

Last Revision Date: April 9, 2020

Environmental Policy

AUDIENCE

This Environmental Policy (“Policy”) applies to all officers, directors, and employees of Dollar Tree, Inc. and each of its affiliates, including Family Dollar Stores, Inc. (jointly, “Dollar Tree” or the “Company”) as well as manufacturers, service providers, contractors, subcontractors, suppliers, partners, and factories (collectively, “Vendors”) that do business with Dollar Tree, regardless of geographic location.

PURPOSE

Dollar Tree’s Board of Directors and executive management have adopted this Policy to demonstrate their commitment to reducing our environmental impact and assessing and planning for the potential impact of climate change and other environmental risks on our business. In addition to complying with all applicable environmental laws and regulations, we are focused on pursuing meaningful initiatives that minimize our environmental impact while reducing costs and driving efficiency. In addition to the commitments contained in this Policy, the Board has formalized the responsibilities of the Nominating and Corporate Governance Committee in overseeing the Company’s risks and reporting related to environmental matters.

POLICY

Our commitment is to continually improve our operations in a manner that will reduce our overall impact on the environment, including a reduction in greenhouse gas emissions. This effort involves all areas of our business, including store and distribution center construction, renovation and maintenance; transportation; CO₂ emissions; energy and water usage; education of our associates; vendor selection and expectations; waste management and product and product packaging selection. We will continue to communicate our goals and the measurable results we achieve to our associates, customers, vendors, investors and other stakeholders.

I. RETAIL STORES AND SUPPORT FACILITIES

We are committed to using more energy efficient systems in our existing and new stores, distribution centers, and store support center. Unlike a manufacturer, our most significant environmental impact is from energy use in conducting our retail operations. The operation of the HVAC and lighting systems in our retail stores and distribution centers are significant

sources of energy consumption. We have committed to installing LED lighting in all new stores and, as of the end of fiscal 2019, we have succeeded in converting half of our existing stores and seven of our distribution centers to LED. We installed LED lighting throughout our new store support center, which opened in 2018. We also have energy systems in our stores to manage temperature and lighting more efficiently, and we use peak load management and work with utility companies in demand response programs to lower energy use.

We will continue to make other improvements in our facilities. For example, energy-saving devices are being installed in our distribution centers, including improved battery systems, load balancers, power meters and yearly replacement of dock doors and seals. New yard trucks are purchased with diesel exhaust fluid systems to reduce idle times of the engines. HVAC units are being replaced with variable frequency drives to save energy and prolong equipment life.

Our new store support center, comprised of a 320,000 square foot tower, completed in 2018, and our 189,000 square foot fully-renovated “Legacy” building, completed in 2019, use energy efficient systems and materials, including a cooling tower and condenser water open loop system, an aluminum curtain wall glazing system, electrical building controls, and LED overhead lighting. The energy efficient air handling units installed in our new store support center can reduce mechanical operating costs up to 50% compared to conventional units, and the exterior of the new tower was made of a higher performing material which offers energy savings far in excess of regular glass.

II. TRANSPORTATION

We are committed to seeking opportunities to reduce the environmental impact of our transportation systems. To reduce the impact of trucking, we currently optimize full truckloads to reduce miles driven as measured on a per-store basis using state-of-the-art optimization software. We also press our carriers frequently to optimize trailers and routes. By looking for better practices from our ocean carriers and inbound transportation companies, we can find opportunities to reduce the environmental impact of acquiring new products. Better routes using less fuel are ways we look to implement this part of our strategy. Also, as new distribution centers are built, they are located with improved environmental impact as an important consideration.

In addition, since 2013, we have participated in the U.S. Environmental Protection Agency’s SmartWay Shipper Performance Program that seeks to reduce transportation-related carbon emissions by creating incentives for transportation providers to improve fuel efficiency. This program enhances our supply chain sustainability by measuring, benchmarking and improving freight transportation efficiency. In the last reporting year, 87% of our truck shipping was completed with SmartWay certified carriers.

III. CLIMATE CHANGE

We recognize that climate change is an ongoing threat to our Company and our suppliers. We are committed to preparing a report evaluating how our long-term business strategy could be threatened by, and may be adapted to address, the potential challenges posed by climate change to our continued ability to create and build sustainable shareholder value. We anticipate that this assessment will be valuable both for ongoing Board discussions of strategic matters and as a focal point for engaging with our shareholders on matters of corporate sustainability and Board oversight. We intend to engage with shareholders on these matters in 2020 and will provide an expanded sustainability report before the 2021 annual shareholders meeting. We anticipate that the report should describe our strategy development process, summarize related tasks, and discuss long-term goals.

IV. SUPPLIERS

We expect our suppliers to use safe chemicals and packaging and to adhere to our environmental and other policies that affect the products we purchase from them. Many of the products we sell are made in overseas factories, and we insist upon stringent compliance with best practices. As part of our oversight of suppliers, social compliance audits are conducted on most of the overseas factories from which we source goods, and we are working to expand those audits to all factories. In addition, an environmental component has been added to our factory social compliance audits. Careful monitoring of source materials is an important consideration for selecting and maintaining vendors. We will continue our robust testing programs to ensure that products we import meet or exceed all regulatory requirements.

V. PACKAGING, RECYCLING AND WASTE DISPOSAL

We will continue to explore better ways for our vendors to package our products and we will work towards more environmentally friendly materials where feasible. We will strive to use smaller packaging and use recyclable materials where feasible. Our goal is to reduce packaging materials for directly imported products by 10% by 2025.

Collection and recycling of cardboard and waste products has been an important project undertaken at our stores and will continue to be so. Over the past two years, our Dollar Tree and Family Dollar stores and distribution centers have recycled more than 545,000 tons of cardboard and plastics. Our Family Dollar distribution centers use reusable and recyclable totes to transfer products to our stores.



In an effort to reduce our Company's environmental footprint, we have also implemented our Paper-to-Electronic Invoicing process. From 2018 to 2019, we reduced the amount of our paper invoicing by 31%.

VI. PRODUCT SAFETY, CHEMICALS AND TOXINS

We are committed to providing our customers with safe and sustainable products. We utilize independent and certified companies to test products that we import to assure that they meet or exceed all regulatory, legal or industry standards. We have one of the most robust testing programs for children's products, assuring that testing is done using random sample collection, often multiple times on each production run. We have also adopted a chemical policy to identify and reduce chemicals of high concern in our products, including without limitation lead, BPA and asbestos in children's products, cadmium and cadmium compounds, certain flame retardants, formaldehyde and various other chemicals we have identified as a priority concern. Our chemical policy exceeds regulatory requirements, and in 2019, Dollar Tree became the third retailer to join Clean Production Action's Chemical Footprint Project, in an effort to identify and further reduce our use of chemicals of high concern.

In addition, we are committed to providing environmentally and socially conscious products to our customers. For example, key clothing suppliers are part of the Sustainable Apparel Coalition, whose members are committed to measuring and improving social and environmental impacts within the apparel, footwear and textile industry.

VII. ENVIRONMENTAL MANAGEMENT SYSTEM

As part of our overall commitment to sustainability, we established a management Sustainability Committee that includes leaders from various key departments in the organization who will assist senior management and the Board in focusing our efforts on the sustainability issues that affect the Company. The Sustainability Committee is responsible for, among other things, developing an Environmental Management System ("EMS") for the entire company that will review our environmental goals, analyze the environmental impacts of the Company and applicable legal requirements, recommend environmental objectives and programs to reduce those environmental impacts, monitor the Company's progress in achieving its objectives and ensure that associates are aware of the Company's environmental policies and objectives. Once the EMS has been established, the Sustainability Committee will be responsible for reviewing the progress of the EMS and making improvements.

VIII. POLLUTION AND EMISSIONS

We will continue to strive to reduce pollution where possible, including at our store locations and distribution centers. Although we are not a manufacturer and our business primarily consist of operating retail stores, distribution centers and our store support center, we will review our generation of emissions into the air and consider steps to reduce those emissions when feasible. Proper storm water management is also important to our Company and we will review our storm water management throughout the Company in an effort to reduce runoff and enhance water quality. We will look to our transportation partners to reduce carbon emissions, oil leaks and spills. There will be an effort to reduce excessive noise at our distribution centers.

IX. NATURAL RESOURCES AND RENEWABLE ENERGY

In evaluating our use of natural resources, we will review our sources of water , assess the available data on current and expected water consumption and consider the risks posed by our water supply and consumption needs. We will also seek opportunities to limit any excessive use of water and will consider the feasibility of a water recycling program.

We will work towards the use of renewable energy and becoming more energy efficient in our operations. Specifically, we will review and evaluate our reliance on fossil fuels and the potential for solar energy as an alternative source for some of our operations.

We have established rigorous requirements for our suppliers with respect to the use of palm oil. Under our policy, suppliers may only procure palm oil in a manner that supports deforestation-free production, including the protection of natural forests, and must have methods in place to provide traceability to production mills. Our goal is for 100% compliance by suppliers with the palm oil policy by 2020.

All associates and vendors are expected to conserve energy and natural resources.

X. COMMUNICATION AND TRAINING

We will communicate our environmental commitments and efforts to our customers, associates, vendors and communities across the nation. We will continue efforts to maintain a good relationship with local communities as we continue to support many charitable organizations.

By regularly reviewing this Policy and the performance we make against targets and objectives, we will make necessary adjustments in order to meet the commitments and goals established by this Policy. We will communicate to our vendors that these are joint obligations and we expect their participation in reducing the environmental impact of the Company's operations.



We intend to educate and train our associates on the environmental matters addressed by this Policy in order to help accomplish our goals and raise awareness of these issues.

REPORTING AND NON-RETALIATION

Dollar Tree prohibits retaliation against any Associate who, in good faith, reports an actual or suspected violation of this Policy.

Concerns about any violations of this Policy should be reported to your immediate supervisor, a member of management, or by using:

- the Dollar Tree Speak Up Line at 1-888-835-5792
- the Family Dollar Speak Up Line at 1-877-309-2962
- CodeofConduct@familydollar.com or
- CodeofEthics@dollartree.com