

**2025**

**Climate-Related Risk Report**

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## ABOUT THIS REPORT

This report was prepared using the Task Force on Climate-related Financial Disclosures (TCFD) framework as a reference point.

## NOTE ON MATERIALITY

Inclusion of information in this Report is not intended to convey, and should not be read as conveying, that we believe such information meets the definition of “materiality” as used in the context of federal or state securities laws and regulations, including those relating to financial reporting and other information required to be filed with or furnished to the U.S. Securities and Exchange Commission.

# GOVERNANCE

## Board-Level Oversight

The Board of Directors and its four standing committees are responsible for oversight of the Company's corporate responsibility and sustainability-related efforts.

### **Nominating, Governance and Corporate Responsibility Committee**

The Nominating, Governance and Corporate Responsibility (NGCR) Committee has primary responsibility for oversight of corporate governance and significant corporate social responsibility and sustainability matters (to the extent not overseen by the full Board or another committee). Such matters may include significant issues relating to the environment, human rights, health and safety, supply chain, community and governmental relations, charitable contributions, political contributions (if any) and similar matters. As part of this oversight, the NGCR Committee reviews our sustainability disclosures and practices, including climate-related disclosures, practices, strategy, goals and targets; oversees our annual shareholder outreach program and shareholder proposals; and reviews detailed information regarding corporate governance trends and practices—all of which informs recommendations to the Board.

### **Audit Committee**

The Audit Committee oversees financial reporting matters and enterprise risk management (ERM). The Company's ERM framework evaluates significant internal and external business, financial, legal, reputational, corporate responsibility and sustainability, and other risks; identifies mitigation strategies and assesses any residual risk.

### **Compensation and Human Capital Management Committee**

The Compensation and Human Capital Management (CHCM) Committee provides oversight of significant matters relating to our human capital management strategy, primarily including succession planning; recruitment, engagement and retention of employees; labor-related matters; our executive compensation program; and the overall compensation philosophy and principles for the general employee population.

### **Technology Committee**

The Technology Committee oversees the Company's technology strategy and investments and receives regular updates on best practices and issues relating to significant emerging technology trends. The Technology Committee consults with the Audit Committee as necessary regarding technology-related matters as they relate to or affect the Company's enterprise risk management.

## Executive-Level Oversight

Executive-level oversight is conducted by the Company's Sustainability Committee, comprised of members of the executive leadership team and the Vice President of Corporate Social Responsibility (CSR) and Philanthropy. The Committee meets periodically and as needed to discuss strategic direction and ensure programs are aligned with corporate objectives. Reporting to the Company's Executive Vice President and General Counsel, the CSR team helps coordinate and deliver enterprise-wide initiatives, supports the planning and execution of functional workstreams and provides visibility and communications on progress to the executive leadership team.

## Internal Audit's Role

We identify and manage our key risks using our enterprise risk management program. The ERM program is managed by the Company's Internal Audit department, which is independent from management, and overseen by the Audit Committee of the Board. Enterprise risks (including climate-related risks, if any) are evaluated and reviewed with the Audit Committee at least annually, and high residual risks categories, along with their mitigation strategies, are reviewed quarterly.





# STRATEGY

We have identified and assessed certain potential climate risks<sup>1</sup> and opportunities that, if they were to occur, could impact our business. The assessment and scenario analysis was led by a third-party consultant with expertise in sustainability in collaboration with a cross-functional internal team. The table below provides a non-exhaustive overview of this assessment.

## TIME HORIZONS

**>1 year:** Short-term 

**1-5 years:** Medium-term 

**5+ years:** Long-term 

## Potential Climate-Related Physical Risks

### RISK CATEGORY

**Acute Physical:** Extreme weather events on operations and supply chain

### TIME HORIZON



### POTENTIAL IMPACT

Increased acute weather events and natural disasters have the potential to increase expenses (capital or operating) from property damage, loss of inventory, business disruption, and/or disruption of supplier operations. The occurrence of one or more extreme weather events, such as hurricanes, fires, floods, tornadoes, unusual weather conditions, or similar disruptions may adversely affect, to varying degrees, our operational and financial performance.

Weather-related events also could affect consumer shopping patterns or prevent customers from reaching our stores in impacted markets, which may lead to lost sales.

These events also may increase the costs of insurance if they result in significant loss of property or other insurable damage to the Company or in the market more generally.

### RISK CATEGORY

**Chronic Physical:** Rising mean temperatures

### TIME HORIZON



### POTENTIAL IMPACT

Depending on their severity and duration, climate changes such as increased drought, rising mean temperatures and sea level rise, could impact operational and supply chain costs.

<sup>1</sup> Potential climate-related risks and impacts include both physical risks (such as extreme weather events or rising mean temperatures) and transition risks (such as regulatory or technology changes).

# Potential Climate-Related Transition Risks

**RISK CATEGORY**

**Policy:** Carbon pricing mechanisms

**POTENTIAL IMPACT**

Implementation of carbon pricing mechanisms may increase operating costs. The Company uses natural gas, diesel fuel, gasoline and electricity in our operations, which may face increased regulation. Regulations taxing or limiting greenhouse gas emissions and energy inputs may increase costs associated with compliance as well as merchandise and supply chain costs.

**TIME HORIZON**



**RISK CATEGORY**

**Policy:** Changes in regulation on products

**POTENTIAL IMPACT**

Emerging regulations such as extended producer responsibility, bans or limitations on plastics (including single-use plastics) and minimum post-consumer recycled plastic content may result in increased operating and merchandise costs, which may increase product pricing and thus potentially impact consumer purchasing behaviors.

**TIME HORIZON**



## Potential Climate-Related Opportunities

### OPPORTUNITY TYPE

**Resource Efficiency:** Use of more efficient modes of transportation

### TIME HORIZON



### POTENTIAL IMPACT

Use of more efficient modes of transport and or transportation routes may reduce operational and supply chain emissions and costs. Dollar General may have opportunities to transition to more efficient and lower carbon modes of transport when upgrading vehicles to reduce emissions and costs across direct operations and the supply chain. However, this benefit must be weighed against any losses in productivity (e.g., longer delivery times or stem miles).

### OPPORTUNITY TYPE

**Energy Source:** Use of low-carbon energy sources

### TIME HORIZON



### POTENTIAL IMPACT

Implementation of renewable energy strategies may reduce costs, exposure to fossil fuel price fluctuation, and increase capital availability through incentives. As Dollar General continues to grow its operations, there could be opportunities to increase operational efficiency across the business, which results in lowering operational (i.e., energy) costs. However, these improved costs may be offset by expenses related to alternative energy suppliers.

# RISK MANAGEMENT

## Identifying and Assessing Climate-Related Risks

Dollar General's risk management and strategy process includes identifying and assessing risks and integrating them into the overarching risk management process, resource planning, and strategy. The primary vehicle for this is the ERM program discussed on page 4. Risks are categorized and evaluated based on impact (including any mitigation efforts) and likelihood.

The Company worked with an experienced third party to identify and prioritize potential climate-related risks and opportunities, using both qualitative and quantitative considerations and taking into account relevant internal and external input and research.

## Management of Climate-Related Risks

Utilizing both internal and external resources, we assess current and emerging climate-related legal requirements and their impact (whether actual or potential) on our business.

The Company has developed various plans, including but not limited to its business continuity capabilities, for responding to significant weather-related events. These plans focus on ensuring customer and employee safety as well as the continuation of operations following a significant weather-related event. Plans are developed by leaders in critical business units and updated on a regular cadence and as needed.

### Integration of Climate-Related Risks and Opportunities

For information regarding the Company's ERM program, discussed on page 4.

### Mitigating Climate-Related Risks

Our emissions reduction efforts are multifaceted and take into consideration various assets and elements of our operations, including but not limited to:



Investments in energy efficiency projects



Cleaner refrigeration technologies



Renewable energy strategies



Transportation optimization

# METRICS AND TARGETS

Dollar General has both shorter-term and longer-term goals to reduce our GHG emissions. Our short-term goal is a 15% reduction per square foot by 2026, and our longer-term goal is a 30% reduction per square foot by 2031. Both goals utilize 2020 as the baseline year.

To track progress, we calculate and report our Scope 1 and Scope 2 greenhouse gas emissions in alignment with the Greenhouse Gas Protocol, and carbon intensity per square foot annually.

## Key Metrics

Carbon Footprint <sup>2</sup>	2020	2021	2022	2023	2024	2025
<b>Enterprise Square Footage<sup>3</sup></b>	146,256,000	154,666,867	163,562,147	174,736,366	186,301,607	187,515,521
<b>GHG Emissions Scope 1</b> (MT CO <sub>2</sub> e)	565,598	625,813	658,617	712,806	692,872	743,890
<b>GHG Emissions Scope 2</b> (MT CO <sub>2</sub> e)(Market-Based)	1,052,622	1,175,716	1,258,232	1,275,193	1,044,557	706,808
<b>GHG Emissions Scope 1 and 2 Total</b> (MT CO <sub>2</sub> e)(Market-Based)	1,618,220	1,801,529	1,916,849	1,987,998	1,737,429	1,450,698
<b>Carbon Intensity</b> (MT CO <sub>2</sub> e/1000 SQ FT)	11.1	11.6	11.7	11.4	9.3	7.7
<b>Energy Consumed Purchased Electricity</b> (kWh)	2,582,574,879	2,788,883,930	3,062,439,074	3,316,455,860	3,631,125,319	3,815,801,269

Further information on our annual progress toward these goals and metrics is available in our Serving Others report on corporate responsibility and sustainability, which is available at <https://www.dollargeneral.com/about-us/corporate-social-responsibility>.

<sup>3</sup>Enterprise square footage for calendar year 2025 includes retail, SSC, distribution center and warehouse square footage. Notes: Scope 1 includes stationary (natural gas, propane, heating oil, backhaul generators and fugitive emissions from refrigerants) and mobile (corporate jet, fleet vehicles, owned trucking, owned refrigeration trailers and leased trucking) emissions. Scope 2 includes purchased electricity and renewable energy credits. Scope 2 emissions calculations for CO<sub>2</sub>e from kWh consumption for 2025 were made using updated eGrid factors released June 12, 2025.

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