

# 2023

## Environmental and Social Sustainability Update



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# About this Update

Dollar Tree, Inc. has been reporting on the sustainability and social impact issues that are most critical to our people and our business since 2011.



## Environmental and Social Sustainability Update (Update)

This Update will differ from past years' reports as we are working to develop our full environmental and social sustainability strategy, including our climate strategy, which will be released later this year. While subsequent reports will be built around our priority environmental and social sustainability topics and share progress on our forthcoming goals and metrics, this year's report provides updates on two important topics to our business and stakeholders: our people and climate. Within these chapters, we present the results of our Task Force on Climate-related Financial Disclosures (TCFD)-aligned climate risk scenario analysis as well as summaries of findings and recommendations from our racial equity assessments. We also provide details on our exciting new commitment to set a science-based Net Zero emissions target.

This Update provides key highlights and changes from the fiscal year ending January 28, 2023 (FY22) unless otherwise noted. This Update is guided by globally recognized frameworks such as the Sustainability Accounting Standards Board (SASB), TCFD, CDP and the World Resources Institutes' (WRI) Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standards. Our CDP response is listed on the CDP portal.

## Forward-Looking Statements

Statements in this Update and Dollar Tree, Inc.'s website regarding the company's environmental and social sustainability 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 sustainability 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 May 2023. 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 2022 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.



# 2022 Year in Review

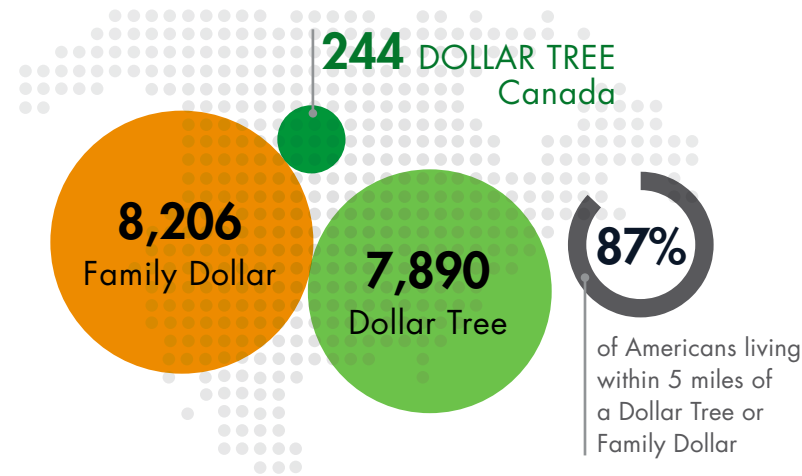
# \$28b

Net sales

## More than 16,000 Stores

Operating in 48 States & 5 Canadian provinces

Headquarters: Chesapeake, Virginia



## Our Associates



67% Female  
54% People of Color

45% of the board are female and/or people of color

74% of promotions were female

52% of promotions were people of color



### 3 Associate Resource Groups

15+ engagement events in 2022 reaching thousands of associates and tens of thousands customers

## Environment

### GHG emissions (mt CO<sub>2</sub>e)

421,840 Scope 1

955,841 Scope 2

18,052,024 Scope 3

## 584

New stores equipped with LED lighting and EMS technology

## Net Zero by 2050

Commitment

## 464

New stores opened that meet In-Store Energy Efficiency Standard

## 370,679

Tons of cardboard, paper, plastic and pallets recycled

## Community highlights

## \$1.5m+

Donated to Boys & Girls Clubs of America

Benefiting

3.6m youth and 5,000+ clubs



# CEO Letter

## A Letter from Richard Dreiling, our Chairman and Chief Executive Officer, Dollar Tree, Inc.

With more than 16,000 Dollar Tree and Family Dollar locations, I feel privileged that our brands are embedded in communities and neighborhoods across the country. Our presence enables us to provide employment to hundreds of thousands of associates, while serving families with the essentials they need to thrive. As our retail footprint continues to grow, we are more committed than ever to serving our customers, while operating as responsible stewards of our planet and in support of our people.

Last year, we deepened our focus in the areas of environmental and social sustainability. I am incredibly proud of the strides we made to manage our risks and maximize our opportunities in these critically important areas. You will hear more from us about our updated environmental and social sustainability strategy later this year.

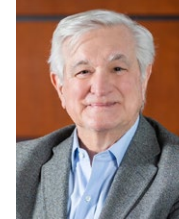
We at Dollar Tree and Family Dollar, along with our many stakeholders, share common priorities, including diversity, equity and inclusion for all individuals; the potential impact of climate change; and other sustainability risks. This year, we invested in these areas of priority by hiring a Chief Diversity Officer, Chief

Sustainability Officer and supporting teams to lead the business in these imperative areas. With the Board's Sustainability and Corporate Social Responsibility Committee, our leadership is partnering on key sustainability issues that affect the company, such as environmental change, human capital management and workplace environment and culture. With this new organizational structure and team in place, I am confident our business is well-positioned to address and manage current and future risks.

At Dollar Tree and Family Dollar, the cornerstone of our business is our people. We are focused on promoting an inclusive, welcoming and safe environment for our customers and associates. The leadership team is taking action to make our company an even better place to work. For example, we accelerated our diversity, equity and inclusion (DEI) progress, we invested more than \$360 million in hourly wages for our store, distribution center and Store Support Center (SSC) associates and promoted more than 63,000 associates across the organization. Our teams are critical to serving our customers and communities, and we believe these investments will provide our people the opportunities they deserve to grow within our company.

In 2022, more frequent and powerful natural disasters served as cautionary reminders that climate change poses a real threat to the communities we serve and the global economy at large. With this in mind, we are acting now to mitigate our climate impact. Our 2022 priorities included measuring our impacts, reporting on them transparently and committing to set ambitious goals to reduce emissions across our value chain. Most significantly, we announced a new commitment to set a science-based Net Zero emissions target aligned to the Science Based Targets initiative (SBTi). Our fully revised climate strategy will be published later this year.

For decades, we have played an important role in people's lives as a trusted employer, retailer and community partner. We are pleased with the progress we've achieved this year and will hold ourselves accountable to achieve even higher standards as we work diligently to expand our positive impact. No matter what happens in the world around us, from economic uncertainty to natural disasters and political changes, we remain committed to providing the communities we serve with the affordable necessities they count on us to offer. With the help and dedication of our more than 207,000 hard-working associates and our outstanding leadership team, I am confident that we are better positioned than ever to deliver exceptional value to our people and our communities while minimizing our impact on the planet.



A handwritten signature in black ink that reads "Richard Dreiling". The signature is fluid and cursive.

**Richard W. Dreiling**  
Chairman and Chief Executive Officer  
Dollar Tree, Inc.

## CSO Letter

### A Letter from Jennifer Silberman, our Chief Sustainability Officer, Dollar Tree, Inc.

It's my pleasure to share this year's Sustainability Update. Since our last report I've had the opportunity to on-board to Dollar Tree and Family Dollar, immerse myself in our company culture and unpack the strengths and opportunities across the enterprise. With more than 26 years of experience in this field, I am energized by the shared commitment from company leadership and stakeholders to drive our priorities and values forward faster than ever before.

As a leading retailer with more than 16,000 stores, more than 207,000 associates and a global supply chain, our impact on people and the planet is far-reaching. We aim to bring incredible value to our customers and communities as well as build a culture where our associates feel respected, safe and supported. As we see it, there is more to incredible value than price alone. It's not just about paying less but also getting the most for your money. Our work in sustainability grows directly from this belief and from the promise of our two brands: to provide the essentials to thrive and to celebrate the moments that matter.

Keeping prices low shouldn't come at the expense of social and environmental impacts that harm our

communities or our planet. We are challenging ourselves to offer items that are both affordable and healthy, good for you and good for your community, better for your pocketbook and better for the planet. This is the holistic vision of value we aim to deliver.

The work has already begun. This Update highlights how we are building on our existing efforts to ensure a strong foundation for our path forward – with a specific focus on our climate and people initiatives. There will be more to come on these and other priorities later this year.

We recently announced a major milestone: our commitment to set a science-based Net Zero target by June 30, 2024. This target will cover the company's entire value chain with the goal of reaching Net Zero emissions by 2050, with interim science-based goals for scopes 1, 2 and 3 in the near term. Building on current work in progress, this future goal replaces the company's current greenhouse gas (GHG) emissions reduction goals in favor of these more ambitious, science-based targets that demonstrate our commitment to take meaningful climate action.

Here are a few other highlights from this past year:

- **Performed our first environmental and social issue prioritization assessment.** We engaged more than 250 internal and external stakeholders through workshops, surveys and interviews to ensure these topics and our subsequent strategy represent the full range of stakeholder expectations. This input is guiding us as we finalize our environmental and social sustainability strategic priorities and establish corresponding goals and initiatives.

- **Completed our first climate risk assessment aligned to the TCFD** to understand our exposure to climate-related risks and opportunities. The TCFD assessment results will inform our new climate strategy, also set to be published later this year. The results of the TCFD assessment may be found in the Climate chapter of this report.
- **Disclosed for the first time our climate performance through CDP**, marking a significant step in our reporting, transparency and ambition around climate.
- **Conducted a racial equity assessment to understand both our strengths and opportunities** as they relate to DEI and our broader talent and community strategies. Summaries of these assessments may be found in Appendix A of this Update.
- **Initiated a stakeholder engagement program** to better understand stakeholder perspective and feedback as well as guide our strategy development process.

The steps we have taken lay the groundwork for further integrating sustainability into our business. Throughout the United States and Canada, our customers depend on us to meet their needs. Delivering value to our customers can be both sustainable and inclusive – and we believe true value must be both.



*Jennifer Silberman*

**Jennifer Silberman**  
Chief Sustainability Officer  
Dollar Tree, Inc.



## Focus on Our People

The cornerstone of our business is our people, and our success relies on our ability to empower and enable our people to thrive in all aspects of their lives.

The ability to successfully grow and serve our customers is built on our dedicated associates who work, live and shop in the communities we serve. We are committed to ensuring a welcoming, inclusive and supportive work environment that offers competitive pay and benefits, fosters growth and development of our associates and affirms our company values.

As we work to extend our culture of service to our people, we are bringing it to life through a focus on **culture and belonging, talent and growth,** and **elevated associate experience** across all the moments that matter along the associate journey.

### Culture and Belonging

Fostering a positive culture for our associates is rooted in a continuous feedback loop that allows us to hear and respond to feedback from individuals at every level within the organization.

## Our Refreshed Company Values

Through our listening efforts and collaboration with associates at all levels of the organization, we refreshed our company Values to reflect our aspiration of creating a best-in-class culture where careers can thrive.

These new Values and corresponding Behaviors set expectations and provide guidance for all associates to engage in ways of working that accelerate our ability to succeed – as well as serve our customers in the ways they deserve.

- **Serve with Accountability** – Live up to commitments and own the results
- **Inspire Belonging** – Create an environment where people feel distinctly valued
- **Champion Empowerment** – Show up, speak up and take initiative to solve issues
- **Operate with Excellence** – Take pride in exceeding expectations to delight customers
- **Act with Integrity** – Do the right thing to honor company and community

Last year we focused on listening – to identify and address areas of improvement to enhance our culture and foster an engaging and transparent environment where our associates are empowered to do their best work. A recent cultural assessment helped identify focus areas and prepare the organization for an employee engagement survey process to close the gap between our current state and future aspirations. We added new communication and engagement channels to foster two-way dialogue with associates, allowing us to respond to their feedback in real time. We also refreshed our Values and Behaviors to better reflect our culture. In 2023, we introduced our Voice survey, which will engage our associates in areas of opportunity and concrete action to continue to strengthen our culture and organization.

### Our Focus on Diversity, Equity and Inclusion

Our value of belonging is our compass and ultimately our goal for how we strive to create an environment where our associates, customers and communities feel

distinctly valued, welcomed and respected. To that end, we have begun a transformational process that ensures that diversity, equity and inclusion (DEI) is at the core of our company culture.

In 2022, we hired our first Chief Diversity Officer (CDO) to advance our work for our associates, customers and communities. Through our Executive DEI Council, we are evolving our initial commitments to develop enterprise-wide strategies and goals that foster diversity and belonging, attract and support diverse talent, enable equitable access to opportunities and resources and offer a diverse assortment of products for our customers and communities.

As part of our continuous improvement effort, in 2022 we engaged Russell Reynolds Associates (RRA) and Ivy Planning Group (Ivy) to conduct assessments to identify current state and areas of opportunity for our DEI approach for our associates, customers and communities. Summaries of the assessments are included in Appendix A of this report.





To ensure we embed DEI into all aspects of the business, we developed a multi-year strategy focusing on three areas:

**1 Talent** — Ensure all talent practices are fair and equitable, and associates feel they are included and belong. We aim to attract, hire and develop diverse talent to meet our growth objectives.

**2 Marketplace** — Increase diverse representation of our supplier partners and product offerings. We are focusing on growing socially and economically underserved vendors within our supply chain network and ensuring we provide an assortment of diverse products and brands that reflect the communities we serve.

**3 Community** — Cultivate collaborative partnerships by fostering a sense of goodwill among our associates, key stakeholders and the diverse customers we engage with every day.

### Engagement and Connection: Associate Resource Groups

Our Associate Resource Groups (ARGs) are employee-led communities that bring together people with shared identities and experiences, along with allies, to foster a culture of inclusion and belonging. Currently we have three ARGs – Black Advocate Alliance, Champions of Women and Pride. Our ARGs, open to all associates, are supported by executive sponsors and have developed company-wide programming to celebrate the diverse cultures of our associates and the customers we serve, create safe spaces for learning and understanding and provide resources and guidance on relevant diversity topics. As our DEI strategy evolves, we plan to expand our ARG structure by adding new ARGs including Hispanic, Asian Pacific Islander and Veterans, as well as expand outreach to our field associates.

### Field Leadership Engagement

Our field leaders are critical stakeholders in supporting our store teams and customers. In 2022 we expanded several aspects of our DEI programming by rolling out education and awareness programs to our field leaders, including store managers, district managers and regional directors. Key topics included how to grow our ARGs in the field, relevant DEI-related topics for store and field employees and community engagement.

## Associate Resource Group Overview



### Black Advocate Alliance

Our **Black Advocate Alliance** provides a network of support for the advancement of Black/ African American associates. We seek to promote opportunities for leadership development, raise awareness of Black culture and encourage allyship of the Black community.



### Champions of Women

**Champions of Women** helps to foster a more inclusive environment that supports the development and advancement of women to make an impact through our people, allies and communities. Key themes for 2022 included building women’s confidence in the workplace; men’s allyship and fostering a gender equal workplace; self-care; and personal branding to grow your career.



### Pride

Our **Pride** resource group works to raise awareness and promote allyship of the LGBTQ+ Associate community, by educating and promoting inclusion, equality and justice to foster mutual respect to enhance the company’s competitive advantage. In 2023, Dollar Tree, Inc. was recognized by Newsweek as a Great Workplace for LGBTQ+ associates.



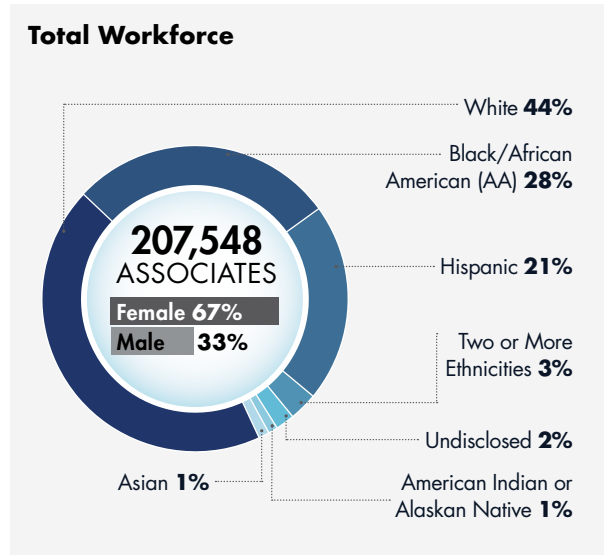


### Engagement and Connection: DEI Council

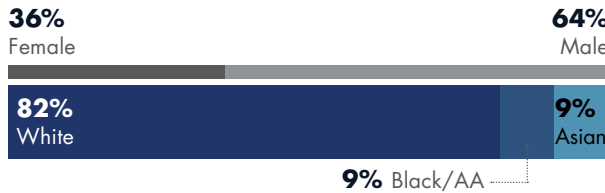
Our DEI Council, composed of senior leaders from all areas of the company, works closely with our CDO to help shape our DEI commitments and programming. The goal of the Council is to advocate for and advance DEI initiatives across the organization and serve as a resource to promote understanding and learning of DEI topics, as well as bring ideas and perspective to leadership.

### 2022 Diversity Data

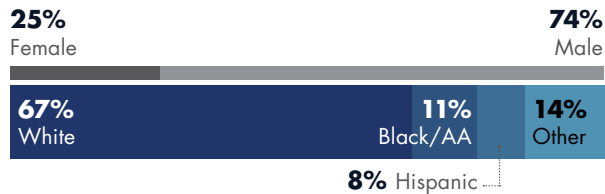
Our data represents a Fiscal Year 2022 workforce population of 207,548 associates and is based on self-identification.



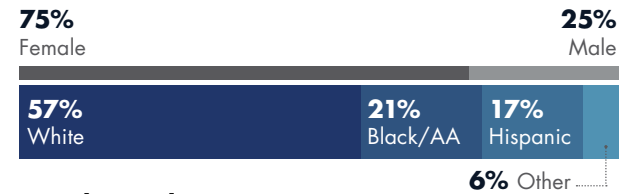
### Board of Directors



### Executives



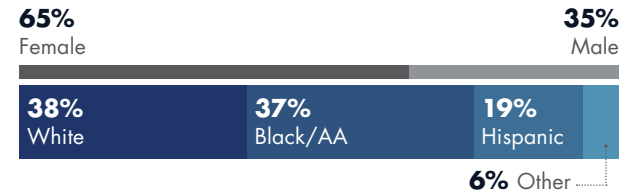
### Store Managers



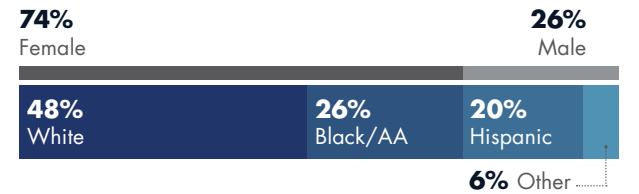
### People Leaders



### New Hires



### Promotions



Charts do not necessarily add up to 100% because they exclude "unidentified/no response" or rounding of results. Other includes — American Indian or Alaskan Native, Asian, Native Hawaiian/Pacific Islander and Two or More Ethnicities



## Talent and Growth

To Operate with Excellence, we must focus on the recruitment, development and retention of our talented associates.

We believe the success of our efforts hinges on our ability to attract and hire top diverse talent across all areas of our business. Our aim is to advance racial and gender diversity and equity across the company including the representation of women and people of color in leadership roles across the organization. In 2022, we continued to build the foundation for a diverse workplace through training and awareness, associate engagement and community outreach.

### Associate Recruitment: Winning the Race for Talent

Our dedicated associates are the heartbeat of our organization and represent the face of the Dollar Tree and Family Dollar brands. Attracting and retaining top talent is essential to our success. We recruit and hire locally using job fairs, social media as well as community service partners to provide part-time and full-time jobs that can become lasting careers. We are committed to building a diverse, skilled and inclusive workforce and have developed a comprehensive approach to talent attraction.

Our Store and Field teams are crucial to the success of our organization and in 2022, we invested in a dedicated sourcing team to support store managers and other field leaders across Dollar Tree and Family Dollar. We also expanded our recruiting capacity to support our Supply Chain and Distribution Center teams. One area of focus included the placement of safety management roles across all 25 distribution centers. Technology improvements continue to support our talent strategy, and in 2022, we focused on steps to expand our career platform and associate value proposition. Data and analytics also guide our talent attraction approach, and last year we broadened our talent attraction scorecard to better assess our performance of continuous improvement and identify areas of opportunity. A critical area where we have made substantial progress is closing store manager vacancy gaps by 32% year-over-year, improving retention rates in the field.

As we enhance our ability to recruit the best talent, diversity is always at the forefront. In 2022, we began securing technology solutions that scale our ability to identify bias and associated risk in our talent recruitment processes. Through this effort, we made significant progress related to the representation of gender and people of color in key leadership roles.

### Campus Recruiting

In 2022, we re-engaged our campus recruiting efforts and are working to scale both our internships and early career professional development programs over the next several years. We consider investments in higher education and next generation talent as key to supporting thriving communities and providing job experience opportunities to prepare students in underrepresented groups for leadership roles in society.

## Campus Representation

**Christopher Newport University**

**East Carolina University**

**Hampton University**

**James Madison University**

**Liberty University**

**Longwood University**

**Norfolk State University**

**Old Dominion University**

**Virginia Commonwealth University**

**Virginia Tech**

**Virginia Wesleyan University**





### Historically Black Colleges and Universities

To augment our efforts to engage top diverse talent, we partner with colleges and universities near our corporate headquarters (also known as our Store Support Center, “SSC”) to attract and recruit early career professionals across a myriad of opportunities. Part of this effort includes partnerships with Historically Black Colleges and Universities (HBCUs).

In 2022, we awarded 15 scholarships to students attending HBCUs near our SSC, 10 to students attending Hampton University and 5 to students attending Norfolk State University. Our relationship with both universities is part of our growing Campus Recruiting program and provides our teams with opportunities to mentor and engage with students and prospective employees. Highlights of our alliance over the past year include sponsoring career fairs, hosting case study competitions and organizing networking sessions with faculty and students. Our total commitment to date is nearly \$250,000, which includes creating a Dollar Tree Faculty Ambassador at Hampton University.

Moving forward, we will activate partnerships with select HBCU Alumni Associations to attract diverse talent for leadership roles.

### Development Opportunities

We believe in the growth and development of our associates and in fostering an environment where our people can do their best work and build thriving careers. To help our associates with the knowledge, skills and confidence needed to grow, we provide an array of professional and leadership development experiences, including online and instructor-led training, tuition reimbursement for graduate, undergraduate and General Educational Development (GED) as well as discounted tuition at more than 200 colleges and universities for our associates and their families. In 2022, we supported our associates with more than 5 million hours of training across our SSC, stores and distribution centers.

Our focus on talent development resulted in more than 63,000 promotions in fiscal 2022 and first quarter of 2023. For many of these associates, this promotion marked their first opportunity to gain valuable life experience in a management position. We also have a number of associates who started with the company working in our stores and have risen through the ranks to hold leadership positions – we continue to spotlight that growth for our associates as a reminder of the possibilities a career with Dollar Tree, Inc. can bring.

In 2022, we implemented the first phase of our DEI training across all departments in our SSC by offering courses that examined unconscious bias and micro-behaviors and how to embed DEI across all stages of the associate life cycle. With an average completion rate of over 80%, we plan to expand our DEI training to reach more of our field population as well as integrate with other talent and leadership development programs in 2023.

### Keeping Talent

Operating in a highly competitive retail environment, retention of our associates is a critical focus. In 2022, we reduced our store leadership turnover rate by almost 14%, and we continue to make significant investments to accelerate growth for store managers and above. To identify high-potential talent, we assess store managers, district managers and regional directors on a regular basis through structured talent reviews and succession planning paired with customized career development plans.

## Elevated Associate Experience

### Pay, Benefits and Wellbeing

We prioritize fair and market-competitive pay for all associates, the vast majority of whom work flexibly as part-time or seasonal associates. In 2022, we invested more than \$360 million in wage increases for associates at our SSC, stores and distribution centers, and we continue to increase average hourly wages for store associates and field personnel. We also strive to ensure gender and racial pay equity for employees performing equal or substantially similar work.

We combine our pay and promotion programs with a robust benefits plan that supports physical, mental and emotional well-being. Eligible associates can participate in our Retirement Savings Plan, which provides a dollar-for-dollar match on the first 5% of associate contributions, and all associates are eligible to participate in our Employee Stock Purchase Plan. Our full-time associates receive enhanced benefits, including subsidized health insurance and paid parental leave.

To further support the wellbeing of our associates and their families, we offer a variety of programs through our Employee Assistance Program (EAP), such as financial guidance, legal services and work-life support, as well as a college scholarship program to support the children of associates. Our Emergency Associate Relief Fund offers financial support when associates need us most – experiencing extreme financial hardship due to unexpected events such as natural disasters, family loss, illness, or family-member job loss. In 2022, we provided just over \$500,000 in assistance to 400

associates. Our part-time associates are also offered a wide range of resources, information and support on a voluntary and optional basis including medical, dental and vision plans, Daily Pay (getting paid on a date convenient for them) and our EAP.

### Safety

Maintaining a safe working environment for our associates and a safe shopping environment for our customers and communities are top priorities. To that end, we have developed a proactive approach to safety in our stores and distribution centers.

#### Retail Store Safety

Over the past year, we have implemented a Comprehensive Approach to Store Safety (CASS) by elevating a safety-first culture and investing in people, technology, training and support. Our Environmental, Health and Safety (EHS) department leads a cross-functional CASS team focused on workplace safety, workplace violence prevention, safe and clean operations, compliance and preventative training.

With a continuous improvement mindset, we assess our initiatives regularly and hold bi-monthly reviews with executive leadership on priority actions. Safety metrics with lagging and leading indicators are now included in regular business updates and frequent field communications to stores, focusing on safety messages and actions. As part of CASS, we launched our store Safety **S.P.E.E.D.** initiative and checklist to provide associates with the appropriate training and resources to focus on **Stacking** heights, **Pathways** being clear, **Extinguishers** being clear, **Electrical** panels being

clear and **Doors** being clear. We also launched our Safety Hotline to provide associates with a confidential tool to report any unsafe conditions.

#### Our comprehensive safety approach includes:

- Creating clear policies and procedures including our Comprehensive Approach to Store Safety, our Workplace Violence Prevention Program, Safety S.P.E.E.D. Check, a revised and strengthened Safety Corrective Action Policy and the company's Safety Hotline. In April, we introduced Integrity Matters – a reporting channel for all concerns and violations of our Code of Business Conduct and any other laws and policies, including the Safety Hotline.
- Reinforcing with associates that they should expect respectful treatment, and that we have zero tolerance for bullying, harassment and disrespect, as outlined in our Code of Business Conduct.
- Employing measures to assess, manage and respond to workplace violence incidents including safety-based data assessments enable us to prioritize and address high-risk stores. These efforts include improved security protocols, roll-down gates, enhanced lighting, smart safe technologies, cash trackers and active alarm systems with monitoring and remote access.
- Investing in people by building a store safety team and creating a food safety and sanitation team. Expanding these teams brings added resources and expertise to enhance and execute our programs.





- Training our associates including de-escalation situational training, S.P.E.E.D. and other occupational health and safety trainings. Monthly CASS training sessions cover topics ranging from S.P.E.E.D. compliance, emergency action procedures and workplace violence prevention. We also have provided “OSHA 30” training to our EHS department, to ensure they are knowledgeable about all relevant safety rules and regulations.
- Focusing on setting standards for safe and welcoming stores and distribution centers including our certified Grand Opening Look Daily (GOLD) chain-wide standard for well-run and successful stores, as well as S.P.E.E.D., and our weekly recognition program for stores that successfully pass our applicable checks. We continuously review store standards, hours of operation and staffing models to adjust as needed.
- Providing benefits to support the physical and mental wellbeing of our associates after an incident; this includes providing Employee Assistance Resources, special paid leave and offering additional benefits as needed based on the circumstances.

### Distribution Center Safety

We recently launched our “Be a Hero” safety campaign in our distribution centers, empowering our associates to identify safety hazards and report any issues of concern. Phase 1 of the program involves foundational program development and the integration of daily “Coach Cards,” which guide and teach associates on workplace safety. Phase 2 of the program focuses on driving a strong safety culture among front-line leaders. In our drive to ongoing improvement, we continue to expand our “Be a Hero” program.

As with our retail stores, we have invested in safety and sanitation in our distribution centers. Our Workplace Violence Prevention Program also applies to our distribution centers, and we are developing appropriate training and resources to support our associates. Regarding sanitation, we are currently staffing new Safety and Sanitation Managers at all our distribution centers. These new managers will further our commitment to safety and sanitation with an onsite presence and resources to drive our proactive safety culture. They will also build upon the significant strides we have taken with respect to our sanitation standards in the distribution centers. In 2022, all 25 of our distribution centers became Good Distribution Practices certified by an independent third-party auditor, and we plan to maintain this certification process in 2023.



## Product Showcase

Over the past year, we featured products during cultural celebratory and awareness months including Black History Month, Pride Month and Breast Cancer Awareness Month. We continue to expand our assortment to represent the diversity of our customers and communities.

## Growing our Diverse Supplier Network and Multicultural Product Assortment

Our DEI strategy includes building an inclusive, equitable and sustainable supply chain. We aim to partner with certified diverse suppliers for both our products and services as well as present an assortment that reflects our customers’ needs and preferences.

### Supplier Diversity

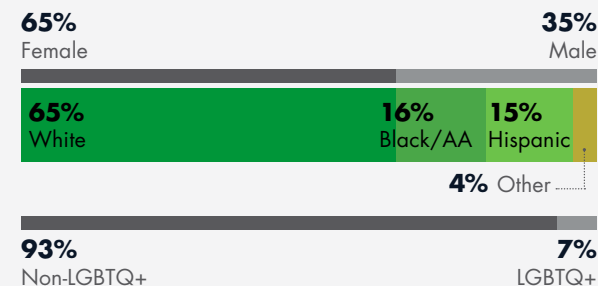
Our vision is to increase the diverse representation of our supplier partners and product offerings by focusing on growing socially and economically underserved vendors within our supply chain network. This year, we are building our supplier diversity program focusing on tracking and increasing our current spend and developing training programs to support certified diverse, women, veteran, LGBTQ+ suppliers who can meet our customers’ needs. In the future, we will develop financial targets to help grow our underrepresented vendor matrix.

### Customer Diversity

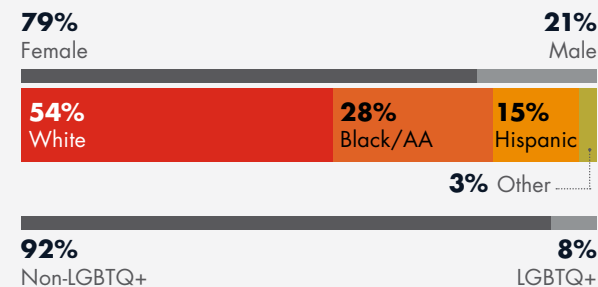
As one of the most diverse retailers in the United States, we have an enormous opportunity to welcome and serve a diverse customer base, as well as create an inclusive shopping experience. Through our Product Advisory Board, we provide an assortment of diverse products and brands that celebrate the communities we serve. This approach includes marketing a diverse product mix aligned with the cultural celebrations and community outreach activities tied to our diversity efforts.

### Our Customers

#### Dollar Tree



#### Family Dollar



Source: 2022 Numerator Shopper Insights

Other includes — American Indian or Alaskan Native, Asian, Native Hawaiian/Pacific Islander and Two or More Ethnicities





## Community

As a retailer with stores in thousands of neighborhoods across the United States and Canada, we aim to help our communities thrive. We want to contribute to the economic and social development, as well as the overall vitality, of every area we operate – especially for our stores located in underserved communities.

Whether we're partnering with organizations that focus on education, the environment, socio-economic resiliency or the arts, we look for opportunities for the greatest positive impact. In 2022, we continued our support of a signature non-profit for each banner – Operation Homefront for Dollar Tree and Boys & Girls Clubs of America for Family Dollar – as well as United Way of South Hampton Roads in our Store Support Center community, providing millions in donations for those and other organizations.

Our associates across the company have also demonstrated their generosity and service for the communities where we live, work and shop. In 2022, through our Choose to Give Campaign, associates continued their spirit of giving, raising nearly \$200,000 for our non-profit partners. We also support associate volunteering through a Day of Service and paid time off to volunteer with local organizations in our SSC. In 2022, our associates gave hundreds of hours of volunteer time to their communities.

In 2023, we are evolving our community impact program, connecting to our broader sustainability and DEI priorities and initiatives.





## Focus on Climate

As a trusted retailer with more than 16,000 stores, we take our responsibility to operate as environmental stewards seriously.



We are actively working to reduce our direct operational emissions while engaging our suppliers on their own emissions reduction and avoidance efforts. Currently, we are developing a climate action plan that will guide our forthcoming commitment to Net Zero emissions. While our full climate strategy will be announced in the coming months, we continue to make progress on our existing initiatives to reduce our greenhouse gas emissions.

In 2022, in accordance with the World Resources Institutes' (WRI) Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standards, we calculated our metric tons of greenhouse gas emissions (mt CO<sub>2</sub>e) in scope 1, scope 2 and select scope 3 categories. Emissions data may be found in Appendix C.

To continue reducing our energy consumption and emissions across our enterprise, we invested \$45 million in energy efficiency upgrades in 2022. These initiatives include freezer and cooler upgrades, continued investment in LEDs, high-efficiency HVAC upgrades, transportation optimization, low-emissivity glass and SmartWay shipping. In 2022, we opened 464 stores aligned to our In-Store Energy Efficiency Standard.

In addition to advancing existing initiatives, we have conducted our first TCFD-aligned climate risk assessment. The following pages describe Dollar Tree, Inc.'s ongoing assessment of our climate risk exposure and mitigation efforts based on the TCFD methodology.

## 464 New Stores

opened in 2022 that meet In-Store Energy Efficiency Standard

## 370,679 Tons

of cardboard, paper, plastic and pallets recycled

## TCFD Assessment

In 2022, we performed a qualitative TCFD-aligned climate scenario analysis, building on our existing understanding of our climate risk and opportunity exposure. The following section summarizes the findings of this analysis and presents the initial mitigation strategies being implemented to address potential risk exposure and realize the benefits of climate-related opportunities. Several of these mitigation efforts will support our future Net Zero ambition.



## Governance

### Board Oversight

The Board of Directors (Board) provides oversight and guidance on environmental and social sustainability topics including climate change while ensuring the company's strategy, goals and decision making align with our overall vision.

To strengthen the Board's oversight of environmental and social sustainability issues, the stand-alone Sustainability and Corporate Social Responsibility Committee (SCSRC) was established in 2022.

The SCSRC is responsible for providing recommendations to the Board on environmental, social and governance topics; evaluating risks and opportunities related to the environment, climate and other corporate responsibility matters; and overseeing the company's associated strategies, policies, initiatives and performance on each of these issues. Find the full list of the SCSRC's responsibilities in the [committee charter](#).

The SCSRC reports to the Board and meets at least quarterly to monitor, evaluate and discuss environmental and social matters. The SCSRC consists of at least

three members who are suitably knowledgeable in the areas of environmental and social topics. The SCSRC members and the Chairperson are appointed by the Board based on recommendations from the Nominating and Governance Committee.

The Board is kept informed of environmental risks to the business and approves our environmental and social sustainability strategies and policies. The Board makes climate-related financial planning decisions through reviewing and approving the company's annual budget, which includes a budget for energy efficiency, waste management and climate risk mitigation efforts.

Matters relating to the company's major financial risk exposures, including operational, information security, data privacy, business continuity, environmental, social, legal and regulatory financial risks remain within the purview of the Audit Committee. The Audit Committee meets semi-annually to oversee the steps the company takes to identify, monitor and control such exposures, and the company's risk assessment and risk management policies, including mitigation strategies. This oversight includes a review and discussion of the company's annual risk assessment conducted by the internal audit department, which is then shared with the Board.

### Management's Role

The Chief Executive Officer (CEO), Chief Sustainability Officer (CSO) and Chief Legal Officer (CLO) are responsible for managing the company's overall sustainability risks and providing periodic reports to the SCSRC on relevant climate and sustainability risks.

In October 2022, we appointed our first CSO. Our CSO is responsible for developing and managing our overall environmental sustainability strategy and climate transition plan which includes climate related goals and initiatives, climate risk management and decarbonization targets. The CSO engages leaders across the company to identify potential climate impacts to their areas of the business and develop and implement risk mitigation strategies. The CSO reports to the Chief Legal Officer and provides quarterly reports on progress to both the SCSRC and the Board of Directors. The Board of Directors, SCSRC and our Executive Leadership Team are aware of potential climate impacts to our business and are beginning to evaluate climate risk in accordance with the methodology recommended by the TCFD.

Several functional leaders across our Operations, Development, Supply Chain, Merchandising, Sourcing, Procurement and Finance teams are responsible for



identifying and assessing climate risk at the business unit level. This team of leaders supports our CSO in operationalizing our climate risk and sustainability efforts such as supplier engagement around emissions reductions, energy efficiency upgrades, disaster preparedness and renewable energy procurement.

## Strategy

### Climate-related Risks and Opportunities

In 2022, we carried out our first climate scenario analysis based on the TCFD recommendations to understand the potential impacts of climate-related risks and opportunities on our business. We assessed the impacts of the risks and opportunities under multiple science-based climate scenarios:

#### “High-Carbon Scenario”

- This scenario assumes low collective action against climate change and a greater degree of global warming. Physical impacts of climate change such as increased frequency and severity of extreme weather events and rising global temperatures are most significant under this scenario. This scenario helps us understand the impact of these physical stressors on our operations, employees, customers and value chain.
- This scenario was informed by the following sources: Intergovernmental Panel on Climate Change (IPCC) SSP5-8.5, Network for Greening the Financial System (NGFS) Nationally Determined Contributions.

#### “Low-Carbon Scenario”

- This scenario assumes environmental regulation and collective action will limit the greatest physical impacts of climate change. Impacts associated with market and regulatory changes such as carbon prices, product regulations and greater availability of renewable energy are greatest under a low-carbon scenario. This scenario helps us understand the range of potential impacts of the transition to a low-carbon economy on our operations, employees, customers and value chain.
- This scenario was informed by the following sources: Intergovernmental Panel on Climate Change (IPCC) SSP1-1.9, Network for Greening the Financial System (NGFS) Net Zero/Divergent Net Zero by 2050.

Risks were evaluated over short-, medium- and long-term time horizons to help understand the full range of impacts and prioritize most significant risks and opportunities. Time horizons were defined as follows:

- Short-term: 0 – 5 years
- Medium-term: 5 – 10 years
- Long-term: 10 – 30 years

Short- and medium-term time horizons were selected to align to Dollar Tree, Inc.’s financial planning timelines while the long-term time horizon aligns with the time horizon of the enterprise climate strategy, currently in development.

## 2023 Climate Risk Scenario Analysis: **Potential Physical Risks**

Modeled Risk	Risk Type	Potential Impact	Mitigation	Time Horizon*
Impact of extreme weather events on operations and supply chain	Acute	<p>An increase in the frequency and severity of extreme weather events could result in greater:</p> <ul style="list-style-type: none"> <li>• Store closures in the wake of natural disasters due to blocked access to stores, power outages, damaged pipes, etc.</li> <li>• Property damages due to wind, fallen trees, flooding or heavy snow</li> <li>• Inventory loss due to damage, spoilage and looting in the wake of storms</li> <li>• Associate displacement and financial hardship</li> </ul>	<p>We are taking the following actions to prepare our operations for extreme weather events:</p> <ul style="list-style-type: none"> <li>• Include extreme weather events in our risk assessment and disaster planning process for stores and critical infrastructure</li> <li>• Take precautions such as adding dry ice to freezers and coolers to avoid shrink in perishable products when extended electrical outages are anticipated</li> <li>• Address associate hardship as a result of extreme weather events through our Associate Relief Fund</li> </ul>	Long-Term
Impact of rising average temperatures on associate productivity, health, safety and wellbeing	Chronic	<p>As temperatures continue to rise, we may experience the following impacts on extremely hot days:</p> <ul style="list-style-type: none"> <li>• Decreased associate productivity</li> <li>• Increased absenteeism or attrition</li> </ul> <p>In addition to the potential financial impact, high temperatures can impact the physical and mental wellbeing and safety of our associates.</p>	<p>We take the health and safety of our associates very seriously, and heat safety is no exception.</p> <ul style="list-style-type: none"> <li>• Our OSHA-compliant heat safety program has been implemented at all distribution centers, and we continue to expand this program</li> <li>• All of our 16,000+ stores are climate controlled</li> <li>• By the end of 2023, nine of our distribution centers will be climate controlled</li> <li>• Energy efficiency measures underway, such as cool-roofs and low-emissivity windows, also support a more temperate workplace</li> </ul>	Long-Term

\*Modeled risks were considered to have a greater potential to materialize in the time horizon noted



2023 Climate Risk Scenario Analysis: **Potential Transition Risks**

Modeled Risk	Risk Type	Potential Impact	Mitigation	Time Horizon*
Climate-related regulations on products and operations	Regulatory	<p>Regulations such as a carbon tax, building efficiency codes, plastic bag bans and product-specific regulations could result in:</p> <ul style="list-style-type: none"> <li>Increased operating costs as a result of new tax burdens</li> <li>Increased product costs to comply with product-specific regulations</li> <li>Increased costs to make operational changes needed to stay compliant with emerging regulations</li> <li>Additional associates to oversee growing compliance needs</li> </ul>	<p>Our compliance team closely monitors the changing environmental regulations in our areas of operations. We will continue to comply with local, state and federal environmental laws and regulations as they arise and change.</p> <p>Many proposed regulations pertain to reporting and reducing GHG emissions. Our target of reducing our scope 1 and 2 emissions by 25% per square foot across our retail stores, distribution centers and Store Support Center by 2031 will help mitigate the potential financial burden of these regulations. Going forward, we will update these reduction goals to align to the Science Based Targets initiatives (SBTi) Net Zero requirements. We are advancing our reduction targets with the following actions, among others:</p> <ul style="list-style-type: none"> <li>LED lighting – our transition to LED lighting in our stores is nearly 100% complete and the transition of our distribution centers is over 50% complete. In 2022, we installed LEDs in 584 new stores</li> <li>HVAC upgrades – we completed 426 HVAC replacements and have planned approximately 1,000 replacements for 2023. All new or replacement HVAC units are high-efficiency units where possible</li> <li>Freezers/coolers – we have 1,400 stores scheduled for proactive replacements in 2023, totaling approximately 5,700 cases</li> <li>EMS – In 2022, 584 new stores were equipped with EMS technology. Implementing a comprehensive EMS is a focus area for 2023</li> </ul>	Medium-Term
Increase in cost of goods sold due to supplier cost of compliance with carbon taxes	Regulatory	<p>92% of our emissions in 2022 fell under scope 3 emissions, revealing our exposure to the impacts of a carbon tax on our suppliers. The implementation of a carbon tax on our suppliers could:</p> <ul style="list-style-type: none"> <li>Increase cost of goods sold due to pass through of supplier cost of compliance</li> <li>Impact profit margins due to our limited ability to increase product prices</li> </ul>	<p>In 2021, we set a commitment that 75% of our supplier spend would be with companies that have measurable greenhouse gas reduction or renewable energy targets by 2031. Currently, we are working with our supply chain and product sourcing vendors to better understand our scope 3 emissions beyond last year's scope 3 screening. In 2022, 38% of our supplier spend was with companies that have measurable greenhouse gas reduction or renewable energy targets.</p> <p>With our new commitment to Net Zero by 2050 and near-term science-based targets, we will become even more ambitious, and we will continue to work with suppliers to identify opportunities to lower and avoid their emissions. As our suppliers continue to reduce their emissions from their own operations, they will reduce their own exposure to a carbon tax, mitigating the risk of Dollar Tree, Inc. bearing a pass-through cost.</p>	Medium-Term
Cost of adoption of renewables/clean energy based on current footprint and growth strategy	Technology	<p>In order to achieve our emissions reduction targets as recently announced in our Net Zero 2050 commitment, procuring renewable energy will be a fundamental pillar of this strategy. Transitioning to renewable energy to reduce scope 2 emissions could increase energy procurement costs in comparison to non-renewable options.</p>	<p>While the cost of transitioning to renewables/clean energy will likely be significant, we understand that renewable energy procurement is a crucial lever for decarbonizing our operations. To minimize the financial impact of this transition, our team is conducting due diligence around the most cost-effective commercial structures, including virtual Power Purchase Agreements (PPAs), direct PPAs, Green Tariffs, onsite solar generation, community solar and unbundled REC purchases.</p>	Medium-Term

\*Modeled risks were considered to have a greater potential to materialize in the time horizon noted



2023 Climate Risk Scenario Analysis: **Potential Climate Opportunities**

Modeled Opportunity	Opportunity Type	Potential Impact	Realization	Time Horizon*
Waste reduction in operations	Resource efficiency	<p>As we anticipate growing our footprint to serve more communities, reducing our operational waste from our stores and distribution centers continues to be a top priority. Reducing our operational waste could lead to the following financial benefits:</p> <ul style="list-style-type: none"> <li>• Reduction in third-party waste disposal costs</li> <li>• Decreased labor costs associated with waste management and disposal</li> <li>• Decreased cost of compliance with waste disposal regulation</li> </ul>	<p>We have implemented several waste reduction initiatives including our recycling and composting efforts, our byproduct reuse efforts and our battery recycling partnership with Crown Battery. Approximately 2,000 stores have balers and actively bale and recycle old corrugated cardboard/containers (OCC). In 2022, roughly 75 new balers were installed.</p> <p>More than 900 Family Dollar stores backhaul their OCC to distribution centers where it is baled and recycled. Of the remaining stores in the chain, around 90% have commercial OCC recycling services in place. Additionally, we have active organics/compost services in CA and VT stores, as required by law.</p> <p>Further, in 2022, we launched our Chemical and Electronics Recycling Program (CERP) and aim to have the program active in all U.S. stores and distribution centers by the middle of 2023.</p>	Long-Term
Improved energy efficiency in facilities	Energy source	<p>Implementing energy efficiency measures in our stores and distribution centers enables us to reduce our operational emissions footprint in the communities we serve and could result in the following benefits:</p> <ul style="list-style-type: none"> <li>• Reduced electricity cost and consumption through energy efficiency measures (e.g., HVAC, freezer and cooler upgrades)</li> <li>• Reduced maintenance costs for new assets</li> </ul>	<p>Our energy efficiency efforts such as our LED program, our energy management system (EMS) investments, freezer/cooler upgrades, cool roofs and low-emissivity glass all contribute to both emissions reductions and cost savings. As previously mentioned, 584 new stores were outfitted with LEDs and EMS technology in 2022. Also in 2022, 126 new stores were installed with insulation that met or exceeded the insulation values of the International Energy Conservation Code. The installation of Whirlwind Steel cool roofs were among these insulation upgrades.</p> <p>Starting in 2023, we will begin a large-scale enterprise-wide energy-management upgrade.</p>	Medium-Term
Customer preference for sustainable products	Products and services	<p>More than half of our customers engaged through customer surveys are concerned about environmental impacts.</p> <p>Expanding sustainable product offerings enables us to meet the growing demand from our customers and could enable increased revenue through:</p> <ul style="list-style-type: none"> <li>• Improved customer loyalty within our existing customer base</li> <li>• Attraction of new customers</li> <li>• New product-related services, such as reusable or refillable product</li> </ul>	<p>We have increased our offerings of products to help customers live more sustainably and continue to explore pilots of additional sustainable product offerings.</p> <p>We are also committed to sustainable sourcing, as evidenced through our Sustainable Sourcing Commitment, which includes our Palm Oil Policy and Pollinator Protector Policy.</p>	Medium-Term

\*Modeled opportunities were considered to have a greater potential to materialize in the time horizon noted



## Impact of Climate-related Risks and Opportunities

Climate-related risks and opportunities are becoming increasingly intertwined with our overall business strategy and financial planning. The climate risks and opportunities identified in the scenario analysis will continue to be monitored, with top risks warranting further analysis and integration into broader risk management and strategy. We will continue developing commitments and disclosures around sustainability as we learn more about potential business impacts of climate change and regulatory developments.

## Resilience of the Strategy

In 2022, we conducted a qualitative climate scenario analysis aligned to the TCFD recommendations to determine which, if any, climate risks will have a substantive or strategic financial impact on our business under low- and high-carbon future climate scenarios.

Our sustainability team is a part of our organization's leadership team and deeply integrated in broader business strategy and financial planning. Our team is monitoring both physical risks, which will be more pronounced in a high-carbon scenario, as well as

transition risks, which will be more pronounced in a low-carbon, or 1.5°C-aligned, scenario. Our decarbonization efforts are preparing our organization for transition risks, while our Development teams including Real Estate and Property Management teams are monitoring our exposure to physical risks. Please see the "mitigation" column in Strategy tables (pages 18-20) for details as to how we are currently mitigating each of the most pressing climate risks facing our organization.

## Risk Management

### Identifying and Assessing Climate-related risks

As part of the scenario analysis, a group of senior leaders from Development (including Real Estate, Property Management, Store Design/Construction), Store and Distribution Center Operations, Finance, Legal, Human Resources, Merchandising and Product Sourcing and Transportation and Logistics identified the top eight risks and opportunities facing our business, which were then analyzed under multiple climate scenarios, one of which was 1.5°C-aligned. Each risk was assessed qualitatively using both internal

and external research to shed light on the potential impacts on Dollar Tree, Inc. and our preparedness to respond. Analysis results were then shared with and prioritized by leadership based on potential impact and management preparedness. The results of our analysis may be found under the Strategy tables on pages 18-20.

## Managing Climate-related Risks

The Chief Sustainability Officer is responsible for our climate and sustainability strategy and oversees its implementation across our business. Climate risk management is a part of our broader climate and sustainability strategy.

## Integration Into Overall Risk Management

Climate risk is also incorporated into the company's Enterprise Risk Management (ERM) strategy. Our CSO collaborates with functional leaders across the business to integrate sustainability and climate risk mitigation into Dollar Tree, Inc.'s operations and supply chain (e.g., energy efficiency initiatives). The CSO also provides input through our company-wide ERM process.



We plan to reconvene our Executive Sustainability Council to support our environmental and social sustainability strategy. Climate risk and opportunity management will be part of the Council's charter.

## Metrics and Targets

In 2022, we calculated our greenhouse gas emissions in accordance with the World Resources Institutes' (WRI) GHG Protocol Corporate Accounting and Reporting Standards to calculate metric tons of greenhouse gas emissions (mt CO<sub>2</sub>e) of scope 1, scope 2 and select scope 3 categories. See Appendix C for additional details on the 2022 GHG emissions inventory.

### Scope 1 and Scope 2 Related Risks:

- Climate-related regulations on products and operations
- Cost of adoption of renewables/clean energy based on current footprint and growth strategy

### Scope 3 Related Risk:

- Increase in cost of goods sold due to supplier cost of compliance with carbon taxes

## Climate-related Risks and Opportunities Metrics\*

Energy use (MWh)	2021	2022
Electricity consumption	2,439,836	2,472,470
Natural gas consumption	553,416	483,680
Other energy sources	34,033	213,970
Emissions (mt CO <sub>2</sub> e)	2021	2022
Scope 1	220,420	421,840
Scope 2 – location-based method	935,616	941,740
Scope 2 – market-based method	1,040,356	955,841
Scope 3	6,375,087	18,052,024

\* See appendix C, page 27





# Appendix A

## Racial Equity Assessments

As part of our continuous improvement mindset, in 2022, we engaged Russell Reynolds Associates (RRA) and Ivy Planning Group (Ivy) to design and conduct racial equity assessments to identify current state and areas of opportunity for our diversity, equity and inclusion approach. The assessments included feedback from a broad group of stakeholders, including company associates, civil rights advocates, civic organizations and charities, and customers and consumers in the markets we serve. The assessments were managed by cross-functional teams including the Chair of our DEI Executive Council, an Assistant General Counsel with significant civil rights and community outreach experience, and our Chief Diversity and Sustainability Officers. The Sustainability & Corporate Social Responsibility Committee of our Board of Directors provided oversight on the design and implementation of the assessments as well as implementation of relevant recommendations.

The outcome of the assessments will inform how we can advance our efforts on behalf of our associates, customers and communities and will be reflected in our long-term DEI strategy, priority areas and goals.

### Part I

Russell Reynolds Associates partnered with Dollar Tree, Inc. to conduct an equity assessment to understand how Dollar Tree, Inc. supports female and diverse associates across its operations as well as identify areas of improvement and opportunity across the talent life cycle.

### Methodology

The audit was conducted from June 2022 through October 2022. Interviews were conducted with 18 stakeholders including HR, business leaders and the Board of Directors. A full review of 112 internal documents that detail recruitment, development and retention practices was conducted. Focus groups were also conducted with participants from Talent Acquisition and HR professionals from the SSC, distribution centers and stores. Additionally, more than 350 people managers from across the organization including executives, vice presidents, directors and managers in functional, HR and DEI organizations completed a talent management equity survey. The survey asked participants to rate the extent to which best practices in talent management are currently being implemented in the areas of recruitment, development and retention. The final input was a workforce diversity analysis of 202,870 employees in the U.S. based on HR Information System data. The workforce diversity analysis examined differences in gender and racial representation in the areas of recruitment, promotion and retention by job level, business unit and geography. The synthesis of these inputs was used in creating a report detailing the findings below.

### Findings

In stores, gender and racial diversity is high, and best practices in equitable talent management practices are frequently followed. When assessing Dollar Tree, Inc.'s SSC, lower levels of gender diversity were revealed at the executive level, and there were opportunities for growth in equitable development and retention practices.

Above the supervisor level, a leaky pipeline phenomenon was identified where women were more likely to receive offers and get promoted than men, yet also exited the organization at higher rates. Similarly, people of color received fewer interviews, fewer promotions and exited at a higher rate than white employees.

Some key targets for improving equity were identified – training for talent progression, creating a stronger climate of inclusion and revamping onboarding programs.

### Recommendations

Russell Reynolds Associates made the following recommendations in response to these findings:

- **Improve** offer attractiveness for women and opportunities for progression for people of color
- **Explore** alternative work arrangements to offer increased flexibility
- **Launch** leadership development and onboarding programs
- **Embed** equitable practices into recruitment and development
- **Expand** multicultural networks (e.g., Associate Resource Groups) and align them with talent objectives



## Part II

Dollar Tree, Inc. engaged Ivy Planning Group to conduct an assessment focused on our current state with respect to external stakeholders through a DEI lens.

### Methodology

Research methods included a nationwide consumer survey, document review, interviews with executives and focus groups and interviews with a wide variety of external partners and stakeholders.

### Findings

Completed in early 2023, the assessment shaped the following recommendations under two strategic pillars: Marketplace and Community.

- Marketplace.** Create opportunities to increase diverse representation of Dollar Tree, Inc. supplier partners and product offerings. Focus on growing socially and economically disadvantaged vendors within the company’s supply chain network. Continue to invest in understanding the customer experience, purchasing and satisfaction by demographic.
- Community.** Cultivate collaborative partnerships to celebrate the communities Dollar Tree, Inc. serves and foster a sense of goodwill between associates, the company and the diverse customers associates engage with every day.

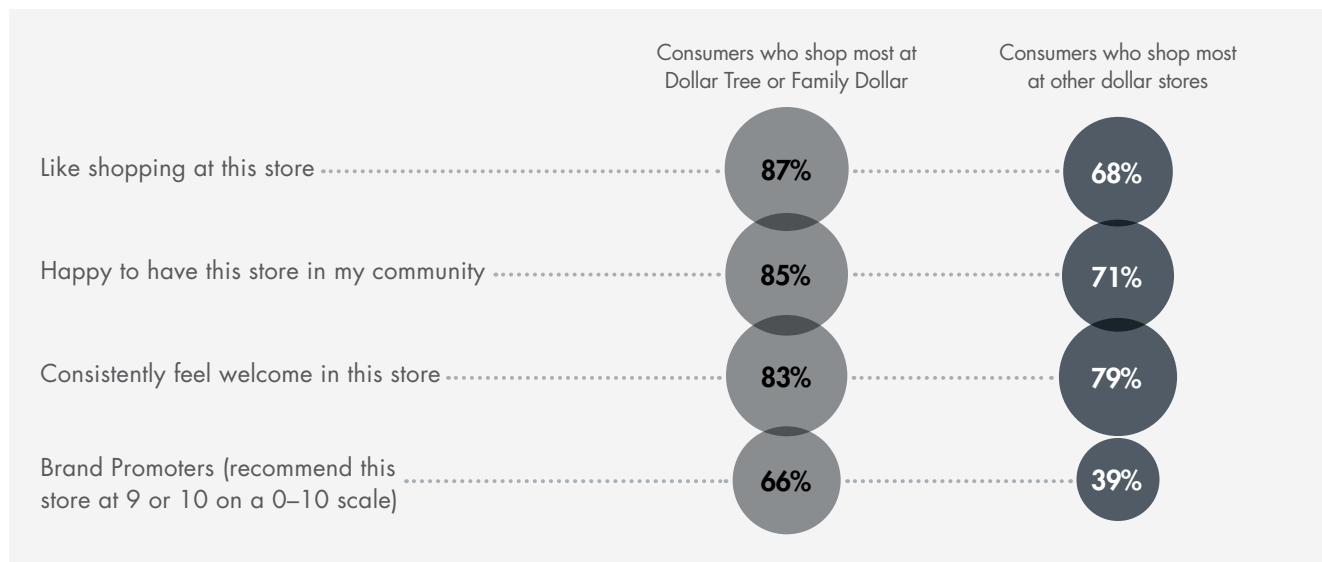
### Marketplace

#### Consumers

Ivy’s consumer survey highlighted the enduring strength of the Dollar Tree and Family Dollar brands. While brand affinity is high across all demographic groups, it is especially high with Black, White and female shoppers.

The survey also showed opportunities for improvement. While the company earned high average scores in

areas including neat and clean store appearance, being helpful to shoppers and making customers feel welcome in stores, there were some noteworthy differences by gender and race/ethnicity. Ivy recommends the company more explicitly support and empower its associates in stores, so they can provide all customers with consistently safe, enjoyable shopping experiences, every time.



Source: 2022 Consumer Survey Report, Ivy Planning Group. N = 1,518 participants.



## Product Selection

About 60% of the 2022 Consumer Survey participants agreed that Dollar Tree and Family Dollar stores offer a broad selection of products, and 80% agreed that the stores offer good value for their money. Both banners can improve and build on these strengths by collecting more robust data about their customers' shopping habits, needs and preferences; studying similarities and differences by demographics including race and ethnicity; and using those insights to optimize diverse consumer engagement. In addition, the company's Product Advisory Board should continue to engage with suppliers on the development and selection of diverse and multicultural products.

## Supplier Diversity

Supplier diversity is good for business. Benefits of supplier diversity include promoting healthy competition, product selection appealing to a diverse consumer population, encouraging innovation and having a positive social impact. Dollar Tree, Inc. should continue to prioritize supplier diversity, creating opportunities to increase diverse representation of supplier partners and product offerings.

## Recommendations

- **Metrics and goals.** Identify and track supplier diversity spend across all categories while benchmarking data to set future supplier diversity goals.
- **Growth.** Drive and measure economic impact by building partner relationships to increase vendor spend and mutually grow both businesses.
- **Build vendor network.** Leverage technology and innovation to identify qualified vendors to join Dollar Tree, Inc.'s supply chain network.

## Community

### Philanthropy

Dollar Tree, Inc. supports its communities by contributing to organizations that work with diverse populations and issues, including the arts, medical research, active military members and veterans, education and low-income youth and families. The company's three largest charitable partners are the Boys & Girls Club of America, Operation Homefront and United Way of South Hampton Roads.

### Community Engagement

As part of its overall strategy development, Dollar Tree, Inc. can deepen its engagement and relationships across its communities. To build goodwill and have the positive impact that Dollar Tree and Family Dollar aim to create, philanthropy is not enough. While continuing to donate money and time, the company can work to better understand and represent the interests

of its diverse communities. It will be important to invite community members – including associates and customers – to be active participants in defining their needs and solutions.

## Recommendations

- **Wider geographical reach.** Build strategic partnerships with national, non-profit organizations across key markets and geographies.
- **Community well-being.** Align the company's Associate Resource Group network to support organizations with focus on diversity, workforce readiness, social impact and health and wellness.
- **Connection.** Create structured outreach opportunities for associates to connect with – and learn from – community stakeholders at the local level.
- **Communication.** Develop and execute co-branded communication strategies with partners to drive awareness and engagement with associates and the public.
- **Celebration.** Leverage grassroots and national partnerships to support cultural celebrations that the company's communities identify as important.
- **Recognition.** Spotlight associate connectivity to the communities where they work and live.



## Appendix B

### Product Supply Chain Sustainability



Providing our customers with access to affordable, high quality and safe products is central to the promise of our two brands. We have developed several initiatives to improve our overall product supply chain performance and will further build our product sustainability strategy including goals and priorities later this year.

#### Safer Chemistry

In 2016, we developed our safer chemical plan to identify and eventually eliminate the use of chemicals of high concern in our formulated private label products. For example, we began working with suppliers to develop new toy lines that would eliminate the use of polyvinyl chloride (PVC) in the products, with the goal of eliminating the use of PVC in all private-brand children's products. Beyond private label, our buying and strategic sourcing teams partner closely with suppliers to ensure they are appropriately vetted and in proper compliance with our priority chemicals policy. Where feasible, we also collaborate on innovative alternatives to ensure our products are high-performing for our customers. In 2023, we plan to review and update our chemical priority list.

Beginning in 2019, we became signatories to the Chemical Footprint Project (CFP) through our annual submission of the CFP survey and continue to complete annual updates to assess our chemical management performance. In addition to providing increased transparency about our chemical performance, the CFP offers tools including benchmarking data and insights to help us determine future chemical goals and proactively identifying opportunities for further action.

We continue to work with suppliers on Integrated Pest Management (IPM) and regenerative agriculture strategies and are on track to reduce usage of high-risk pesticides across several relevant product categories. Annually, we send a questionnaire to our suppliers to capture information on their risk management practices and use of high-risk pesticides. We also educate suppliers on the importance of IPM, risks of using priority chemicals and resources to avoid use of regrettable substitutes. We provide an overview of this data to Friends of the Earth on an annual basis, as well. As of 2022, we had successfully eliminated nitroguanidine neonicotinoids and are working to eliminate glyphosate by 2024.

#### Cage-Free Eggs

In 2023 we updated our cage-free egg commitment based on current market conditions. Details may be found here: [Commitment to Cage-Free Eggs](#).

#### Product/Packaging Recyclability

As we build our strategy for the future, we are adjusting certain goals to better align with priority topics and impact. Relevant product and packaging goals will be part of our strategy work released later this year.



# Appendix C

## GHG Emissions Breakdown

Greenhouse Gas Emissions (mt CO <sub>2</sub> e)	2021	2022
<b>Scope 1 Emissions</b>		
Mobile combustion	3,570	17,231
Stationary combustion	100,498	106,045
Fugitive emissions	116,353	298,564
<b>Total scope 1 emissions</b>	<b>220,420</b>	<b>421,840</b>
<b>Scope 2 emissions</b>		
Scope 2 (Location-based method)	935,616	941,740
Scope 2 (Market-based method)	1,040,356	955,841
<b>Total scope 1 and 2 emissions (MBM)</b>	<b>1,260,776</b>	<b>1,377,681</b>
<b>Scope 3 emissions</b>		
Purchased goods and services	5,469,787	4,866,055
Capital goods	196,619	177,907
Upstream transportation and distribution	706,312	778,468
Waste	-	215,356
Business travel	2,370	8,886
Use of sold products	-	10,297,892
End of life of sold products	-	1,707,460
<b>Total scope 3 emissions</b>	<b>6,375,087</b>	<b>18,052,024</b>

We calculated scope 1, 2 and 3 emissions based on the following guidance:

- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard Revised Edition by the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD)
- GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard by WRI
- The Corporate Value Chain (Scope 3) Accounting and Reporting Standard: Supplement to the GHG Protocol Corporate Accounting Standard, by the WRI/WBCSD, and
- The Greenhouse Gas Protocol Scope 3 Technical Guidance

Our GHG emissions were reported using the fiscal year, February 1, 2022 to January 31st, 2023. This represents a change from our previous report, where we calculated emissions data for the calendar year. Scope 1 emissions include stationary, mobile and fugitive sources of emissions from our Store Support Center (SSC) and adjacent Summit Point facilities, stores, distribution centers (DCs), fleet, corporate jet and mobile equipment. Scope 2 emissions are primarily from electricity consumption in our SSC, stores, DCs. Scope 3 emissions include emissions from upstream and downstream of our value chain. We use the Environmental Protection Agency (EPA) Center for Corporate Climate Leadership Emissions Factors to calculate emissions. Our inventory captures CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs for Scope 1 and CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O for Scope 2. No biogenic emissions are reported in these categories. We use the Intergovernmental Panel on Climate Change (IPCC) Annual Report 6 (AR6) 100-year Global Warming Potentials (GWPs). Scope 3 emissions are calculated based on a significant number of estimations and assumptions due to the inherent nature of the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard criteria. In certain cases where data is not available or is not deemed to be reliable, we estimate or extrapolate values using a calculated "intensity" number on a "per square foot" or "per annual spend (USD)" basis, based on actual company data obtained or national averages.

This year, we increased both our data availability and data quality in developing a more robust emissions footprint. The increase in fugitive emissions from the prior year was a result of increased data granularity and better data collection of our freezer and cooler doors. The increase in scope 3 emissions was from the addition of four new scope 3 categories to our GHG inventory (Category 2, 5, 11 and 12). Furthermore, our mobile combustion emissions increased due to the addition of data from our corporate vehicle fleet data. Altogether, these improvements and refinements in data collection, processing and calculation contributed to the increase in our overall GHG footprint in 2022.



## Appendix D

### SASB Index (Framework for Multiline and Specialty Retailers & Distributors Standard)

Accounting Metric	Code	Dollar Tree, Inc. Response
<b>Energy management in Retail &amp; Distribution</b>		
Total energy consumed, percentage grid electricity, percentage renewable energy	CG-MR-130a.1.	3,170,120 MWh; 100% grid electricity; 0% renewable energy
<b>Data Security</b>		
Description of approach to identifying and addressing data security risks	CG-MR-230a.1.	To effectively conduct our business and maintain the trust of all parties, we maintain and protect our computing environments, associated information systems, their contents and the network communication channels against any criminal or unwanted activities. Data protection and safeguards are embedded throughout our information technology environment and are continually evaluated for improvements and tested for effectiveness. We regularly conduct internal reviews and work with third-parties to identify and manage information security risks. We have an annual Payment Card Industry Data Security Standard (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 network penetration examining firm. We have an annual security assessment and penetration evaluation led by third-party cybersecurity consultants. Our Chief Information Security Officer (CISO) regularly and routinely reviews our security model, security 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.
Number of data security breaches, percentage involving customers' personally identifiable information (PII), number of customers affected	CG-MR-230a.2.	Dollar Tree and Family Dollar have not experienced computer data security breaches or compromise of information systems in the past three years. 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 2021, we experienced a security-related event involving connectivity access to our commodity internet that only affected our principal corporate offices for a brief period of time with no impact on our e-commerce capability, retail stores, operations, associates or customers. To resolve and mitigate future similar scenarios, remedial measures have been implemented.



Accounting Metric	Code	Dollar Tree, Inc. Response
<b>Fair Labor Practices</b>		
Average hourly wage and percentage of in-store employees earning minimum wage, by region	CG-MR-310a.1.	Not disclosed
Amount of legal and regulatory fines and settlements associated with labor law violations	CG-MR-310a.3.	Not disclosed
<b>Workforce Diversity and Inclusion</b>		
Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	CG-MR-330a.1.	<a href="#">See page 8</a>
Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	CG-MR-330a.2.	Not disclosed
<b>Product Sourcing, Packaging and Marketing</b>		
Description of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-MR-410a.2.	See our <a href="#">Priority Chemical Policy</a>

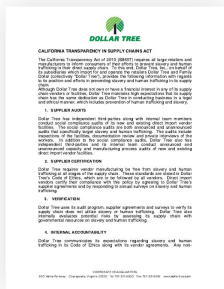


# Appendix E

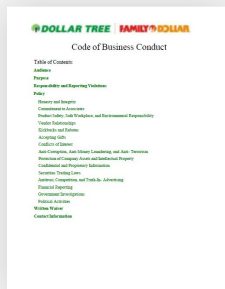
## Governance Documents

Click on images below to view links

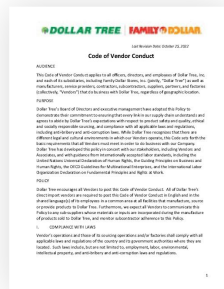
### California Transparency in Supply Chains Act



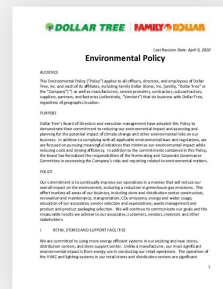
### Code of Business Conduct



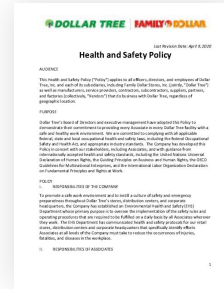
### Code of Vendor Conduct



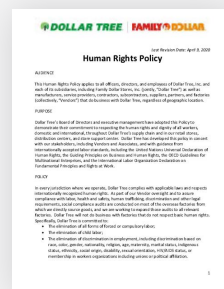
### Environmental Policy



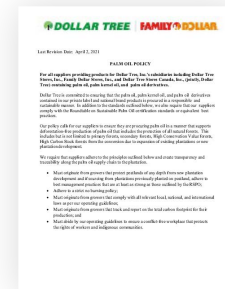
### Health and Safety Policy



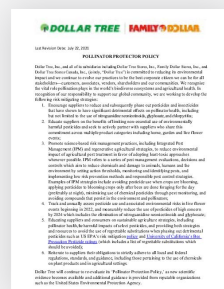
### Human Rights Policy



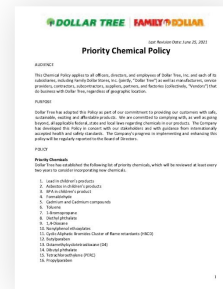
### Palm Oil Policy



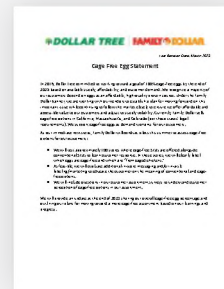
### Pollinator Protector Policy



### Priority Chemical Policy



### Commitment to Cage-Free Eggs









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