in the Workplace,” and “Overcoming Your Own Unconscious Bias.” In addition, we are

The Compensation Committee of the Board of Directors meets at least twice a year to review DEI and human capital matters.
currently working on training for our store associates to address concerns around racial profiling.

In the summer of 2020, Dollar Tree and Family Dollar offered a new “Creating a Culture of Inclusion” learning series to Store Support Center associates to assist with having critical conversations within our company about systemic racism. During this series—sponsored by the Women of One, Power of One resource group—we shared presentations, personal stories from leaders, and learning materials. Each of the four seminars focused on a different issue, such as unconscious bias and allyship.

**Allyship Guide**

As part of the learning series above, we created the Allyship Guide in order to educate associates on the subject of racism and what it means to be an ally to those in underrepresented groups. It identifies important terms to know around the conversation of systemic racism and suggests ways to take action. We also solicited feedback, and the DEI Executive Council is working to update and expand the guide in 2021.

**CELEBRATING EACH OTHER**

To celebrate International Women’s Day in March, associates wore purple to work and we featured historic female icons on our internal enterprise network and video monitors.

Two Q&A-style interview articles were shared with associates via the company’s internal communication and email channels:

- In honor of Pride Month in June, our VP of Planning shared his experiences as a member of the LGBTQ community.
- To recognize Hispanic Heritage Month in September, our VP of Health and Beauty Aids spoke about his Argentinian heritage and what DEI means to him.

**INVESTING IN OUR COMMUNITIES**

Dollar Tree and Family Dollar stores are often located in underserved communities, and we are proud to provide them with a clean, safe, and friendly shopping environment—all while offering essential and healthy products, affordable prices, and convenience, as well as career opportunities.

**Bringing Economic Development and Jobs**

Dollar Tree and Family Dollar strive to bring economic development and jobs to every community we enter. We hire associates locally and make it a practice to promote from within, as well as work closely with local organizations and governments to help support the growth of our shared communities.

Dollar Tree will be actively participating in the 2022 Corporate Equality Index survey. The Human Rights Campaign Foundation’s Corporate Equality Index is the national benchmarking tool for LGBTQ workplace inclusion.
Operating in Food Deserts
There are many neighborhoods where traditional supermarkets choose not to operate, which can lead to the creation of a food desert. By having stores in locations where others won’t, we believe our stores can be a solution, providing a convenient, close-to-home store where customers can shop for essentials in between their grocery visits—from healthy food items such as eggs, milk, bread, and frozen fruits and vegetables to today’s critical cleaning supplies and paper goods, all at prices they can afford. We also accept SNAP and EBT debit cards (food stamps) in many locations.

Complementary Locations
In addition to having stores in underserved communities, many are also located in the same shopping center as or within a few miles of a grocery store. In this way, we offer complementary experiences for our customers. Between a Dollar Tree or Family Dollar store, with their exceptional values, and a traditional grocery store, shoppers can find everything they need.

PHILANTHROPIC EFFORTS
Another way that Dollar Tree gives back to our communities is by contributing to a diverse group of local, national, and global organizations that support a variety of causes and populations, including medical research, the arts, underrepresented youths, and active military members and veterans.

We pride ourselves on our active and ongoing commitment to our philanthropic partners—and last year was no exception. In 2020, Dollar Tree together with its associates contributed a total of $2.7 million to three main charitable partners: Boys & Girls Club of America, Operation Homefront, and United Way of South Hampton Roads (UWSHR). Additionally, we worked throughout the year with our vendor partners and customers to donate millions of additional dollars to the charitable partners.

To support its neighbors in southeastern Virginia, the company announced its new partnership with UWSHR in 2020 to help facilitate the ‘Choose to Give’ campaign that empowered its Store Support Center associates to donate to all three charitable partnerships. Along with the funds donated by associates, the company also made a corporate gift to UWSHR of $1 million in April 2020, of which $250,000 was used to provide immediate COVID-19 relief through direct services to individuals needing assistance, support to nonprofit agencies on the front-lines, and long-term recovery planning. The other funds are being used for UWSHR’s various initiatives that are focused on breaking the cycle of poverty and promoting economic mobility for children, veterans, and families in the coastal Virginia area.

The philanthropic efforts of Dollar Tree extend beyond monetary contributions. The company also hosts blood drives and collections for various causes. For example, in 2020, despite the pandemic, the SSC hosted a blood drive to support the
American Red Cross. We also facilitated our Change Brigade event, during which more than 4,000 face masks were collected and donated to Boys & Girls Club of America, Operation Homefront, and UWSHR.

Charitable Partner Spotlight: Boys & Girls Club of America

For the third year in a row, Family Dollar and The Coca-Cola Company® teamed up for the “Make Every Sip Count” campaign. During this campaign, Coca-Cola® and Family Dollar donated a percentage of purchases that included participating Coca-Cola products, resulting in a $1 million dollar donation to the Boys & Girls Club of America. In 2020, the company was also the title sponsor for the Boys & Girls Club of Southeast Virginia Youth of the Year program, which provides opportunities for teen Club members to build critical leadership skills.

Other donated funds are being used to serve meals to youth, support families of healthcare workers and first responders, and to provide out-of-school services to local communities. Many Family Dollar stores share neighborhoods with Club locations and the company recognizes the important role Boys & Girls Clubs of America serves in helping the youth of today become the leaders of tomorrow.

Jim Clark, President and CEO, Boys & Girls Clubs of America said “We are so thankful to have Dollar Tree, Family Dollar, and The Coca-Cola Company as dedicated partners to our mission. Their support will help provide much needed resources for youth and families in local communities.”

Dollar Tree and Family Dollar Distribution Center Associates Contributing to Local Communities

In 2020, more than $130,000 was donated by our distribution center associates – including a company match – to local charities in communities where we operate, including various chapters of Make-A-Wish® and Ronald McDonald House; children’s hospitals in Memphis and Chicago; and Meals on Wheels in South Carolina.

Our Corporate Giving website explains more: dollartree.com/corporate-giving

At Dollar Tree, we have a passion for service. Our Board of Directors and associates at all levels give their time and talent, volunteering for charities that have a positive impact in our local neighborhoods. Dollar Tree not only serves the communities in which we operate, but also gives back in meaningful ways through financial contributions, sponsorships, and community activities. Through our charitable partnerships, the Company strives to channel resources where they will have the most immediate impact and long-term benefits. I am especially proud of the results of the inaugural “Choose to Give” campaign and look forward to supporting continued charitable giving efforts.”

BOB SASSER, Executive Chairman
Our commitment to being good corporate citizens spans the entire lifecycle of our products—not just the period of time they spend in our distribution centers, stores, and on our store shelves. The vendors we choose to work with, the materials they source, and the processes by which those materials are transformed from raw ingredients into quality products all affect the impact our company has on the world. To prevent our products from ending up in landfills after they leave consumers’ hands, we are taking new steps to encourage recycling on some of our U.S. private-brand packaging.

The below initiatives and standards demonstrate our holistic approach to product safety, including our efforts to eliminate chemicals of high concern from our products; how we source products and the progress we’ve made toward some of our goals; and how we engage with our supply chain, including our zero-tolerance policy on human rights issues, such as child labor, prison labor, and forced labor.

For more about our commitment to sustainability, see page 9
PRODUCT SAFETY

Partnership with Vendors

Our ability to provide ethically-sourced products to our customers depends on partnering with vendors who share our vision for a better and more sustainable tomorrow. We are proud that our Company sources product from industry leaders who have taken up the torch for environmental sustainability and blazed greener trails in their respective product categories.

For example, key suppliers in our clothing category are part of the Sustainable Apparel Coalition (SAC). Members are committed to measuring and improving social and environmental sustainability impacts within the apparel, footwear, and textile industries. They use the Higg Index—a set of tools designed to standardize the measurement of value chain sustainability—to evaluate their environmental and social labor impacts across the supply chain. This allows them to be both transparent and accountable; make continual progress towards better sustainability; and pinpoint and address systemic challenges that require an industry-wide response.

In addition, we are setting a new goal that by 2031, 75% of Dollar Tree’s spend with direct producers will be associated with companies that have measurable objectives for greenhouse gas reduction or carbon reduction. We will continually assess our top suppliers’ sustainability goals so that we can ensure that we are partnering with businesses that share our commitment to a more sustainable future.

CHEMICAL POLICY

Our Commitment to Eliminating Chemicals of High Concern

We established our sustainable chemical plan in 2016 in order to identify and eventually eliminate the use of chemicals of high concern in our formulated private label products. This plan goes beyond regulatory requirements and has the full commitment of our management team, who report our progress to our Board of Directors for ongoing transparency and accountability.

Adherence to our chemical policy is a requirement in our contracts with vendors. Our suppliers are required to submit chemical ingredient information for formulated products, including categories such as household cleaning products, health and beauty products and hardware products.

As part of these efforts, we continually work with our suppliers of both national brand products and private label goods to find alternatives to the chemicals listed on our priority chemical list. In addition, we encourage them to innovate and find alternative options that can be used to create safe, effective products for our consumers. For example, Dollar Tree is working with suppliers to implement substitutes for phthalates and to incorporate natural ingredients for base formulations and fragrances.

To evaluate our progress—and be part of an industry-wide solution—we began participating in Clean Production Action’s Chemical Footprint Project (CFP) in 2019. The CFP annually surveys companies, asking 19 questions designed to weigh their
chemical management systems’ ability to measure and reduce its chemical impact against best practices. By participating in the survey, we can help establish industry benchmarks for moving away from chemicals of high concern and towards safer alternatives.

In early 2021, we began re-evaluating our chemical priority list to incorporate new chemicals of concern so that we can continue evolving our requirements around high-priority chemicals as new information and recommendations become available. We’ll revisit our chemical priority list at least every other year to ensure that our priorities are in line with changing consumer needs, industry standards, and scientific-based evidence.

Dollar Tree will adapt the EPA’s risk-based framework to address high-priority chemicals based on their:

• Intersection with our products and consumer needs;
• Exposure potential for our consumers;
• Persistence and bioaccumulation scores within the environment; and
• Carcinogenic properties or toxicity effects in humans.

A full copy of our Chemical Policy is available here

17 CHEMICALS OF HIGH CONCERN

In 2020, we achieved our goal of excluding 17 chemicals of high concern from active formulated private-brand products.

Chemicals of High Concern Elimination Timeline

2016
Established sustainable chemical plan

2017
Set goal of eliminating the 17 chemicals of high concern from active SKUs

2019
Began participating in the annual Chemical Footprint Project

2020
Achieved our elimination goal

WHAT’S NEXT?
Evaluate our chemical priority list every two years to incorporate new chemicals of high concern as needed as standards evolve.

1. Lead in children’s products in excess of federal and state limits
2. Asbestos in children’s products
3. BPA in children’s products
4. Formaldehyde
5. Cadmium and Cadmium compounds
6. Toluene
7. 1-Bromopropane
8. Diethyl phthalate
9. 1,4-Dioxane
10. Nonylphenol ethoxylates
11. Cyclic Aliphatic Bromides Cluster of flame retardants (HBCD)
12. Butylparaben
13. Octamethylcyclotetrasiloxane (D4)
14. Dibutyl phthalate
15. Tetrachloroethylene (PERC)
16. Propylparaben
17. Trichloroethylene
Waste Reduction

As of February 2021, we have a new commitment to work with our U.S. private-brand suppliers to label:

- **100% of food private-brand packaging** with the How2Recycle® label by 2023
- **100% of all other private-brand packaging** with the How2Recycle label by 2026, as appropriate

How2Recycle labels are designed to create clear and consistent recycling instructions for North American consumers. Many items that are recyclable currently end up in landfills because consumers do not know that they are recyclable or are confused by inconsistent or unclear recycling instructions. By using the How2Recycle labels on our private-brand packaging as appropriate, we can empower consumers to reduce their environmental footprint and help establish a standardized system of recycling labels.

### PRODUCT SOURCING

#### Sustainable Sourcing Commitment

We are committed to investigating and exploring strategies to more sustainably source key goods, such as those that are high risk for producing environmental hazards or for engendering social compliance violations.

#### Palm Oil Policy

Dollar Tree is committed to ensuring that the palm oil, palm kernel oil, and palm oil derivatives contained in our private label and national brand products is procured in a responsible and sustainable manner. Our policy calls for our suppliers to procure palm oil in a manner that supports deforestation-free production of palm oil that includes the protection of all natural forests. We also expect that our suppliers will comply with the Roundtable on Sustainable Palm Oil certification standards or other best practices, including ensuring a workplace that protects the rights of workers and indigenous communities.

#### Pollinator Protector Policy

Pollination plays a vital role in the world’s biodiverse ecosystems and agricultural health. In 2021, Dollar Tree released a new policy promoting responsible pest management practices including, but not limited to, efforts to reduce the negative effects that select pesticides have on essential pollinators.

This policy applies to our food products, flowers, and other types of products with potential impacts on industries such as cotton farming practices, which support apparel finished products. In addition, we are working to educate our suppliers on enhanced sustainability practices for all materials sourced from agricultural settings.

### ENGAGING WITH OUR SUPPLY CHAIN: FACTORY VETTING FOR IMPORTED GOODS

#### Human Rights Issues

Providing value for our customers should never come at the cost of ethical production practices. That mission begins by working with our suppliers and their factories to create safe products through manufacturing processes that respect human rights.
We believe that the people who help create our products have the right to work in a safe, equitable environment in which they are treated with dignity and respect. We have a zero-tolerance policy for human rights violations such as child labor, prison labor, or human trafficking at all stages of the supply chain. These policies as well as our ethical standards and guidelines are laid out in Dollar Tree’s Code of Ethics and Code of Vendor Conduct, which we require all vendors to comply with.

To help ensure that these codes are followed, we regularly conduct social compliance audits of our vendors. (See next section for more details.) We also provide annual training to all of our associates who are directly involved in vendor management. This training helps them better understand the human rights issues at-hand and teaches them how to spot indications of human trafficking and forced labor while visiting supplier facilities.

Social Compliance Audits

In order to make sure that products produced outside of the U.S. are manufactured in accordance with human rights best practices, we enlist independent third parties to conduct social compliance audits on all of the overseas factories from which we directly source goods. The social compliance audits include inspections of the facilities, documentation review and private interviews of the workers.

These audits assess whether or not vendors are compliant with:

- Health and Safety Standards
- Anti-Discrimination Policies
- Labor Laws
- Zero Tolerance for Child Labor
- Zero Tolerance for Prison Labor
- Zero Tolerance for Human Trafficking

Dollar Tree is committed to ensuring its suppliers comply with our policies, industry standards and legal requirements and do not participate in child or prisoner labor or human trafficking and slavery.

Training and Whistleblower Hotlines

Dollar Tree annually trains its associates with direct involvement in vendor management on the compliance demanded by our Codes of Ethics and Vendor Conduct. This training brings awareness and understanding of the issues and includes how to look for indications of violations while visiting supplier facilities. We provide our associates with reporting guidelines for any suspected incidents.

We have established two toll-free hotlines and internet resources for associates and supplier employees to report any possible violations of our Code of Ethics. Reports may be made anonymously 24/7. These hotlines are designed to field concerns about store-related issues, including improper or illegal activities; loss prevention; safety; payroll; benefits; harassment; discrimination; human resource issues; ethical issues; accounting irregularities; false financial statements; insider trading; financial fraud; or Code of Ethics violations.

In addition, phone numbers have been made available so that our associates and supplier employees can report possible violations or concerns to our Vice President, Internal Audit; Chief Legal Officer; Vice President, Merchandise and Operations Law Group; and Deputy General Counsel, Corporate.

Our statement in compliance with the California Transparency in Supply Chains Act can be found here
At Dollar Tree, ESG (Environmental, Social, and Governance) supervision is a key part of our strategy to create a more sustainable tomorrow. We recognize that our ongoing sustainability journey requires ethical oversight from a demonstrably independent Board of Directors that can serve as a model for the values, behaviors, and diverse perspectives we believe are critical at every level of the organization.

That work begins with the composition of the Board itself. We continually strive to establish a Board that reflects the diversity of both this country and the many employees who make up our company. Three of our current Board members are female, and two represent minority backgrounds. We are hoping to increase these numbers in the future. Having a wide-range of backgrounds and experiences on the Board to draw from is an invaluable benefit. In addition, we believe that having a balanced array of relevant skill sets, expertise, and industry knowledge is essential to creating a Board that can guide the company forward as it continues to evolve in response to new challenges.

In order to effectively oversee Dollar Tree’s business and management, the Board must be a self-governing body with processes in place to hold itself...
accountable to shareholders. The Board has established a number of governance best practices to this end and regularly revisits and enhances those measures as needed.

The following pages highlight the measures we’ve taken to ensure the effectiveness of Board and management oversight of the business, including Board and committee responsibility for risk oversight, the skills and diversity of our Board members, Board tenure and refreshment, our process for engaging stakeholders, our commitment to ethics and compliance with laws, and our approach to data privacy and security.

Q&A WITH BOARD MEMBER STEPHANIE STAHL

Chief Executive Officer of Ace of Air, a fully circular beauty and wellness brand, and Director of Dollar Tree since January 2018

Board Committees: Chair of the Nominating, Governance and Sustainability Committee, Member of the Compensation Committee

What are the guiding values of Dollar Tree’s corporate governance practices?

Ms. Stahl: We believe that our corporate governance practices reflect the responsiveness of the Board to our shareholders and other stakeholders and provide the foundation for effective oversight by the Board of Directors. Our guiding values start with a commitment to integrity and ethical behavior at all levels of the organization, commitments to environmental stewardship, addressing the sustainability risks of the business over the long-term, and enhancing the diversity, inclusion, training and promotion of our associates. The Board recently made changes to its committee charters and corporate governance guidelines to formalize the underlying governance structures that will support the Board’s work in these critical areas.

What experience, background, or skill set does the Board hope to add through its waterfall refreshment strategy in the year ahead?

Ms. Stahl: We believe that Board recruitment should focus on diverse candidates who possess the skills and experience that will be necessary to support management in addressing current and future challenges to our business. Since 2016, we have added six new directors, three of them women, one of whom is also a person of color. In addition to executive leadership skills, we continue to add expertise in key areas of our business.

What are the Board’s sustainability priorities in the year ahead?

Ms. Stahl: We recognize the importance of planning for the potential impact of climate change and other sustainability risks, and in 2020 we undertook an analysis to evaluate how our long term business strategy may be adapted to address these potential challenges. The Board will be guided by the results of this assessment in its ongoing strategic planning and will use it as a focal point for further engagement with our shareholders. As an example, we are studying long term goals for acquiring electricity from renewable sources.

What were the Board’s biggest accomplishments in 2020?

Ms. Stahl: The Board became very focused on working with management to address the business challenges posed by the COVID-19 pandemic beginning in early 2020, and especially the health and safety of our associates and customers. Despite the many challenges and concerns, the Board and management have made substantial progress on critical matters such as our Board refreshment, sustainability and diversity and inclusion initiatives. Importantly, as the result of our work in 2020, we were able to establish our first climate-related goals to reduce our carbon footprint.

How is the Board seeking to enhance its governance best practices in the year ahead?

Ms. Stahl: Our Board has adopted numerous corporate governance best practices after years of ongoing feedback and discussions with our shareholders. As corporate governance best practices continue to evolve, we are committed
to staying knowledgeable about and responsive to changes. One of the many benefits of our shareholder outreach program is that we are able to have an open dialogue with our investors to ensure we are aware of their views of governance best practices.

**RISK OVERSIGHT**

The Board of Directors is actively involved in overseeing enterprise risk, primarily through its committees, which address the risks within their areas of responsibility. Our Board has three standing committees, each composed solely of independent directors: the Audit Committee, the Compensation Committee and the Nominating, Governance and Sustainability Committee.

The Audit Committee has a key role in the assessment of various financial and enterprise risks related to our business, including risks relating to information security and data privacy. The Compensation Committee is primarily responsible for monitoring risks relating to our compensation policies and practices. The Nominating, Governance and Sustainability Committee advises the Board on corporate governance matters and is primarily responsible for monitoring and evaluating the company’s sustainability and ESG risks, including the environment, human rights, labor, health and safety, workforce diversity, supply chain, governance and similar matters affecting company stakeholders.

**Board of Directors (excluding retiring directors)**

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<thead>
<tr>
<th>Name</th>
<th>Audit Committee</th>
<th>Compensation Committee</th>
<th>Nominating, Governance and Sustainability Committee</th>
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<td>Arnold S. Barron</td>
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<td>Bob Sasser</td>
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<td>Stephanie P. Stahl</td>
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<td>Carrie A. Wheeler</td>
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<td>Michael A. Witynski</td>
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- **Lead Independent Director**
- **Chairperson**
- **Member**
BOARD SKILLS, DIVERSITY AND TENURE

The Board believes that our directors, as a group, represent an effective mix of skills, experiences, diverse backgrounds, and fresh perspectives. As the chart below summarizes, our Board members’ skills and experiences cover the areas we believe are most important to sustaining our success. The Board profile below excludes two directors retiring in 2021.

Deep, Relevant Expertise

- Consumer/Retail Industry
- Marketing/ Advertising/ Brand-Building
- E-Commerce/ Omni-channel
- Information Technology/ Cybersecurity
- Operations
- Human Resources
- Strategic Planning
- Risk Management
- Global Sourcing/ Supply Chain
- Public Board Experience

The Board has adopted a waterfall strategy in which each year we expect to engage thoughtfully in additional Board refreshment as our newer members continue to gain needed experience. The waterfall strategy seeks to balance the need for fresh perspectives and additional relevant skill sets with the institutional and industry knowledge of seasoned directors. Our goal is to reach and thereafter maintain a relatively balanced mix of short-, medium- and long-term tenured directors.

In addition, our Board values diversity, in its broadest sense, reflecting, but not limited to, geography, gender, age, sexual orientation, race, ethnicity, national origin, and life experience and is committed to a policy of inclusiveness. The Nominating, Governance and Sustainability Committee endeavors to include women and minority candidates in the qualified pool from which Board candidates are chosen and, when nominated and elected, to consider such directors for leadership positions on the Board and its committees.

In 2020, Nominating, Governance and Sustainability Committee launched a formal search to find a diverse candidate to replace Conrad Hall who retired in June 2020. As a result, Winnie Park was appointed to the Board in December 2020. Ms. Park is a Chief Executive Officer with substantial experience in retail, brand-building, omni-channel, and merchandising. She brings highly-relevant skills and a diverse perspective to the Board. As part of the Board’s refreshment approach, Mr. Saunders and Dr. Zeithaml decided to retire after 28 years and 14 years of dedicated service, respectively. We express our appreciation for their significant contributions and valued leadership over the years and we wish them all the best.

Since 2016, Dollar Tree has added six highly qualified independent directors to its Board and plans to continue its
multi-year effort to achieve a fit-for-purpose Board. Based on the Board’s refreshment over the years and the upcoming retirements of Mr. Saunders and Dr. Zeithaml at the 2021 annual meeting, the tenure profile now reflects a balanced mix of short-, medium-, and long-tenured directors, with four directors having two years or less in tenure; three directors between three and five years in tenure; and four directors with more than ten years in tenure. We believe that a well-balanced, fit-for-purpose and diverse Board that is aligned to our business strategy is key to the long-term success of our company.

SHAREHOLDER ENGAGEMENT

The Board believes that fostering long-term, open, and institution-wide relationships with shareholders and maintaining their trust and goodwill is a core objective of our shareholder outreach program. Under our enhanced Shareholder Engagement Policy, our senior executive officers and the investor relations department are primarily responsible for our communications and engagement with shareholders and the investment community. Management is responsible for promptly reporting to the Board all material shareholder comments and feedback it receives.

The Vice President, Corporate Governance, together with the Corporate Secretary serve as liaisons with our shareholders on governance matters. We believe this approach provides a more direct channel for communications with shareholders to ensure an open dialogue on an ongoing basis and to promote an increased understanding of industry standards for best practices in corporate governance as they evolve.

Although shareholder outreach is primarily a function of management, our Board also believes that in appropriate cases, Board-level participation in dialogue with shareholders on matters of significance can be an effective means of promoting a mutual understanding and of informing the Board of shareholder perspectives. In addition to the engagement that is expected to occur by the Chief Executive Officer and the Executive Chairman, the Board expects that the Lead Director will generally be the primary independent director who would participate in such discussions, with the understanding that on certain matters, the Chairs of relevant Board committees or, in certain cases, other directors may also be asked by the Executive Chairman, the Lead Director, or the Board to participate. Accordingly, directors may also from time to time participate in an organized and coordinated manner with management in one-on-one meetings or investor events to elicit shareholder views.

During 2020, we contacted institutional holders of approximately 56% of outstanding shares to invite them into the engagement process on matters of corporate governance, incorporating other members of senior management or the Board when appropriate or as requested by individual shareholders. We engaged with our shareholders on topics related to board refreshment, executive compensation, long-term business strategy, social issues that affect our business, and environmental impact and sustainability matters, including climate change.

The Board reviewed feedback from these conversations to better understand our shareholders’ priorities and perspectives. For example, in response to feedback from shareholders, we took steps to increase our transparency and reporting on sustainability matters.

Dollar Tree’s Code of Ethics serves as our guide for using sound judgment and common sense in everyday dealings and establishes the framework for our ethical approach to business. All officers, directors, and employees of Dollar Tree are required to be familiar with our Code of Ethics, and senior managers sign a certification each year.
ETHICS AND COMPLIANCE

The Code of Ethics is designed to promote honest and ethical conduct; full, fair, accurate, and timely disclosures in public reports, documents, and communications; compliance with all applicable laws, rules, and regulations; and protection of company assets, including confidential information. The Code is also written to deter wrongdoing and ensure accountability.

The Code of Ethics includes policies on:

- **Honesty and Integrity**: We expect our associates to uphold the company’s values when dealing with other associates, Vendors, and external business partners.
- **Commitment to Associates**: The company is committed to fostering an inclusive environment that ensures all associates are treated with dignity and respect.
- **Product Safety, Safe Workplace, and Environmental Responsibility**: Our goal is to provide safe quality products to our customers, a safe working environment for our associates, and to operate in a sustainable and environmentally responsible manner.
- **Vendor Relationships**: We pride ourselves on establishing relationships with vendors who uphold our core values.
- **Kickbacks and Rebates**: Associates and their family members are prohibited from receiving any improper payments, kickbacks, or rebates.
- **Accepting Gifts**: Associates and their family members cannot accept gifts or money or profit off of dealing with Vendors.
- **Conflicts of Interest**: We require associates to avoid engaging in conduct that creates—or could appear to create—a conflict of interest.
- **Anti-Corruption, Anti-Money Laundering, and Anti-Terrorism**: We prohibit associates and agents from engaging in bribery or corruption, and require them to comply with all applicable anti-corruption laws.
- **Protection of Company Assets and Intellectual Property**: Associates must take reasonable steps to prevent the improper or unauthorized possession, destruction, fraud, waste, or misuse of company property and assets.
- **Confidential and Proprietary Information**: Associates are prohibited from disclosing or using any nonpublic, confidential, sensitive, or proprietary information.
- **Securities Trading Laws**: The company does not tolerate Insider Trading.
- **Antitrust, Competition, and Truth-in-Advertising**: Associates should never discuss pricing policies and procedures or proprietary business strategies, territories, or product distribution or Vendor relationships with anyone who is not an Associate without authorization.
- **Financial Reporting**: The company’s public filings and communications must be accurate, complete, timely, and in compliance with both generally accepted accounting principles and the company’s internal controls and procedures.
- **Government Investigations**: Associates must cooperate with any government investigations.
- **Political Activities**: The company will not abuse its standing to influence political issues.

To ensure compliance, all associates are required to report any suspected violations of the Code of Ethics. We have set up multiple ways for associates to anonymously share concerns about potential ethical issues, bribery, corruption, or any other violations of our corporate policy or of the law. We prohibit retaliation against an Associate or stakeholder who makes a report in good faith.

A full copy of our Code of Ethics is available here.
DATA PRIVACY AND SECURITY

An area of particular focus for the Board is the changing digital landscape in which the company operates. Data privacy and security have become increasingly important for modern businesses. At Dollar Tree, we believe that these areas require continued attention from corporate leadership. We have put a number of policies in place as well as independent review systems designed to ensure that we meet or surpass industry standards for information privacy and security.

Governance of Cybersecurity

- Two of our Board members have cybersecurity experience, and both of these directors are members of the Audit Committee, which has oversight over risks relating to information security and data privacy.
- Dollar Tree has defined cybersecurity performance objectives for the CEO.
- The Audit Committee, whose members are 100% independent, has overseen information security risk management for more than a decade.
- At least twice a year, senior leadership briefs the Board on information security matters.
- Please see page 49 for a discussion of security breaches and their costs.

Our Chief Information Security Officer (CISO) leads our enterprise Information Security department and is responsible for the company’s overall information security, cyber risk, and business continuity programs. The CISO reports to the Chief Information Officer and serves as the designated executive leader for cyber or data-related incident response activities. The CISO provides an annual report to executive management and the Board on the State of Information Security, and meets annually with our Chief Executive Officer to review information security matters.

Our senior management reports disclosures and risks associated with our cybersecurity posture to the Board’s Audit Committee, composed solely of independent directors, at least semi-annually. These updates are designed to inform the Board of any potential risks for information security or data privacy as well as any relevant mitigation or remediation tactics being implemented.

In addition to managing and maintaining our own cybersecurity posture, we carry appropriate levels of cyber risk insurance as a level of assurance and risk mitigation to our employees, customers and investors. These policies are annually reviewed by industry underwriters at which time our security practices, programs, processes, and procedures are scrutinized and evaluated by external third parties for efficacy and to determine our insurability.
Data Privacy

We understand that the protection and privacy of customer information is critical to a strong reputation and continued business success. To protect the confidentiality of information entrusted to us, we employ extensive physical, technical, and procedural security controls at all our systems. We actively monitor and enforce compliance with our security policies and procedures, and we regularly review and update our physical and technical controls, as well as our policies and procedures, to respond to new threats and to adapt to changing technology. In addition, we maintain only the minimal amounts of information voluntarily supplied by our customers, and data on associates is collected in compliance with the requirements necessary to facilitate their employment.

Dollar Tree will not give or sell personal information to unaffiliated third parties without first receiving consent from the individual. The company may share information with our corporate affiliates, such as: our parent company, sister companies, subsidiaries, joint ventures, or other companies under common control.

Information Security

Data protection and safeguards are embedded throughout the fabric of our operations and information technology programs. We take a multi-layered approach to provide protection for all corporate digital assets, information, and data as well as our customers and strategic partners.

Our information security team is composed of 21 experienced professionals and is augmented by a strategic partnership with a leading Managed Security Services Provider. Our security associates are highly trained with many holding advanced certifications from industry-leading credential granting organizations that specialize in information security best practices. The information security team operates under one goal: ensuring the right controls are in place to keep our systems and information safe and secure.

Security Assessment and Review

We regularly conduct internal reviews and work with third-parties to identify and manage information security risks and to ensure that our information security meets and exceeds established industry best practices.

- We have an annual PCI-DSS assessment conducted by certified PCI-DSS Internal Security Assessors (ISAs). External network review and penetration activities are conducted by an independent external qualified penetration examining firm.
- We also have an overall assessment and penetration evaluation led by leading external consulting firms each year. In addition, we conduct third-party reviews of current incident response plans, provide recommendations for updates, and conduct tabletop exercises with key stakeholders in the company.
- Biennially, we conduct an external review of our certificate management practices and overall cryptographic infrastructure.
- We continuously self-assess against our internal policies and procedures, using internally developed risk assessment processes and measuring against a variety of generally accepted frameworks or controls, including the Center for Internet Security (CIS) Top 20 Controls, the National Institute of Standards and Technology (NIST) Cybersecurity Framework, Mitre Attack Framework, Sarbanes Oxley (SoX), and the Payment Card Industry Data Security Standard (PCI-DSS).
- We leverage a third-party risk evaluation and management platform to perform comprehensive reviews of mission-critical third-party vendors. All contracts with third parties are reviewed by our CISO and security team for security related concerns and adherence to company policies.
- Our CISO regularly and routinely reviews our security model and its practices and future initiatives with external auditors to ensure alignment with industry best practices, changes in audit compliance requirements, and adherence to planned business objectives.
Security Breaches

Thanks to our dedicated teams, we have not experienced any computer data security breaches in the past three years as a result of a compromise of Dollar Tree or Family Dollar information systems. As a result, we did not incur any expenses, penalties or settlements relating to an information security breach of our systems during this period. In fiscal year 2020, there was a security incident suffered by a third-party service provider that affected the information of a small number of our associates. To resolve this issue, we worked with the third party and its forensics investigating firm, and appropriately notified affected associates and required state regulatory agencies. We incurred out-of-pocket expenses of approximately $23,000 in connection with the third-party incident.

Comprehensive Employee Training

All associates are informed of and receive periodic notices and training on protecting corporate data and digital assets. This training encompasses everything from password protection and social media expectations to physical asset protections. Targeted training is also provided on topics such as, but not limited to, phishing, secure application development, social media, and fraud. Associates whose roles and responsibilities require travel outside of the U.S. receive additional training on safeguarding their privacy, any information they access or require, and any use of corporate digital assets while abroad.

To review our privacy policies, see:

- [Dollar Tree Privacy Policy](#)
- [Family Dollar Privacy Policy](#)
APPENDIX – GHG EMISSIONS BREAKDOWN

The following tables summarize our energy consumption and greenhouse gas emissions associated with our operations and value chain in 2020.

Data availability for some sources of emissions, such as refrigeration, was limited. In order to estimate fugitive emissions from refrigeration, we used assumptions based on EPA guidance and averages, where data was not available. Each year going forward, we plan to review and refine our emissions measurement and calculation methodology to improve our data availability and require fewer assumptions.

Table A – Company-wide Activity Metrics

<table>
<thead>
<tr>
<th>2020</th>
<th>NUMBER OF FACILITIES</th>
<th>THOUSANDS SQ. FEET</th>
<th>THOUSANDS SQ. METERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSC</td>
<td>1</td>
<td>510</td>
<td>47</td>
</tr>
<tr>
<td>Retail stores</td>
<td>15,648</td>
<td>154,014</td>
<td>14,308</td>
</tr>
<tr>
<td>Distribution centers</td>
<td>26</td>
<td>22,670</td>
<td>2,106</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>177,194</td>
<td>16,462</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AREA OF FACILITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMISSIONS INTENSITY</td>
</tr>
<tr>
<td>Scope 1 and 2 emissions intensity</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ELECTRICITY INTENSITY</th>
<th>MWh / 1,000 sq. feet</th>
<th>MWh / 1,000 sq. meters</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>14.41</td>
<td>155.06</td>
</tr>
<tr>
<td>GJ/1,000 sq. feet</td>
<td>51.86</td>
<td>558.16</td>
</tr>
</tbody>
</table>

| ENERGY CONSUMPTION SUMMARY |
|-----------------------------|---------------------|------------------------|
| Total (MWh) | Total (GJ) |
|-----------------------------|---------------------|------------------------|
| Diesel (used in backup generators) | 73 | 262 |
| Propane in stores | 16,788 | 60,432 |
| Natural gas | 423,145 | 1,523,199 |
| Jet fuel | 6,032 | 21,714 |
| Diesel for yard trucks | 17,633 | 63,475 |
| Propane for forklifts | 102 | 368 |
| Electricity (facilities) | 2,551,677 | 9,185,304 |
| Electricity (outdoor) | 857 | 3,085 |
| Steam | 0.449 | 2 |
**GREENHOUSE GAS EMISSIONS** *(mt CO₂e)*

<table>
<thead>
<tr>
<th>Scope 1 Emissions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile combustion</td>
<td>6,010</td>
</tr>
<tr>
<td>Stationary combustion</td>
<td>79,478</td>
</tr>
<tr>
<td>Fugitive emissions</td>
<td>154,216</td>
</tr>
<tr>
<td><strong>Total Scope 1</strong></td>
<td><strong>239,704</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scope 2 Emissions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 2 (Location-based method)</td>
<td>1,132,928</td>
</tr>
<tr>
<td>Scope 2 (Market-based method)</td>
<td>1,119,351</td>
</tr>
<tr>
<td><strong>Total Operational Emissions (Scope 1 &amp; 2 Location-based method)</strong></td>
<td><strong>1,372,632</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scope 3 Emissions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased goods and services</td>
<td>4,644,970</td>
</tr>
<tr>
<td>Upstream transportation and distribution</td>
<td>840,191</td>
</tr>
<tr>
<td>Business travel</td>
<td>1,236</td>
</tr>
<tr>
<td><strong>Total Scope 3 Emissions</strong></td>
<td><strong>5,486,397</strong></td>
</tr>
<tr>
<td><strong>Total Emissions</strong></td>
<td><strong>6,859,028</strong></td>
</tr>
</tbody>
</table>

**Notes:**

We used the guidance outlined in the World Resource Institute (WRI) and the World Business Council for Sustainable Development’s (WBCSD) GHG Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) to calculate the Scope 1 and 2 emissions generated by our facilities. Through this assessment, we calculated the GHG emissions associated with the natural gas and other fuels we use for heating and cooling our facilities, for backup generators, and for our vehicles (leased vehicles and distribution center equipment), as well as the refrigerants used in refrigerators and coolers (Scope 1 emissions). In addition, we calculated the GHG emissions associated with the electricity we purchase to power our stores, DCs and SSC. GHG emissions are reported in metric tons of CO₂e (mt CO₂e). We calculate energy and emissions based on actual data when available. When actual consumption data is not available, we estimate using square footage intensity factors by facility type. For Scope 3 emissions, we followed guidance outlined in the GHG Protocol Corporate Value Chain Accounting Reporting Standard.