

# CORPORATE SUSTAINABILITY REPORT

**TWO BRANDS, ENDLESS OPPORTUNITIES**

20  
20

TWO BRANDS SERVING CUSTOMERS ACROSS NORTH AMERICA BY PROVIDING AFFORDABLE AND CONVENIENT SHOPPING LOCATIONS, ALL WHILE CREATING JOBS AND INVESTING IN THEIR COMMUNITIES.

## OUR MISSION

Dollar Tree, Inc. is a customer-oriented operator of variety stores, focused on delivering great value and convenience to customers across North America. We will 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.



## CORPORATE VALUES

### MISSION

To be the **WINNER** in value retailing

Best Value  
Best Stores  
Best People  
Best Place To Work  
Most Profitable  
Top Shareholder Returns

### STRATEGY

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

### VALUES

#### Attitude

Responsibility, Integrity, Courtesy

#### Judgment

Do the *Right Thing* for the *Right Reason*

#### Commitment

Honor and Respect for Self, Company and Community

# LETTER FROM CEO



## The Power of ONE.

At Dollar Tree, our two brands are focused, singularly, on serving customers and communities that we are privileged to live, work and hire from. Together, with more than 15,000 stores, 24 distribution centers and 193,000 associates, we are stronger and more efficient, while we also strive to be strong community partners in the markets we serve across North America.

Our 2020 Corporate Sustainability Report includes details on the Company's ongoing efforts to provide affordable and convenient shopping experiences for every customer, every time. The report also illustrates our keen focus on being the best corporate citizen we can be for all stakeholders—customers, associates, vendors, shareholders and our communities.

With both brands, we have combined best practices, collaboration and teamwork, cost saving initiatives and future growth opportunities, which blend together to provide customers with even better products and greater values. For example, since our last report, we have consolidated our two corporate offices into one Store Support Center in Chesapeake, Virginia that substantially reduces our environmental footprint while improving operational efficiencies.

Our dedication to the many facets of sustainability inspired us to form the Company's Sustainability Committee. Its goals are to strengthen and further focus our efforts in three broad areas of sustainability: Environmental, Social and Governance. The work and achievements of our associates, in each of these areas, forms the basis of this report.

As always, we remain grounded in our ability to deliver great value and convenience to our customers, while providing our dedicated associates with numerous opportunities for personal growth and career advancement.

I would like to thank you for your interest in and support of Dollar Tree and our commitment to sustainability.

A handwritten signature in black ink, reading "Gary M. Philbin". The signature is stylized with a large, looped "G" and "P".

Gary M. Philbin  
Chief Executive Officer



# OUR COMMITMENT TO SUSTAINABILITY

Dollar Tree's Board of Directors and management recognize the importance of assessing, planning for, and disclosing the potential impact of environmental, social and governance (ESG) risks to our business. The Board's Nominating and Corporate Governance Committee has the lead role in overseeing the Company's risks and reporting related to ESG matters and sustainability. Among other initiatives, it has directed the creation of the following new corporate policies to provide enhanced ESG transparency and guidance to our stakeholders:

- ▶ Environmental Policy
- ▶ Human Rights Policy
- ▶ Occupational Health and Safety Policy
- ▶ Vendor Code of Conduct
- ▶ Political Contribution and Expenditure Policy Statement

In addition, the Company has formed a management Sustainability Committee that includes leaders from various key departments in the organization who will assist senior leadership and the Board in focusing our efforts on the sustainability issues that affect the Company.

## SUSTAINABILITY COMMITTEE

### BOARD OF DIRECTORS

### EXECUTIVE TEAM

### SENIOR VICE PRESIDENT, GLOBAL SOURCING

#### LEADERS FROM:

- ▶ Corporate Governance
- ▶ Environmental Health & Safety
- ▶ Global Sourcing
- ▶ Human Resources
- ▶ Information Technology
- ▶ Internal Audit
- ▶ Investor Relations/Finance
- ▶ Legal
- ▶ Marketing
- ▶ Operations
- ▶ Procurement
- ▶ Strategy
- ▶ Supply Chain





# ENVIRONMENTAL

## ENVIRONMENTAL POLICY

Our Company is committed to reducing our environmental impact, and we have adopted a new corporate Environmental Policy that outlines our goals. Our most significant environmental impact is from energy use in conducting our retail operations. To combat these and other environmental impacts, we have implemented a number of initiatives described below.

## LED LIGHTING

We have embarked on a multi-year project to convert existing stores from fluorescent to LED lighting. Besides the significant upgrade in lighting quality, the LED lights will vastly reduce power consumption and heat load, while dramatically lowering energy costs.

As new stores open, they too are being equipped with energy-efficient LED lights.

To date, 50% of identified stores have completed their LED lighting installation. We will continue our work on this important mission.

As of October 2019, several of our distribution centers (DCs) have also converted to LED lighting.

Along with the monetary savings, the total power savings to date from the conversion equates to approximately the following:



**290,000**  
TREES PLANTED



**11,800**  
METRIC TONS OF  
CO<sup>2</sup> SAVED



**2,270**  
CARS REMOVED  
FROM THE ROAD

## SMARTWAY SHIPPER

Since 2013, Dollar Tree has participated in the U.S. Environmental Protection Agency (EPA) SmartWay Shipper Performance Program. By doing so, we are taking steps to advance supply chain sustainability by measuring, benchmarking and improving freight transportation efficiency—all key steps in reducing our environmental footprint.

In 2018, the most recent reporting year, 87% of our truck shipping was completed using SmartWay-certified carriers. Additionally, 90% of our shipments were made using the most efficient carriers, as rated by SmartWay, which is up from 85%.

## INFORMATION TECHNOLOGY

The Company donated more than 175 desktop and laptop computers in 2019. The devices were given to a wide range of U.S. and international charities to assist them in furthering their missions.



## HAZARDOUS WASTE DISPOSAL


The Company partners with g2 Revolution, a professional hazardous waste disposal company, which reuses waste to create industrial soaps for natural disaster cleanups all over the world. We are excited about the initial results and plan to expand our partnership with g2 Revolution.

## REUSABLE SHOPPING BAGS

In an effort to reduce the use of plastic bags, we are encouraging our customers to select reusable options. In 2019, our stores sold more than 11 million ecofriendly tote bags. Additionally, at select stores, we are currently testing reusable tote bags at discounted prices: four medium or two large bags for just \$1.

## CARDBOARD/RECYCLING


As of October 2019, Dollar Tree and Family Dollar stores and DCs have recycled approximately 545,000 tons of cardboard and plastic in less than two years, which equates to the following environmental savings:




**3.2B**  
GALLONS OF WATER



**5.5M**  
TREES



**1.5M**  
MTCO<sub>2</sub>E GHG EMISSIONS



**780M**  
KW OF ELECTRICITY

## DISTRIBUTION TOTES

At our Family Dollar DCs, we use a line of plastic hinge distribution totes designed to withstand the rigors of any supply chain, offering a longer product life and improved handling safety, while also contributing to sustainability efforts.

Our tote vendor operates two in-house state-of-the-art recycling and reprocessing centers with a dedicated team whose sole responsibility is to buy back products

that have reached their end of life, keeping those products out of landfills and the environment.

Our Company's use of these totes has enabled more than 300,000 pounds of material to be recycled in the last two years.





## STORE SUPPORT CENTER'S ENERGY EFFICIENT MEASURES

The Store Support Center (SSC) is comprised of a 320,000 square foot Tower, completed in 2018, and an 189,000 square foot fully-renovated "Legacy" building, completed in 2019. Energy efficient systems and materials were used in the SSC's mechanical and electrical systems to include:

### COOLING TOWER AND CONDENSER WATER OPEN LOOP SYSTEM

Each floor has a self-contained variable air volume (VAV) air handling unit. A dedicated 100% outside air unit with gas heat delivers outside air to each self-contained air handling unit. The cooling tower delivers cooled condenser water to each self-contained air handling unit. From the self-contained air handling units, the conditioned air is delivered to fan-powered VAV and shut-off VAV terminal units for zoning on each floor.

The use of the direct outdoor air system unit can reduce the mechanical system operating cost by up to 50% when compared to conventional VAV systems. Much of the energy savings comes from the energy recovery process when the warm or cool air within the exhausted air is captured and used to temper the newly drawn-in air. This reduces the total amount of energy needed to fully condition hot air in the heating season and cool air in the cooling season.

### ALUMINUM CURTAIN WALL GLAZING SYSTEM

Comprising nearly the entire perimeter of the Tower's standard office floors, full-height glass windows provide natural light to each floor. With this quantity of glass, a high performing insulated glazing unit with low-emissivity (low-E) coating and an argon gas-filled cavity was selected offering an energy performance that exceeds that of typical window glass.

### ELECTRICAL BUILDING CONTROLS

An energy savings technique that is implemented throughout the SSC is a daylight harvesting system. This system is a series of sensors located around the interior perimeter of each floor that detects the quantity of natural daylight and will adjust the ceiling light fixture lighting levels accordingly to provide a good balance of natural and artificial light.

### LED OVERHEAD LIGHTING

LED lighting is installed throughout the facility, which provides lower energy consumption, longer lifespan and less maintenance costs than the previous fluorescent lighting.

## PROCUREMENT PROJECTS

### PAPER-TO-ELECTRONIC INVOICING

In an effort to reduce our Company's ecological footprint, we implemented the Paper-to-Electronic Invoicing process. From 2018 to 2019, we reduced the amount of our paper invoicing by 31%. We would like to thank our vendors who have supported this initiative and we will continue to monitor our progress.

### SPEND MANAGEMENT SOFTWARE

The Company implemented a full life-cycle contract management process in 2018. The paperless system provides one entry point and repository for all contracts, which automates the process and identifies opportunities for cost savings.





## OUR PRODUCTS

### PARTNERSHIPS WITH OTHER VENDORS

As a retailer concerned with providing environmentally-conscious products to our customers, a key factor in our decision-making process is to partner with vendors who also share our vision for a better and sustainable tomorrow.

- ▶ For instance, key suppliers for our clothing category are part of the Sustainable Apparel Coalition (SAC). SAC's members are committed to measuring and improving social and environmental sustainability impacts within the apparel, footwear and textile industry.

### CHEMICAL POLICY & COMMITMENT TO ELIMINATE CHEMICALS OF HIGH CONCERN

The Company is committed to providing our customers with safe, sustainable, exciting and affordable products. We implemented our sustainable chemical plan, which goes above and beyond regulatory requirements, in 2016 as an initiative to identify and reduce chemicals of high concern in our products.

As part of the policy, we encourage our suppliers of national brand products and private label goods to find alternatives to chemicals listed on our priority chemical list, and to continue to innovate and provide options for safe, effective products that meet the expectations of our consumers.

In 2017, we established a list of 17 chemicals of high concern that must be excluded from any Dollar Tree product by 2020. We sent letters to each of our suppliers communicating our commitment and the expectations that they will reduce and eliminate the use of all priority chemicals (*listed to the right*) from our products.

Since then, an independent third-party provider evaluated for the presence of priority chemicals in thousands of products. We are extremely pleased with our progress and want to thank our suppliers for supporting this important initiative.

To further show our commitment, in 2019 we became the third retailer to participate in the Clean Production Action's Chemical Footprint Project, a tool for benchmarking companies as they select safer alternatives and reduce their use of chemicals of high concern.

#### 17 CHEMICALS OF HIGH CONCERN

- ▶ Lead in children's products in excess of federal and state limits
- ▶ Asbestos in children's products
- ▶ BPA in children's products
- ▶ Formaldehyde
- ▶ Cadmium and Cadmium compounds
- ▶ Toluene
- ▶ 1-Bromopropane
- ▶ Diethyl phthalate
- ▶ 1,4-Dioxane
- ▶ Nonylphenol ethoxylates
- ▶ Cyclic Aliphatic Bromides Cluster of flame retardants (HBCD)
- ▶ Butylparaben
- ▶ Octamethylcyclotetrasiloxane (D4)
- ▶ Dibutyl phthalate
- ▶ Tetrachloroethylene (PERC)
- ▶ Propylparaben
- ▶ Trichloroethylene

**Nearly all priority chemicals have been eliminated from our private label products. We are on target to eliminate all by the end of 2020.**

A FULL COPY OF OUR CHEMICAL POLICY IS AVAILABLE [HERE](#)



## FACTORY VETTING FOR IMPORTED GOODS

Within both Dollar Tree and Family Dollar, our concern for the customer is central to every decision we make. Our work begins with ensuring the suppliers and their factories provide safe products produced by ethical means. Social compliance audits are conducted on most of the overseas factories from which we directly source goods, and we are working to expand those audits to all factories.

Social compliance audits assess vendor compliance with:

- ▶ Labor Laws
- ▶ Health and Safety
- ▶ Anti-discrimination
- ▶ Zero Tolerance for Child or Prison Labor
- ▶ Zero Tolerance for Human Trafficking

We require that our vendor manufacturing be free from slavery and human trafficking at all stages of the supply chain. These standards are stated in Dollar Tree's Code of Ethics, which are to be followed by all vendors.

Our standards reinforce our belief that the people who produce our products should be treated with dignity and work in a safe and equitable environment.

The Company annually trains associates with direct involvement in vendor management on human trafficking and slavery. This training brings awareness and understanding of the issues and includes how to look for indications of human trafficking and slavery while visiting supplier facilities.

## PALM OIL POLICY

In recent years, we have established rigorous requirements by which our manufacturing partners must abide with respect to the use of palm oil.

Implemented in 2016, the policy calls for suppliers to only procure palm oil in a manner that supports deforestation-free production, including the protection of natural forests.

Plus, they must have methods in place to provide traceability to production mills. Our goal is for 100% compliance with the palm oil policy by 2020.

## ANIMAL TESTING POLICY

Dollar Tree is committed to always running our business with the highest ethical standards. We do not conduct animal testing.

## CAGE-FREE EGGS

Dollar Tree is committed to working toward a goal of 100% cage-free eggs by 2025 based on available supply, affordability and customer demand.









# SOCIAL

## OUR PEOPLE, OUR JOURNEY

We value our associates' many contributions to the Company's success. To further their performance and career opportunities, we continually invest in the most important element of our organization: **our people**.

The Company proudly employs more than 193,000 associates across North America at our stores, distribution network and Store Support Center (SSC).

- ▶ Our stores provide a great first job experience for individuals who are interested in a retail career. In fact, many of the leaders within our organization started their careers as hourly-paid associates at Dollar Tree and Family Dollar stores.
- ▶ Other associates who may be on a different path, such as a parent with children in school or a senior citizen seeking another source of income, enjoy the flexible hours and part-time benefits that our stores provide.

## OPPORTUNITY AND FLEXIBLE CAREER PATH

As a growth company with more than 15,000 stores, and plans to open hundreds of stores annually, it has never been a more exciting time for the Dollar Tree and Family Dollar team. Along with a total rewards package, we continue our commitment to ongoing training and talent development.

Our two brands allow us to provide more opportunities for career growth, along with more available hours of work for hourly-paid associates.

**Within the past year more than 35,000 associates were promoted into new positions within the organization.**

## COMPENSATION

We strive to offer market-competitive pay for all positions in all of the markets we serve.

NEW  
FOR  
2019

**All full- and part-time associates are eligible for medical, dental and vision benefits**

We are a pay-for-performance organization, and performance-based compensation opportunities exist at almost all levels of the organization, including hourly-paid positions.

Both Dollar Tree and Family Dollar have implemented a monthly Store Manager Bonus Program, which aligns with Company goals and rewards Store Managers for stellar performance.

## BENEFITS

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

Full-time associates who have completed at least six months of employment are offered tuition reimbursement through our Tuition Reimbursement Program.

To help build their investment portfolios, eligible associates can take advantage of Dollar Tree's Employee Stock Purchase Program. It is a great opportunity to purchase Dollar Tree stock (DLTR) at a generous 15% discount off the market price.

We are pleased to offer Primary Caregiver and Parental Leave in order to support our associates while they are starting or growing their families.

iLearn portal is a learning management system that provides our associates with access to a variety of courses and certifications for professional development.

NEW  
FOR  
2020

All associates, including part-time, can take advantage of our Employee Assistance Program, which provides associates and their household members with expert support on:

- ▶ Starting a Family
- ▶ Financial and Legal Services
- ▶ Parenting and Family Issues
- ▶ Caring for Aging Parents
- ▶ Resilience Skills





## YEAR OF THE MANAGER

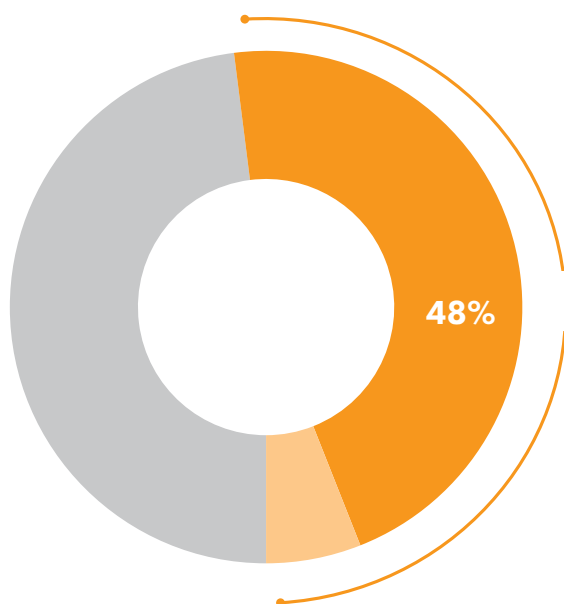
Internally, 2019 was known as the Year of the Manager, a tactically-balanced focus on investing in our WINNER strategy, while encouraging progression of four key competencies:

- ▶ Hiring/Staffing
- ▶ Problem Solving
- ▶ Developing Direct Reports
- ▶ Planning/Priority Setting

## DIVERSITY AND INCLUSIVENESS: ETHNICITY

**54%** of our associates are ethnically diverse; this aligns, and/or over indexes, with our consumers for both brands.

**48%** of associates identify as Hispanic or African American.



## ASSOCIATE SATISFACTION SURVEYS

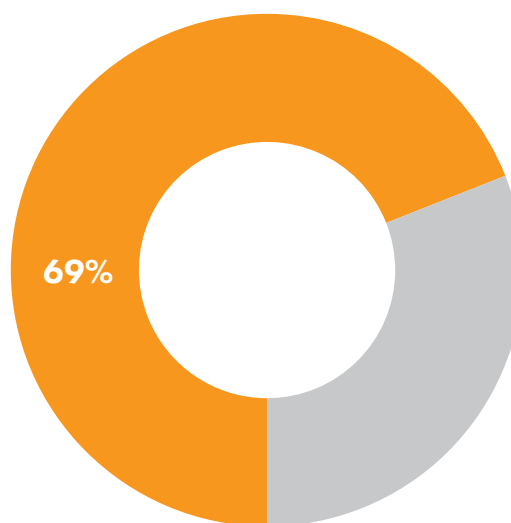
We conduct associate satisfaction surveys annually or biannually based on position. The surveys benchmark progress and help identify areas of improvement, which enables us to better operate as an employer of choice.

**"Diversity and inclusion is a journey and our goal is to broaden awareness and appreciation of differences that align with our consumers and communities."**

**- Betty Click, Chief Human Resources Officer**

## DIVERSITY AND INCLUSIVENESS: GENDER

**69%** of our associates identify as female, slightly below our consumer base for both brands.



## WOMEN OF ONE, POWER OF ONE

In 2019, the Company founded a resource group to help lead efforts to broaden diversity and awareness in the workplace. The group's board is focused on three goals:

**NEW  
FOR  
2019**

- ▶ Development
- ▶ Diversity and Inclusion
- ▶ Community (internal and external)

Mission Statement: Women of One, Power of One focuses on engaging, inspiring and developing all associates to drive consistent profitable growth and cultivate a collaborative and inclusive workplace that strengthens our position as a great place to work.



## TRAINING AND DEVELOPMENT

We invest in training all of our associates. Our Company has a dedicated Training and Development team responsible for creating and delivering both general and job-specific content to associates at our stores, distribution centers and Store Support Center (SSC).

### RETAIL STORES

We provide role-based training programs for all levels of store associates. In addition, Dollar Tree and Family Dollar stores offer Assistant Store Manager, Store Manager and District Manager training programs for associates who want to move into management or more senior level roles.

The stores offer a Model Store Training program where certain high-performing Store Managers are selected and certified on an annual basis to deliver training to new Store Managers. Model Store Trainers also receive additional role-based training and development.

Both banners have a dedicated field training team focused on Store Manager and District Manager development.

### DISTRIBUTION CENTERS

All distribution center associates receive safety training on the first day of their employment. On-the-job training for all hourly associates is supported by management and training specialists.

The Company provides management associates access to online tools focused on leadership development, communication skills and computer training.

Maintenance technicians in the distribution centers annually receive specialized safety training, as well as technical training on electrical, mechanical and controls systems.

Our distribution center leadership partners with the National Center for Supply Chain Automation, the Manufacturing Skill Standards Council, the National Science Foundation and other industry-specific learning platforms to develop and train our associates.

### STORE SUPPORT CENTER

Our Company offers online and instructor-led training for all SSC associates on a variety of topics. Monthly targeted learning programs, aligned with our organizational competencies, are delivered to accelerate and sustain professional development of associates. These are provided in a variety of ways, including:

- ▶ “Power Hours”
- ▶ Online learning offerings
- ▶ Videos and books
- ▶ TED Talks
- ▶ Company-aligned activities

Foundations for Leadership, a development program delivered to high-potential SSC associates, Managers and Directors, focuses on leading self, leading others and leading the business. Sustainable learning opportunities are available post-program completion.



## SSC CONSOLIDATION

In July 2019, we reached a significant organizational milestone by successfully completing the consolidation of our Store Support Centers into a new facility in Chesapeake, Virginia. This was a large, complex task that required effective communication, collaboration and teamwork, which are hallmarks of our organization.

Along with the realized energy efficiencies and cost savings of being under one roof, our SSC associates are now able to partner in providing greater support to our store teams.

## PHILANTHROPY

### ACCESS COLLEGE FOUNDATION

Since 1995, Dollar Tree has given an annual monetary gift to the ACCESS College Foundation. This support has helped underrepresented students throughout southeast Virginia discover their potential for attaining post-secondary education, navigate the college admission process and successfully complete their degree or certificate programs.

### AMERICAN CANCER SOCIETY

The Company has supported the American Cancer Society's Making Strides Against Breast Cancer Walk since 2014. To date, the Company has donated \$80,000 and our associates have raised more than \$18,000. The funds are designated for breast cancer research and are critical for patients and survivors.

### AMERICAN DIABETES ASSOCIATION

Our associates are proud supporters of the American Diabetes Association (ADA) and the Company, along with its associates, have raised more than \$190,000 for the organization since 2011. Throughout the partnership, more than 400 associates have supported the Tour de Cure cycling fundraiser, which is ADA's signature event.

**"The benefits of having our associates from both brands together in one location are immeasurable. Our organization continues the planned progression to align processes and functions, which strengthens our ability to speak with one voice."**

**- Gary Philbin, Chief Executive Officer**

### AMERICAN RED CROSS

In 2019, the SSC hosted three blood drives to support the American Red Cross. In total, more than 160 pints of blood were collected, potentially saving 500 lives.

### ATLANTIC PACKAGING'S "PINK STRETCH FILM" PROGRAM

The Company participates in Atlantic Packaging's "Pink Stretch Film" program. As of October 2019, the program has contributed more than \$35,000 in Dollar Tree's name toward breast cancer research.

### BUSINESS CONSORTIUM FOR ARTS SUPPORT

Dollar Tree has supported the Business Consortium for the Arts Support since 1998. During that time, the Company donated more than \$482,000, which helps promote local arts and cultural organizations in the southeast Virginia area, reaching an audience of more than one million people annually.



## BOYS & GIRLS CLUBS OF AMERICA

Family Dollar is proud of its national partnership with Boys & Girls Clubs of America (BGCA). Many of our stores and the clubs are in the same neighborhoods, so we serve the same families. Family Dollar recognizes the important role BGCA plays in helping the youth of today become the leaders of tomorrow. The Company has raised money over the course of the partnership with BGCA through a variety of efforts driven by customers, associates and vendor partners.

- ▶ Family Dollar and Coca-Cola have teamed up with BGCA to make a difference in the communities we serve through the annual “Make Every Sip Count” campaign. When our customers buy participating Coca-Cola products at their local Family Dollar stores, Coca-Cola and Family Dollar donate 10% of the purchases, up to \$1 million, to BGCA. Since the campaign’s inception in 2017, more than \$2 million has been donated.
- ▶ Each month, Family Dollar and BGCA carefully select two local clubs to receive a \$5,000 donation. They are awarded the check during a grand opening or grand reopening of a nearby Family Dollar store.
- ▶ In supporting BGCA during its 2019 Back2School cause campaign, Family Dollar’s customers were able to donate \$1, \$2 or \$3 at store registers. The 2019 campaign raised more than \$100,000.

**To give back even more, Family Dollar donated \$75,000 to BGCA during the 2019 holiday season.**

## DONATIONS FROM THE DISTRIBUTION CENTERS

Dollar Tree and Family Dollar Distribution Centers (DCs) make a powerful impact in their communities. Not only do they provide quality jobs to their citizens, but they also make donations to local organizations.

In 2019, the DCs throughout the U.S. donated more than \$115,000 in total to local charities and participated in dozens of non-monetary campaigns, such as food bank drives and toy collections. Some of these include donating approximately:

- ▶ \$28,000 for Make-A-Wish Connecticut from DC10 in Windsor, Connecticut
- ▶ \$11,800 for the local Meals on Wheels from DC11 in Cherokee County, South Carolina
- ▶ \$11,000 for Ronald McDonald House from DC2 in Olive Branch, Mississippi

## DISASTER RELIEF FUNDS

The Company has two established funds, Dollar Tree Associate Disaster Relief Fund and FamilyHope, which aid and support associates in times of need and natural disaster. Since their respective inception dates, nearly \$4 million has been dispersed to associates in need through both Company and associates’ donations, including a \$250,000 company donation made in 2017 to Hurricane Harvey storm victims.





## OPERATION HOMEFRONT

Dollar Tree is a longtime national sponsor of Operation Homefront, which provides emergency, financial and other assistance to the families of United States service members and wounded warriors. Through monetary aid and our customer-purchased products during in-store drives, millions of toys, school supplies and other items are annually distributed to military families and neighbors.

- ▶ Since 2009, Dollar Tree has been a sponsor of the organization's annual Back-to-School Brigade®, a nationwide school supply collection campaign. Since inception, Operation Homefront has distributed 350,000 backpacks to military children.
- ▶ Helping to ease the financial burdens that often accompany the holiday season for junior- and mid-grade service members and their families, Dollar Tree concluded its 13<sup>th</sup> consecutive Holiday Toy Drive in December 2019. Thanks to the generosity of our customers and the dedication of our associates, Dollar Tree has collected millions of toys nationwide every year.
- ▶ Several departments at the SSC participate in the annual Operation Homefront Adopt-A-Family program. The monetary and gift donations fulfill local military families' holiday needs and wish lists.

## VIRGINIA FOUNDATION OF INDEPENDENT COLLEGES BRIGHTER FUTURES SCHOLARSHIP PROGRAM

Dollar Tree is investing in tomorrow's leaders through contributions to the Virginia Foundation of Independent Colleges Brighter Futures Scholarship Program. Annually, the program provides academic scholarships for students with academic promise and financial need.



## COMMUNITY PARTNER

### SERVING THE UNDERSERVED

We strive to serve all customers, no matter their demographics, by providing convenient, and affordable goods to the communities where we operate.

Our Company recognizes that we tend to enter markets where a lot of other retailers do not go, which is why we endeavor to be good community partners with teams diligently working to ensure all current and future stores are clean, friendly and safe for customers.

Our stores bring economic development and jobs to every community we enter, while complementing and operating side-by-side with grocery stores.

Illegal dumping and littering across the chain are highly discouraged. In these occurrences, Dollar Tree and Family Dollar partner with local officials to assist with the cleanup of the location, and subsequent monitoring.

Additionally, the field teams encourage neighbors and surrounding businesses to assist with recognizing and reporting any potential issues.

The safety and security of customers and associates is our first priority. Field and Store Managers work closely with local law enforcement to monitor criminal activity.

Dollar Tree and Family Dollar aim to create a safe work and shopping environment by tailoring store operations and security for each store. Teams continually evaluate and enhance their on-premise security and surveillance systems, as well as provide ongoing associate safety training.

We are proud to be part of the communities we serve and we understand deeply the concerns of many local officials regarding the changing nature of our shared communities across the country, and—as part of those communities—we are always looking for new ways to help our neighborhoods be healthier, safer and more prosperous.

**“Our customers are at the core of all we do. Family Dollar has proudly operated stores in thousands of underserved communities for many years. We provide these neighborhoods with affordable products at convenient locations, all while creating jobs and partnering with community leaders to encourage economic and social growth.”**

**- Irfan Badibanga, Senior Vice President of Operations, Family Dollar**

**“Customers absolutely love the (H2) remodel and the \$1 WOW product sections. Many of our customers are living paycheck to paycheck and spending \$1 on detergent, for example, helps get them through several days.”**

**- Erin R., Store Manager, Family Dollar**







# GOVERNANCE

## BOARD'S COMMITMENT

Effective oversight of Dollar Tree management and the business requires our Board to continually review its own governance and composition. We believe the Company benefits from a diversity of perspectives amidst a demonstrably independent Board, whose skills and experience are "fit for purpose" in overseeing the Company's progress and unique challenges, as well as its evolution over the coming years.

## BOARD REFRESHMENT

As part of our refreshment, the Board added five highly qualified independent directors since 2016 and increased the Board's diversity. Two of the new directors, added in 2019, bring a wealth of highly relevant and complementary experience and help satisfy needs on the skills matrix identified by our Nominating and Corporate Governance Committee.

The addition of these five new directors represents a significant change in Board composition over a short period. It is the result of a thoughtful, evolutionary process which seeks to balance our need for fresh perspectives and additional relevant skillsets with the institutional and industry knowledge of our seasoned directors.

Our goal is to reach and thereafter maintain a relatively balanced mix of short, medium and long-term tenured directors. Consistent with this strategy, Conrad M. Hall, who has been a director since January 2010, plans to retire at the 2020 annual meeting of shareholders. The Board launched a formal search process, led by its Nominating and Corporate Governance Committee, to appoint a diverse candidate to replace Mr. Hall on the Board. The Board is making progress in its search and anticipates the appointment of a new director later this year.

**"As we move forward, we will continue to identify director candidates who can add fresh, diverse perspectives and bring relevant experience and skillsets that will increase our effectiveness and enhance alignment with our shareholders and other stakeholders."**

**- Bob Sasser, Executive Chairman**

**CODE OF ETHICS** (click [here](#) to view)





## ENHANCED GOVERNANCE BEST PRACTICES

The Board previously adopted best practices, such as a declassified Board, a majority voting standard for uncontested elections of directors and proxy access, which are intended to increase accountability to shareholders. Building on these actions, the Board recently:

- ▶ Enhanced its ESG oversight through the Nominating and Corporate Governance Committee and undertook to increase transparency about the Company's sustainability and ESG risks;
- ▶ Formalized an enhanced Shareholder Engagement Policy with guidelines promoting direct interactions between independent directors and shareholders;
- ▶ Enhanced already robust Corporate Governance Guidelines;
- ▶ Enhanced director stock ownership guidelines; and engaged independent outside consultants to evaluate the performance of the Board and make recommendations with respect to Board governance and composition.



**85%**

DIRECTOR INDEPENDENCE



**100%**

STANDING BOARD COMMITTEE INDEPENDENCE



### YES TO...

- ▶ SEPARATE CHAIRMAN OF BOARD AND CHIEF EXECUTIVE OFFICER
- ▶ INDEPENDENT LEAD DIRECTOR
- ▶ ROBUST RESPONSIBILITIES ASSIGNED TO LEAD DIRECTOR
- ▶ BOARD OVERSIGHT OF COMPANY STRATEGY AND RISKS
- ▶ RESIGNATION POLICY
- ▶ ANNUAL BOARD, COMMITTEE AND INDIVIDUAL DIRECTOR SELF-EVALUATION PROCESS
- ▶ INDEPENDENT DIRECTORS MEET WITHOUT MANAGEMENT PRESENT

## CONFIDENTIAL REPORTING

All of Dollar Tree's stakeholders—our associates, vendors, suppliers, manufacturers, service providers, contractors, partners and factories—are encouraged to report any concerns about ethical issues, bribery, corruption, suspected violations of law or corporate policy to one of our Company hotlines:

- ▶ Dollar Tree Speak Up Line at 1-888-835-5792;
- ▶ Family Dollar Speak Up Line at 1-877-309-2962;
- ▶ [CodeofEthics@dollartree.com](mailto:CodeofEthics@dollartree.com); or
- ▶ [CodeofConduct@familydollar.com](mailto:CodeofConduct@familydollar.com).

Reports may be made anonymously. Dollar Tree prohibits retaliation against any associate or other stakeholder who, in good faith, raises a concern or question about ethical issues, bribery, corruption, suspected violations of law or Company policy.

Data from the most recent reporting period in 2019 suggests that calls received through the Dollar Tree and Family Dollar Speak Up Lines together average approximately eight calls per day. Almost all calls received concern garden-variety store-related human resources issues, like questions about pay and customer service. No calls were received on matters requiring independent investigation by either the Chief Legal Officer or Internal Audit or that warranted notice to senior management or the Audit Committee, such as accounting irregularities, insider trading, bribery or corruption, or material violations of Company policy.





# TWO BRANDS, ENDLESS OPPORTUNITIES

FOR MORE INFORMATION, PLEASE VISIT [WWW.DOLLARTREEINFO.COM](http://WWW.DOLLARTREEINFO.COM)

