

DG 2021

ANNUAL REPORT & 2022 PROXY STATEMENT



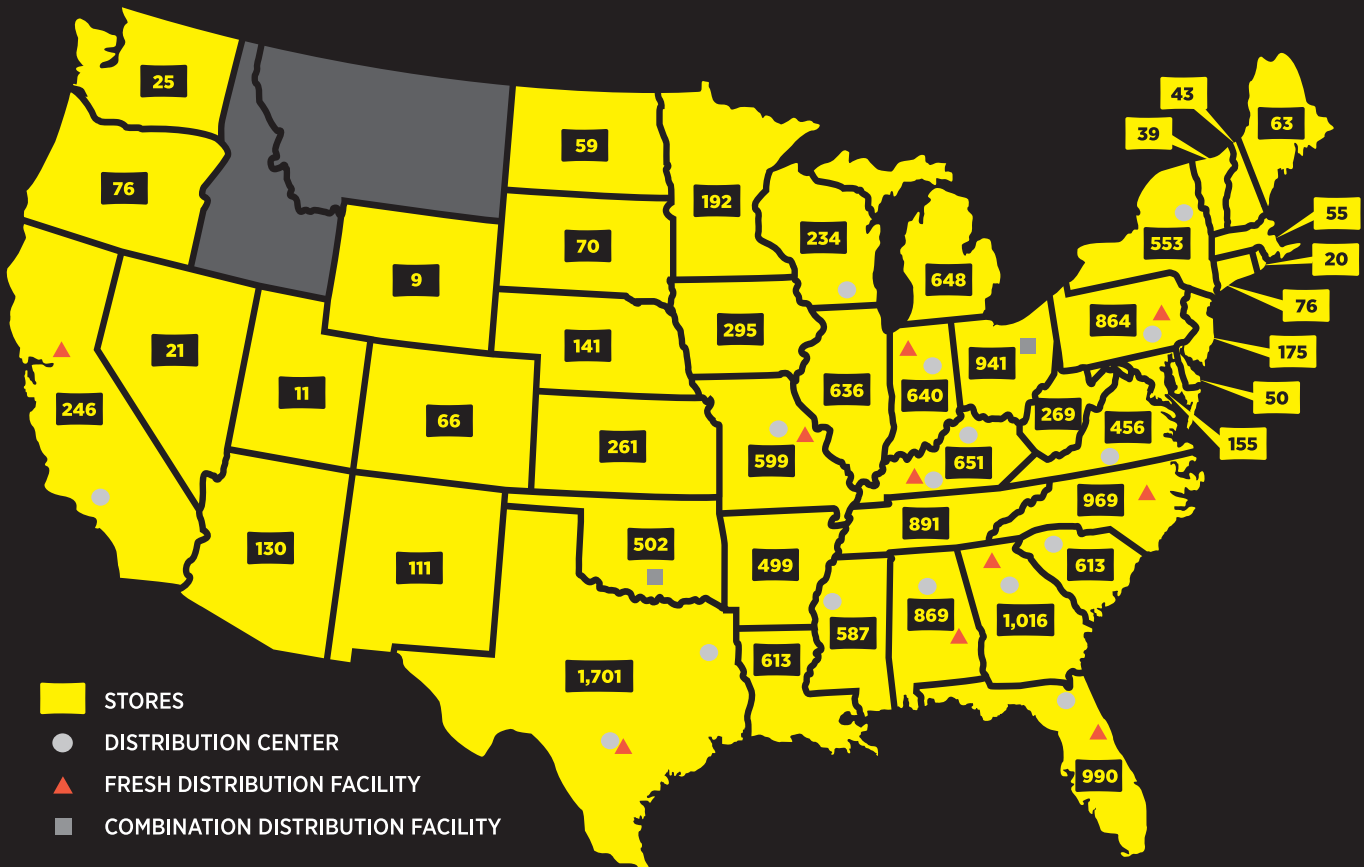
DOLLAR GENERAL®

Dollar General Corporation has been delivering value to shoppers for more than 80 years. Dollar General helps shoppers Save time. Save money. Every day.® by offering products that are frequently used and replenished, such as food, snacks, health and beauty aids, cleaning supplies, basic apparel, housewares and seasonal items at everyday low prices in convenient neighborhood locations. Dollar General operated 18,130 stores in 46 states as of January 28, 2022. In addition to high-quality private brands, Dollar General sells products from America's most-trusted manufacturers such as Clorox, Energizer, Procter & Gamble, Hanes, Coca-Cola, Mars, Unilever, Nestle, Kimberly-Clark, Kellogg's, General Mills, and PepsiCo.

Learn more about Dollar General at www.dollargeneral.com



18,130
STORES IN
46 STATES
AS OF 1/28/2022



CAUTIONARY DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS & WEBSITE DISCLAIMER: All forward-looking information in this report should be read with, and is qualified in its entirety by, the Cautionary Disclosure Regarding Forward-Looking Statements and the Risk Factors disclosures set forth in the Introduction and in Item 1A, respectively, of the Form 10-K included elsewhere in this report. The information contained on or connected to our Internet website is not incorporated by reference into this report and should not be considered part of this or any other report that we file with or furnish to the SEC, unless we specifically provide otherwise.

TO OUR FELLOW SHAREHOLDERS, CUSTOMERS & EMPLOYEES:

DOLLAR GENERAL

As the largest retailer in the U.S. by store count, with more than 18,000 stores, located within five miles of approximately 75% of the U.S. population, Dollar General (“DG”) continues to be a leader in the small-box discount retail channel, and an essential partner in the communities we serve.

DG is in a unique position as a mature retailer in growth mode. The mission and culture that have served us well for many years are stronger than ever, but our strategic approach to the business and robust portfolio of initiatives have transformed DG into a much different – and stronger – company in recent years. In 2021, we made significant progress advancing our key initiatives to better serve our customers with our hallmark value and convenience proposition and to drive healthy returns for our shareholders.

Highlights of 2021:

- Net sales of \$34.2 billion.
- Operating profit of \$3.2 billion.
- Net income of \$2.4 billion, and diluted earnings per share of \$10.17.
- Cash flows from operations of \$2.9 billion.

We are proud of our results in 2021, which reflect the strong underlying fundamentals of the business, the growing impact of our strategic initiatives, and most importantly, the hard work of our dedicated team members. While the operating environment was more challenging than expected, we remained focused on controlling what we can control, while keeping the customer at the center of everything we do. We made significant progress on the rollout of our key strategic initiatives during the year and plan to further expand these rollouts in 2022, as we look to further distance – and differentiate – DG from the rest of the discount retail landscape. We approach this goal through the lens of our four operating priorities:

- 1. Driving profitable sales growth:** In 2021, we completed the initial rollout of our DG Fresh initiative in more than 18,000 stores and 12 distribution facilities. DG Fresh is driving significant product cost savings, as well as creating incremental sales opportunities of our frozen and refrigerated items. We also doubled our non-consumables initiative (“NCl”) store footprint to more than 11,700 stores, and opened 50 new standalone pOpshelf locations, as we continue to enhance the treasure-hunt experience for both new and existing customers. In addition, we launched our new Health initiative with the goal of increasing access to affordable healthcare products and, over time, services, particularly in rural America.
- 2. Capturing growth opportunities:** Our proven high-return, low-risk real estate growth model, coupled with ongoing format innovation, continues to be a core strength of the business. We executed more than 2,900 real estate projects in 2021, including 1,050 new store openings and more than 1,750 remodels. In 2022, we plan to execute

nearly 3,000 real estate projects, highlighted by 1,110 new stores, including approximately 100 standalone pOpshelf locations and up to ten stores in Mexico, which would represent our initial expansion outside the U.S. Our Digital initiative complements our physical footprint, as we seek to deploy and leverage technology to further enhance convenience and access for our customers. In 2021, our efforts included a third-party partnership to offer same-day delivery in one hour or less from nearly 11,000 DG stores.

- 3. Leveraging and reinforcing our position as a low cost operator:** Our Save to Serve approach continues to drive efficiencies and deliver savings throughout the organization. During 2021, we expanded self-checkout to a total of more than 6,100 stores as part of our Fast Track initiative, which is primarily focused on increasing labor productivity in our stores, as well as enhancing customer convenience. During 2022, we plan to expand our self-checkout offering to a total of up to 11,000 stores. We also plan to significantly expand our private transportation fleet, providing us greater operational control within our supply chain, while further optimizing our cost to serve.
- 4. Investing in our diverse teams through development, empowerment and inclusion:** We believe that the opportunity to start and develop a career with a growing retailer remains a strong and unique competitive advantage. We continue to provide world-class training and development opportunities for our team as we seek to better position them for future success. These efforts have created a robust internal promotion pipeline, resulting in the internal placement of more than 75% of our store associates at or above the Lead Sales Associate position. In 2022, we expect to create more than 10,000 net new jobs as a result of our continued growth.

In addition to driving strong operating results and robust growth opportunities, we remain committed to our mission of **Serving Others**. In 2021, Dollar General and its Foundations awarded more than \$23 million to charitable efforts that extend hope and opportunity to individuals and nonprofit organizations.

I want to thank our approximately 163,000 employees for their tireless commitment to serving our customers and communities. We are operating from a position of strength, and are excited about our plans for 2022, which we believe position us well to continue delivering value for our customers, employees and shareholders.

RESPECTFULLY,



TODD J. VASOS
CHIEF EXECUTIVE OFFICER
APRIL 1, 2022

DOLLAR GENERAL®

**PROXY STATEMENT
& MEETING NOTICE**

DEAR FELLOW SHAREHOLDER,



“On behalf of the Board of Directors, thank you for your continued support of Dollar General”

The 2022 Annual Meeting of Shareholders of Dollar General Corporation will be held on Wednesday, May 25, 2022, at 9:00 a.m., Central Time, at the Goodlettsville City Hall Auditorium, 105 South Main Street, Goodlettsville, Tennessee. All shareholders of record at the close of business on March 16, 2022, are invited to attend the annual meeting. For security reasons, however, to gain admission to the meeting you will be required to present photo identification and comply with other security measures.

We thank those of you who met with us over the past year and provided valuable feedback on broad-ranging topics such as corporate governance, environmental and social matters, human capital management, Board refreshment and composition, and our executive compensation program structure. In 2021, we invited shareholders representing approximately 60% of shares outstanding to participate in our annual ESG outreach program and ultimately engaged with shareholders comprising over 53% of shares outstanding. As Chairman of both the Board and the Nominating and Governance Committee, I led the engagement with shareholders representing over 31% of shares outstanding. The information we received during this engagement helped to inform decisions regarding the enhanced disclosures in this Proxy Statement and in our *Serving Others* report to be published in 2022 and provided further support for the Board's decision to implement a shareholder special meeting right at a 25% ownership threshold. We are committed to continuing our dialogue with our shareholders and appreciate your engagement with us.

Your interest in Dollar General and your vote are very important to us. Whether or not you plan to attend the annual meeting, please vote at your earliest convenience.




On behalf of the Board of Directors, thank you for your continued support of Dollar General.

SINCERELY,

MICHAEL M. CALBERT
CHAIRMAN OF THE BOARD

APRIL 1, 2022

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

DATE	TIME	LOCATION
 Wednesday May 25, 2022	 9:00 a.m. Central Time	 Goodlettsville City Hall Auditorium 105 South Main Street Goodlettsville, Tennessee

ITEMS OF BUSINESS:

- To elect as directors the 8 nominees listed in the Proxy Statement
- To hold an advisory vote to approve our named executive officer compensation as disclosed in the Proxy Statement
- To ratify the appointment of our independent registered public accounting firm for fiscal 2022
- To vote upon a shareholder proposal, if properly presented at the annual meeting
- To transact any other business that may properly come before the annual meeting and any adjournments of that meeting

WHO MAY VOTE:

Shareholders of record at the close of business on March 16, 2022

Goodlettsville, Tennessee
April 1, 2022

By Order of the Board of Directors,



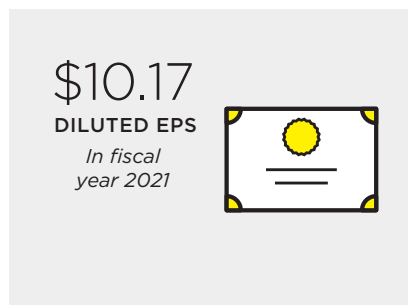
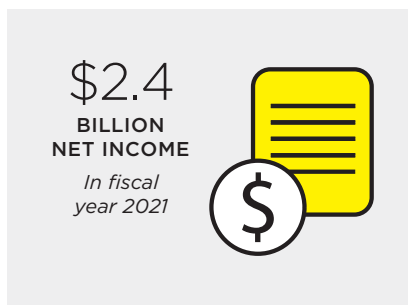
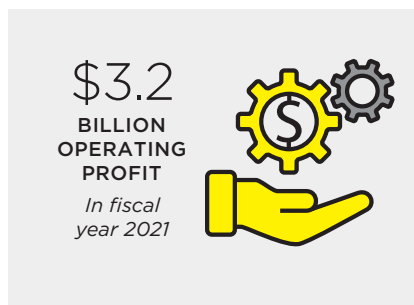
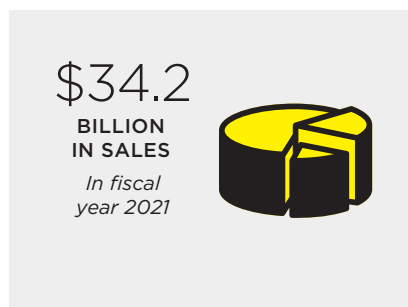
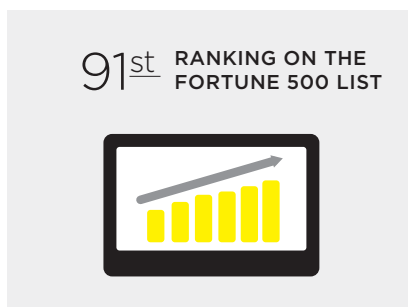
Christine L. Connolly
Corporate Secretary

Please vote your proxy as soon as possible even if you expect to attend the annual meeting in person. You may vote your proxy via the internet or by phone by following the instructions on the Notice of Internet Availability or proxy card, or if you received a paper copy of these proxy materials by mail, you may vote by mail by completing and returning the enclosed proxy card in the enclosed reply envelope. No postage is necessary if the proxy is mailed within the United States. You may revoke your proxy by following the instructions listed on pages 2 - 3 of the Proxy Statement.

PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in the proxy statement or about Dollar General. This summary does not contain all of the information that you should consider, and you should review all of the information contained in the proxy statement before voting.

DOLLAR GENERAL AT-A-GLANCE*







* Data as of February 25, 2022, unless otherwise noted.

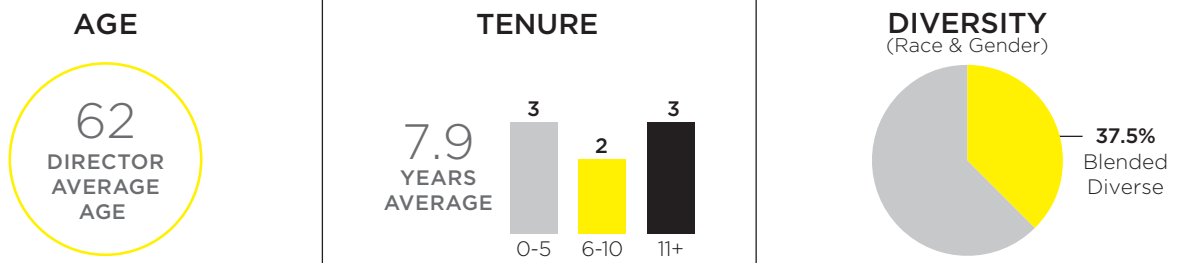
VOTING MATTERS (pp. 1 - 9, 48, 50 and 52 - 53)

2022 PROPOSALS	Board Recommendation
Proposal 1: Election of Directors	For
Proposal 2: Advisory Vote to Approve Named Executive Officer Compensation	For
Proposal 3: Ratification of Appointment of Auditors	For
Proposal 4: Shareholder Proposal Requesting Political Spending Disclosure	Against











HOW TO VOTE (p. 2)



MAIL	PHONE	INTERNET	IN PERSON
			
<p>Complete, sign, date and mail your proxy card or voting instruction form</p>	<p>1-800-690-6903</p>	<p>www.proxyvote.com</p>	<p>May 25, 2022 9:00 a.m., CT Goodlettsville City Hall Auditorium 105 South Main Street Goodlettsville, TN</p>

BOARD OF DIRECTORS GROUP DIVERSITY (pp. 4 - 9)



BOARD OF DIRECTORS COMPOSITION (pp. 4 - 9, 13 - 14 and 18)

Name and Principal Occupation	Independent	Age	Director Since (Calendar Year)	Currently Serving on Other Public Boards	Committee Memberships		
					A	C	N
 Warren F. Bryant Retired Chairman, President & CEO, Longs Drug Stores Corporation	✓	76	2009	• Loblaw Companies Limited	✓	✓	
 Michael M. Calbert Chairman, Dollar General Corporation Retired Member, KKR & Co. L.P.	✓	59	2007	• Executive Network Partnering Corporation • PVH Corp.			
 Patricia D. Fili-Krushel Chairperson, Coqual	✓	68	2012	• Chipotle Mexican Grill, Inc. • I2PO			✓
 Timothy I. McGuire CEO, Mobile Service Center Canada, Ltd.	✓	61	2018			✓	
 William C. Rhodes, III Chairman, President & CEO, AutoZone, Inc.	✓	56	2009	• AutoZone, Inc.			
 Debra A. Sandler President & CEO, La Grenade Group, LLC Founder & CEO, Mavis Foods, LLC	✓	62	2020	• Keurig Dr Pepper Inc. • Archer Daniels Midland Company • Gannett Co., Inc.	✓		✓
 Ralph E. Santana EVP & Chief Marketing Officer, Harman International Industries	✓	54	2018				✓
 Todd J. Vasos CEO, Dollar General Corporation		60	2015	• KeyCorp			

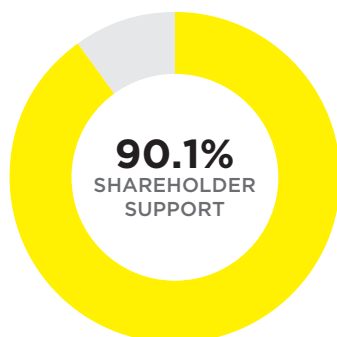
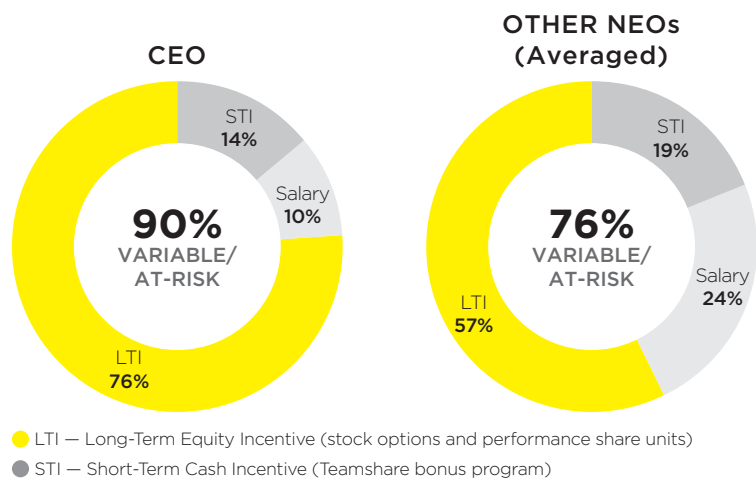
 Chair  Member **A** Audit **C** Compensation **N** Nominating and Governance

PAY FOR PERFORMANCE (pp. 20 - 30)

The primary elements of our executive compensation program are summarized in the chart below and reflect a significant alignment with our shareholders' interests.

Pay Element	Vehicle	2021 Metrics
Base Salary	Cash	Reflects comparable positions in the competitive marketplace, recognizing performance, responsibilities and experience
Short-Term Incentive	Cash	Adjusted EBIT (100%)
Long-Term Incentive	Options (50%) <i>Vest 25% annually over 4 years</i>	Stock price
	PSUs (50%) <i>3-year ratable vest (Adj. EBITDA) 3-year cliff vest (Adj. ROIC)</i>	1-Year Adjusted EBITDA (50%) 3-Year Adjusted ROIC (50%)

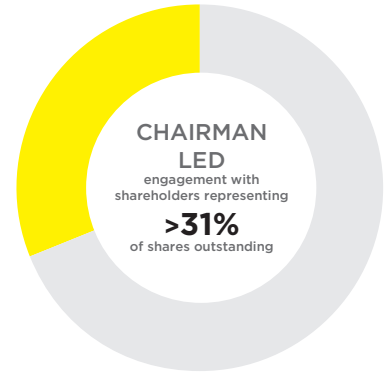
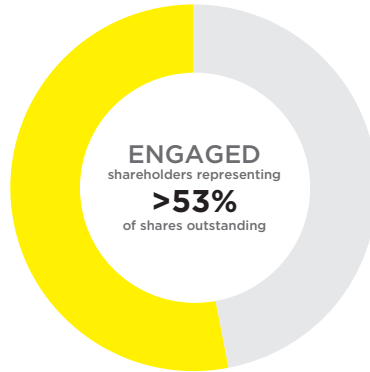
Consistent with our philosophy, and as illustrated to the right, a significant portion of annualized total target compensation for our named executive officers in 2021 was variable/at-risk as a result of being either performance-based or linked to changes in our stock price.



The most recent shareholder advisory vote on our named executive officer compensation was held on May 26, 2021. Excluding abstentions and broker non-votes, 90.1% of total votes were cast in support of the program.

SHAREHOLDER ENGAGEMENT (pp. 10 - 11)

Our Board of Directors appreciates and proactively seeks the viewpoints of our shareholders. Our focused outreach in the fall of 2021 encompassed a broad base of shareholders and discussion topics and helped inform the decisions to publish our consolidated EEO-1 data, to establish reduction targets for our Scopes 1 and 2 greenhouse gas emissions and to align certain of our disclosures to the TCFD framework, in each case in 2022, as well as various other disclosure enhancements in this proxy statement and in our *Serving Others* report to be published in 2022, and provided further support for the Board's decision to implement a shareholder special meeting right at a 25% ownership threshold.



WHO WE ARE

We are today's neighborhood general store, serving the needs of our customers by providing convenience, value and service—Every day!

OUR MISSION

Serving Others

For Customers...
Convenience, Quality & Great Prices

For Employees...
Respect & Opportunity

For Shareholders...
A Superior Return

For Communities...
A Better Life

OUR VALUES

We believe in:

- Demonstrating integrity in everything we do.
- Providing employees the opportunity for growth and development in a friendly and fun environment.
- Delivering results through hard work and a shared commitment to excellence.
- Celebrating success and recognizing the contribution of others.
- Owning our actions and decisions and learning from our mistakes.
- Respecting the dignity and differences of others.

OUR OPERATING PRIORITIES

Driving profitable sales growth

Capturing growth opportunities

Enhancing our position as a low cost operator

Investing in our diverse teams through development, empowerment & inclusion

TABLE OF CONTENTS

DOLLAR GENERAL

SOLICITATION, MEETING AND VOTING INFORMATION	1	Compensation Committee Interlocks and Insider Participation	45
PROPOSAL 1: Election of Directors	4	Compensation Risk Considerations	45
CORPORATE GOVERNANCE	10	Pay Ratio Disclosure	45
DIRECTOR COMPENSATION	16	SECURITY OWNERSHIP	46
DIRECTOR INDEPENDENCE	18	Security Ownership of Certain Beneficial Owners	46
TRANSACTIONS WITH MANAGEMENT AND OTHERS	19	Security Ownership of Officers and Directors	47
EXECUTIVE COMPENSATION	20	Delinquent Section 16(a) Reports	47
Compensation Discussion and Analysis	20	PROPOSAL 2: Advisory Vote to Approve Named Executive Officer Compensation	48
Compensation Committee Report	30	AUDIT COMMITTEE REPORT	49
Summary Compensation Table	31	PROPOSAL 3: Ratification of Appointment of Auditors	50
Grants of Plan-Based Awards in Fiscal 2021	33	FEES PAID TO AUDITORS	51
Outstanding Equity Awards at 2021 Fiscal Year-End	34	PROPOSAL 4: Shareholder Proposal Requesting Political Spending Disclosure	52
Option Exercises and Stock Vested During Fiscal 2021	36	SHAREHOLDER PROPOSALS FOR 2023 ANNUAL MEETING	54
Pension Benefits Fiscal 2021	36		
Nonqualified Deferred Compensation Fiscal 2021	36		
Potential Payments Upon Termination or Change in Control	37		

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON MAY 25, 2022

This Proxy Statement, our 2021 Annual Report and a form of proxy card are available at www.proxyvote.com. You will need your Notice of Internet Availability or proxy card to access the proxy materials.

As permitted by rules adopted by the Securities and Exchange Commission (“SEC”), we are furnishing our proxy materials over the Internet to some of our shareholders. This means that some shareholders will not receive paper copies of these documents but instead will receive only a Notice of Internet Availability containing instructions on how to access the proxy materials over the Internet and how to request a paper copy of our proxy materials, including the Proxy Statement, our 2021 Annual Report, and a proxy card. Shareholders who do not receive a Notice of Internet Availability will receive a paper copy of the proxy materials by mail, unless they have previously requested delivery of proxy materials electronically.

PROXY STATEMENT

This document is the proxy statement of Dollar General Corporation that we use to solicit your proxy to vote upon certain matters at our Annual Meeting of Shareholders to be held on Wednesday, May 25, 2022. We will begin mailing to shareholders printed copies of this document and the form of proxy or the Notice of Internet Availability on or about April 1, 2022.

We include website addresses throughout this proxy statement for reference only. The information contained in these websites is not incorporated by reference into this proxy statement.

RECORD DATE:

March 16, 2022

SOLICITATION, MEETING AND VOTING INFORMATION

What is Dollar General Corporation and where is it located?

Dollar General Corporation (NYSE: DG) has been delivering value to shoppers for more than 80 years. Dollar General helps shoppers Save time. Save money. Every day!® by offering products that are frequently used and replenished, such as food, snacks, health and beauty aids, cleaning supplies, basic apparel, housewares and seasonal items at everyday low prices in convenient neighborhood locations. Dollar General operated 18,190 stores in 47 states as of February 25, 2022. Our principal executive offices are located at 100 Mission Ridge, Goodlettsville, Tennessee 37072.

We refer to our company as “we,” “us” or “Dollar General.” Unless otherwise noted or required by the context, “2022,” “2021,” “2020” and “2019” refer to our fiscal years ending or ended February 3, 2023, January 28, 2022, January 29, 2021, and January 31, 2020, respectively.

What is a proxy and who is asking for it and paying for the cost to solicit it?

A proxy is your legal designation of another person, called a “proxy,” to vote your stock. The document designating someone as a proxy is also called a proxy or a proxy card.

Our directors, officers and employees are soliciting your proxy on behalf of our Board of Directors and will not be specially paid for doing so. Solicitation of proxies by mail may be supplemented by telephone, email and other electronic means, advertisements, personal solicitation, news releases issued by Dollar General, postings on our website or otherwise. Dollar General will pay all expenses of this solicitation.

Who may attend the annual meeting?

Only shareholders as of the Record Date, their proxy holders and our invited guests may attend the annual meeting. To be admitted to the meeting, you must present a government-issued photo identification, such as a driver’s license, state-issued ID card or passport, and proof of share ownership as of the Record Date. To prove ownership, shareholders of record will be verified against our list of registered shareholders, while street name shareholders must show: an account statement showing the share ownership as of the Record Date; a copy of the voting instruction form provided by, or a valid legal proxy from, the broker, trustee, bank or nominee holding the shares; a letter from a broker, trustee, bank or nominee holding the shares confirming the beneficial owner’s ownership as of the Record Date; or other similar evidence of ownership. **We reserve the right to deny admittance to anyone who does not comply with these requirements.**

We will decide in our sole discretion whether your documentation meets the admission requirements. If you hold shares in a joint account, both owners can be admitted to the meeting if proof of joint ownership is provided and you both provide identification.

Where can I find directions to the annual meeting?

Directions to Goodlettsville City Hall, where we will hold the annual meeting, are posted on our website at <https://investor.dollargeneral.com>.

Will the annual meeting be webcast?

Yes. A live webcast of the annual meeting, including the question and answer session, will be available on <https://investor.dollargeneral.com> under “News and Events—Events and Presentations” at 9:00 a.m., Central Time, on May 25, 2022. Within 24 hours following the

meeting, a recording of the webcast will be available on our website for at least 30 days. The information on our website, however, is not incorporated by reference into, and does not form a part of, this proxy statement.

Who is entitled to vote at the annual meeting?

You may vote if you owned shares of Dollar General common stock at the close of business on the Record Date (March 16, 2022). As of that date, there were 228,784,867 shares of Dollar General common stock outstanding and entitled to vote. Each share is entitled to one vote on each matter.

What am I voting on?

You will be asked to vote on:

- the election of the 8 nominees listed in this proxy statement (Proposal 1);
- the approval on an advisory basis of our named executive officer compensation as disclosed in this proxy statement (Proposal 2);
- the ratification of the appointment of our independent registered public accounting firm (the “independent auditor”) for 2022 (Proposal 3); and
- the shareholder proposal as described in this proxy statement (Proposal 4).

We are unaware of other matters to be acted upon at the annual meeting. Under Tennessee law and our governing documents, no other non-procedural business may be raised at the meeting unless proper notice has been given to shareholders.

How many votes must be present to hold the annual meeting?

A quorum, consisting of the presence in person or by proxy of the holders of a majority of shares of our common stock outstanding on the Record Date, must exist to conduct business at the annual meeting. If a quorum is not present, the presiding officer at the meeting may adjourn the meeting from time to time until a quorum is present.

How do I vote?

If you are a shareholder of record, you may vote your proxy over the telephone or Internet or, if you received printed proxy materials, by marking, signing, dating and returning the printed proxy card in the enclosed envelope. Please refer to the Notice of Internet Availability or proxy card, as applicable, for the telephone number, Internet address and other instructions. Alternatively, you may vote your shares in person at the annual meeting. Even if you plan to attend the meeting, we recommend that you vote in advance so that your vote will be counted if you later decide not to attend the meeting.

If you are a street name holder, your broker, trustee, bank or other nominee will provide materials and instructions for voting your shares. You also may vote in person at the meeting if you obtain and bring to the meeting a legal proxy from your broker, banker, trustee or other nominee giving you the right to vote the shares.

In either case, shareholders wishing to attend the meeting must follow the procedures described above under “Who may attend the annual meeting.”

What is the difference between a “shareholder of record” and a “street name” holder?

You are a “shareholder of record” if your shares are registered directly in your name with EQ Shareowner Services, our transfer agent. You are a “street name” holder if your shares are held in the name of a brokerage firm, bank, trust or other nominee as custodian.

What if I receive more than one Notice of Internet Availability or proxy card?

You will receive multiple Notices of Internet Availability or proxy cards if you hold shares in different ways (e.g., joint tenancy, trusts, custodial accounts, etc.) or in multiple accounts. Street name holders will receive the Notice of Internet Availability or proxy card or other voting information, along with voting instructions, from their brokers. Please vote the shares represented by each Notice of Internet Availability or proxy card you receive to ensure that all your shares are voted.

How will my proxy be voted?

The persons named on the proxy card will vote your proxy as you direct. If you return a signed proxy card or complete the Internet or telephone voting procedures but do not specify how you want to vote your shares, the persons named on the proxy card will vote your shares in accordance with the recommendations of our Board of Directors. If business other than that described in this proxy statement is properly raised, your proxies have authority to vote as they think best, including to adjourn the annual meeting.

Can I change my mind and revoke my proxy?

Yes. A shareholder of record may revoke a proxy given pursuant to this solicitation by:

- signing a valid, later-dated proxy card and submitting it so that it is received before the annual meeting in accordance with the instructions included in the proxy card;

- at or before the meeting, submitting to our Corporate Secretary a written notice of revocation dated later than the date of the proxy;
- submitting a later-dated vote by telephone or Internet no later than 11:59 p.m. Eastern Time on May 24, 2022; or
- attending the meeting and voting in person.

Note that attendance at the meeting, by itself, will not revoke your proxy.

A street name holder may revoke a proxy given pursuant to this solicitation by following the instructions of the bank, broker, trustee or other nominee who holds his or her shares.

How many votes are needed to elect directors?

To be elected at the annual meeting, a nominee must receive the affirmative vote of a majority of votes cast by holders of shares entitled to vote at the meeting. Under our Charter, the “affirmative vote of a majority of votes cast” means that the number of votes cast in favor of a nominee’s election exceeds the number of votes cast against his or her election. You may vote in favor of or against the election of each nominee, or you may elect to abstain from voting your shares.

What happens if a director fails to receive the required vote for election?

An incumbent director who does not receive the required vote for election at the annual meeting must promptly tender a resignation as a director for consideration by our Board of Directors pursuant to our Board-approved director resignation policy. Each director standing for election at the meeting has agreed to resign, effective upon the Board’s acceptance of such resignation, if he or she does not receive a majority vote. If the Board rejects the offered resignation, the director will continue to serve until the next annual shareholders’ meeting and until his or her successor is duly elected or his or her earlier resignation or removal in accordance with our Bylaws. If the Board accepts the offered resignation, the Board, in its sole discretion, may fill the resulting vacancy or decrease the Board’s size.

How many votes are needed to approve other matters?

Proposal 2 (to approve on an advisory basis our named executive officer compensation), Proposal 3 (to ratify the appointment of our independent auditor for 2022), and Proposal 4 (a shareholder proposal described in this proxy statement) will be approved if the votes cast in favor of the applicable proposal exceed the votes cast against it. The vote on the compensation of our named executive officers is advisory and, therefore, not

binding on Dollar General, our Board of Directors, or its Compensation Committee.

With respect to each of these proposals, and any other matter properly brought before the annual meeting, you may vote in favor of or against the proposal, or you may elect to abstain from voting your shares.

How will abstentions and broker non-votes be treated?

Abstentions and broker non-votes will be treated as shares that are present and entitled to vote for purposes of determining whether a quorum is present but will not be counted as votes cast either in favor of or against a particular proposal and will have no effect on the outcome of the particular proposal.

What are broker non-votes?

Although your broker is the record holder of any shares that you hold in street name, it must vote those shares pursuant to your instructions. If you do not provide instructions, your broker may exercise discretionary voting power over your shares for “routine” items but not for “non-routine” items. All matters described in this proxy statement, except for the ratification of the appointment of our independent auditor, are considered to be non-routine matters.

“Broker non-votes” occur when shares held of record by a broker are not voted on a matter because the street name holder of the shares has not provided voting instructions and the broker either lacks or declines to exercise the authority to vote the shares in its discretion.

How can I ask questions or view the list of shareholders entitled to vote at the annual meeting?

You may submit pertinent questions in advance of the annual meeting beginning on May 11, 2022, by visiting www.proxyvote.com and entering your Control Number. Your Control Number is a 16-digit number that you can find in the Notice of Internet Availability or the proxy card (in each case if you are a shareholder of record), as applicable, or in the voting instruction form (if you are a street name holder). If you attend the meeting in person, you also may submit pertinent questions at the meeting. Rules of Conduct for the meeting, including rules pertaining to submission of questions, will be available prior to the meeting on www.proxyvote.com and at the meeting.

During the meeting, shareholders of record may examine the list of shareholders entitled to vote at the meeting, which list will be available at the meeting. To inspect such shareholder list prior to the meeting, please contact our Investor Relations department at 615-855-5529 or investorrelations@dollargeneral.com.

PROPOSAL 1: Election of Directors

What is the structure of the Board of Directors?

Our Board of Directors must consist of 1 to 15 directors, with the exact number set by the Board. The Board size is currently fixed at 8. All directors are elected annually by our shareholders.

How are directors identified and nominated?

The Nominating and Governance Committee (the “Nominating Committee”) is responsible for identifying, evaluating and recommending director candidates, including the slate to be presented to shareholders for election at the annual meeting, to our Board of Directors, which makes the ultimate election or nomination determination, as applicable. The Nominating Committee may use a variety of methods to identify potential director candidates, such as recommendations by our directors, management, shareholders or third-party search firms (see “Can shareholders recommend or nominate directors?” below). The Nominating Committee has retained a third-party search firm to assist in identifying potential Board candidates who meet our qualification and experience requirements and, for any such candidate

identified by such search firm, to compile and evaluate information regarding the candidate’s qualifications and experience and to conduct reference checks. When a third party search firm is used, the Nominating Committee expects the search firm to present a diverse candidate pool pursuant to the Board’s diversity policy discussed below.

Does the Board consider diversity when identifying director nominees?

Yes. Our Board of Directors values diversity in its broadest sense (including gender and race) and has adopted a written policy to endeavor to achieve a mix of members that represents a diversity of background and experience in areas that are relevant to our business. Similar to the “Rooney Rule,” this policy further provides that the Nominating Committee should seek to include qualified women and individuals from underrepresented groups in the pool from which candidates are selected. The Committee periodically assesses this policy’s effectiveness as part of its annual self-evaluation. The matrix included below illustrates the diverse experience and composition of our Board.

Board of Directors Experience and Composition Matrix									
	Bryant	Calbert	Fili-Krushel	McGuire	Rhodes	Sandler	Santana	Vasos	Total
<i>Skills and Experience</i>									
Retail Industry Experience	✓	✓		✓	✓	✓	✓	✓	7
Senior Leadership (C-Suite) Experience	✓	✓	✓	✓	✓	✓	✓	✓	8
Strategic Planning/M&A Experience	✓	✓	✓	✓	✓	✓			6
Other Public Board Service (current or former)	✓	✓	✓		✓	✓		✓	6
Financial Expertise or Experience	✓	✓			✓	✓			4
General Independence	✓	✓	✓	✓	✓	✓	✓		7
Global/International Experience (Sourcing or Operations)	✓	✓		✓	✓			✓	5
Branding/Marketing/Consumer Behavior Experience	✓		✓	✓		✓	✓	✓	6
Human Capital Experience			✓						1
E-commerce/Digital/Technology Experience			✓		✓	✓	✓		4
Risk Management Experience	✓	✓	✓	✓	✓		✓	✓	7
<i>Diverse Composition</i>									
Racially Diverse						✓	✓		2
Female			✓			✓			2
Born Outside the U.S.				✓		✓			2

How are nominees evaluated; what are the threshold qualifications?

The Nominating Committee is charged with recommending to our Board of Directors only those candidates that it believes are qualified to serve as Board members consistent with the director selection criteria established by the Board.

The Nominating Committee assesses a candidate's independence, background, experience and time commitments, as well as our Board's skill needs. With respect to incumbent directors, the Committee also assesses the meeting attendance record and suitability for continued service. The Committee determines whether each nominee is in a position to devote adequate time to the effective performance of director duties and possesses the following threshold characteristics: integrity and accountability, informed judgment, financial literacy, a cooperative approach, a record of achievement, loyalty, and the ability to consult with and advise management. The Committee recommends candidates, including those submitted by shareholders, only if it believes a candidate's knowledge, experience and expertise would strengthen the Board and that the candidate is committed to representing our shareholders' long-term interests.



WARREN
F. BRYANT

Age: 76

Director Since:
2009

Biography:

Mr. Bryant served as the President and Chief Executive Officer of Longs Drug Stores Corporation from 2002 through 2008 and as its Chairman of the Board from 2003 through his retirement in 2008. Prior to joining Longs Drug Stores, he served as a Senior Vice President of The Kroger Co. from 1999 to 2002. Mr. Bryant has served as a director of Loblaw Companies Limited since May 2013 and served as a director of OfficeMax Incorporated from 2004 to 2013 and Office Depot, Inc. from November 2013 to July 2017.

Specific Experience, Qualifications, Attributes and Skills:

Mr. Bryant has over 40 years of retail experience, including experience in marketing, merchandising, operations and finance. His substantial experience in leadership and policy-making roles at other retail companies, together with his current and former experience as a board member for other retailers, provides him with an extensive understanding of our industry, as well as with valuable executive management skills, global, strategic planning, and risk management experience, and the ability to effectively advise our CEO.

Who are the nominees this year?

All nominees for election as directors at the annual meeting, consisting of the 8 incumbent directors who were elected at the 2021 annual meeting of shareholders, were nominated by our Board of Directors for election by shareholders at the annual meeting upon the recommendation of the Nominating Committee. Our Board believes that each of the nominees can devote an adequate amount of time to the effective performance of director duties, is in compliance with our overboarding policy detailed in our Corporate Governance Guidelines, and possesses all of the threshold qualifications identified above.

If elected, each nominee would hold office until the 2023 annual meeting of shareholders and until his or her successor is elected and qualified, subject to any earlier resignation or removal.

The following lists the nominees, their ages at the date of this proxy statement and the calendar year in which they first became a director, along with their biographies and the experience, qualifications, attributes or skills that led our Board to conclude that each nominee should serve as a director of Dollar General.



**MICHAEL
M. CALBERT**

Age: 59

Director Since:
2007

Biography:

Mr. Calbert has served as our Chairman of the Board since January 2016. He joined the private equity firm KKR & Co. L.P. in January 2000 and was directly involved with several KKR portfolio companies until his retirement in January 2014, after which he served as a consultant to KKR until June 2015. Mr. Calbert led KKR's Retail industry team prior to his retirement. He also served as the Chief Financial Officer of Randall's Food Markets from 1997 until it was sold in September 1999 and worked as a certified public accountant and consultant with Arthur Andersen Worldwide from 1985 to 1994, where his primary focus was the retail and consumer industry. Mr. Calbert has served as a director of Executive Network Partnering Corporation since September 2020, has been elected to serve as a director of PVH Corp. effective May 2022 and served as a director of AutoZone, Inc. from May 2019 to December 2021. He previously served as our Chairman of the Board from July 2007 until December 2008 and as our lead director from March 2013 until his re-appointment as our Chairman of the Board in January 2016.

Specific Experience, Qualifications, Attributes and Skills:

Mr. Calbert has considerable experience in managing private equity portfolio companies and is experienced with corporate finance and strategic business planning activities. As the former head of KKR's global retail industry team, Mr. Calbert has a strong background and extensive experience in advising and managing companies in the retail industry, including evaluating business strategies and operations, financial plans and structures, risk, and management teams. His former service on various company boards in the retail industry further strengthens his knowledge and experience within our industry. Mr. Calbert also has a significant financial and accounting background evidenced by his prior experience as the chief financial officer of a retail company and his 10 years of practice as a certified public accountant.



**PATRICIA
D. FILI-KRUSHEL**

Age: 68

Director Since:
2012

Biography:

Ms. Fili-Krushel has served as Chairperson of the Board of Coqual, a non-profit think tank that focuses on global talent strategies, since February 2021. Prior thereto, she served as Coqual's Chief Executive Officer from September 2018 until January 2021. She previously was Executive Vice President (April 2015 to November 2015) of NBCUniversal, serving as a strategist and key advisor to the CEO; Chairman of NBCUniversal News Group (July 2012 to April 2015); and Executive Vice President of NBCUniversal (January 2011 to July 2012) overseeing the operations and technical services, business strategy, human resources and legal functions. She was Executive Vice President of Administration at Time Warner Inc. (July 2001 to December 2010) overseeing philanthropy, corporate social responsibility, human resources, worldwide recruitment, employee development and growth, compensation and benefits, and security; Chief Executive Officer of WebMD Health Corp. (April 2000 to July 2001); and President of ABC Television Network (July 1998 to April 2000). Ms. Fili-Krushel has served as a director of Chipotle Mexican Grill, Inc. since March 2019 and I2PO since July 2021.

Specific Experience, Qualifications, Attributes and Skills:

Ms. Fili-Krushel's background increases the breadth of experience of our Board as a result of her extensive executive experience overseeing the business strategy, philanthropy, corporate social responsibility, human resources, recruitment, employee growth and development, compensation and benefits, and legal functions, along with associated risks, at large public companies in the media industry. She also brings valuable oversight experience in diversity-related workplace matters from her positions at Coqual, as well as digital and e-commerce experience gained while serving as CEO of WebMD Health Corp. In addition, her understanding of consumer behavior based on her knowledge of viewership patterns and preferences provides a different perspective to our Board in understanding our customer base, and her other public company board experience brings additional perspective to our Board.



**TIMOTHY
I. MCGUIRE**

Age: 61

Director Since:
2018

Biography:

Mr. McGuire has served as Chief Executive Officer of Mobile Service Center Canada, Ltd. (d/b/a Mobile Klinik and, since July 2020, a business division of TELUS Corporation), a chain of professional smartphone repair stores, since October 2018 and as its Chairman of the Board (June 2017 to October 2018) and director (March 2017 to July 2020). He retired from McKinsey & Company, a worldwide management consulting firm, in August 2017 after serving as a leader of its global retail and consumer practice for almost 28 years, including leading the Americas retail practice for five years. While at McKinsey, Mr. McGuire led consulting efforts with major retail, telecommunications, consumer service, and marketing organizations in Canada, the United States, Latin America, Europe, and Australia. He also co-founded McKinsey Analytics, a global group of consultants bringing advanced analytics capabilities to clients to help make better business decisions. Mr. McGuire also held various positions with Procter & Gamble (1983 to 1989), including Marketing Director for the Canadian Food & Beverage division.

Specific Experience, Qualifications, Attributes and Skills:

Mr. McGuire brings over 30 years of valuable retail experience to our company, recently as Chief Executive Officer of Mobile Klinik and having served as a leader of McKinsey's global retail and consumer practice for almost 28 years. He has expertise in strategy, new store/concept development, marketing and sales, operations, international expansion, big data and advanced analytics, as well as risk management experience. In addition, Mr. McGuire's focus while at McKinsey on use of advanced analytics in retail, developing and implementing growth strategies for consumer services, food, general-merchandise and multi-channel retailers, developing new retail formats, the application of lean operations techniques, the redesign of merchandise flows, supply-chain optimization efforts, and the redesign of purchasing and supplier-management approaches, brings extensive relevant perspectives to our Board as it seeks to consult and advise our CEO and to shape our corporate strategy.



**WILLIAM
C. RHODES, III**

Age: 56

Director Since:
2009

Biography:

Mr. Rhodes was named Chairman of AutoZone, Inc., a specialty retailer and distributor of automotive replacement parts and accessories, in June 2007 and has served as its President and Chief Executive Officer and a director since 2005. He also previously held various other key management positions with AutoZone since joining the company in 1994. Prior to 1994, Mr. Rhodes was a manager with Ernst & Young LLP.

Specific Experience, Qualifications, Attributes and Skills:

Mr. Rhodes has over 25 years of experience in the retail industry, including extensive experience in operations, supply chain, and finance, among other areas, and a strong financial background. This background serves as a strong foundation for offering invaluable perspective and expertise to our CEO and our Board. In addition, his experience as a board chairman and chief executive officer of a public retail company provides leadership, consensus-building, strategic planning and budgeting skills, as well as international experience and an extensive understanding of both short- and long-term issues confronting the retail industry.



**DEBRA
A. SANDLER**
Age: 62
Director Since:
2020

Biography:

Ms. Sandler has served as President and Chief Executive Officer of La Grenade Group, LLC, a marketing consultancy that serves packaged goods companies operating in the health and wellness space, since September 2015. She also has served as Chief Executive Officer of Mavis Foods, LLC, a startup she founded that makes and sells Caribbean sauces and marinades, since April 2018. Ms. Sandler previously served seven years with Mars, Inc., including Chief Health and Wellbeing Officer (July 2014 to July 2015); President, Chocolate North America (April 2012 to July 2014); and Chief Consumer Officer, Chocolate (November 2009 to March 2012). She also held senior leadership positions with Johnson & Johnson from 1999 to 2009, where her last position was Worldwide President for McNeil Nutritionals LLC, a fully integrated business unit within the Johnson & Johnson Consumer Group of Companies. She began her career in 1985 with PepsiCo, Inc., where she served for 13 years in a variety of marketing positions of increasing responsibility. Ms. Sandler has served as a director of Keurig Dr Pepper Inc. since March 2021, Archer Daniels Midland Company since May 2016 and Gannett Co., Inc. since June 2015.

Specific Experience, Qualifications, Attributes and Skills:

Ms. Sandler has strong marketing and operating experience and a proven record of creating, building, enhancing and leading well-known consumer brands as a result of the leadership positions she has held with Mars, Johnson & Johnson and PepsiCo. These positions have required an extensive understanding of consumer behavior and the evolving retail environment. In addition, her launch of Mavis Foods has provided her with valuable e-commerce, strategic planning and financial experience, and her other public company board experience brings additional perspective to our Board.



**RALPH
E. SANTANA**
Age: 54
Director Since:
2018

Biography:

Mr. Santana has served as Executive Vice President and Chief Marketing Officer of Harman International Industries, a wholly-owned subsidiary of Samsung Electronics Co., Ltd., since April 2013, with responsibility for Harman’s worldwide marketing strategy and global design group. Mr. Santana previously served as Senior Vice President and Chief Marketing Officer of Samsung Electronics North America (June 2010 to September 2012), where he was responsible for launching Samsung’s U.S. e-commerce business. He also served 16 years at PepsiCo, Inc. (June 1994 to May 2010) in multiple international and domestic leadership roles in marketing, including Vice President of Marketing, North American Beverages, Pepsi-Cola, and held positions with its Frito-Lay’s international and North America operations. Mr. Santana began his career at Beverage Marketing Corporation (July 1989 to June 1992) where he served as a beverage industry consultant designing market entry and expansion strategies.

Specific Experience, Qualifications, Attributes and Skills:

Mr. Santana has almost 30 years of marketing experience spanning multiple technology and food and beverage consumer packaged goods categories. His deep understanding of digital marketing and retail shopper marketing, particularly in the area of consumer packaged goods, and his extensive experience in shaping multi-cultural strategy, executing marketing programs and making brands culturally relevant further enhances our Board’s ability to provide oversight and thoughtful counsel to management in these important and evolving areas of our business. His executive position also provides risk management experience.



**TODD
J. VASOS**

Age: 60

Director Since:
2015

Biography:

Mr. Vasos has served as Chief Executive Officer and a member of our Board since June 2015. He joined Dollar General in December 2008 as Executive Vice President, Division President and Chief Merchandising Officer and was promoted to Chief Operating Officer in November 2013. Prior to joining Dollar General, Mr. Vasos served in executive positions with Longs Drug Stores Corporation for seven years, including Executive Vice President and Chief Operating Officer (February 2008 to November 2008) and Senior Vice President and Chief Merchandising Officer (2001 to 2008), where he was responsible for all pharmacy and front-end marketing, merchandising, procurement, supply chain, advertising, store development, store layout and space allocation, and the operation of three distribution centers. He also previously served in leadership positions at Phar-Mor Food and Drug Inc. and Eckerd Corporation. Mr. Vasos has served as a director of KeyCorp since July 2020.

Specific Experience, Qualifications, Attributes and Skills:

Mr. Vasos has extensive retail experience, including over 10 years with Dollar General. He has a thorough understanding of all key areas of our business, which is further bolstered by his former experience overseeing the merchandising, operations, marketing, advertising, global procurement, supply chain, store development, store layout and space allocation functions of other retail companies. In addition, Mr. Vasos's service in leadership and policy-making positions in the retail business has provided him with the necessary leadership skills to effectively guide and oversee the direction of Dollar General and with the consensus-building skills required to lead our management team, and his other public company board experience brings additional perspective to his leadership of Dollar General.

Can shareholders recommend or nominate directors?

Yes. Shareholders may recommend candidates to our Nominating Committee by providing the same information within the same deadlines required for nominating candidates pursuant to the advance notice provisions in our Bylaws. Pursuant to its Charter, our Nominating Committee is required to consider such candidates and to apply the same evaluation criteria to them as it applies to other director candidates. Shareholders also can go a step further and nominate directors for election by shareholders at an annual meeting by following the advance notice procedures in our Bylaws.

Whether recommending a candidate for our Nominating Committee's consideration or nominating a director for election by shareholders at an annual meeting, you must submit a written notice for receipt by our Corporate Secretary at the address and within the deadlines disclosed under "Shareholder Proposals for 2023 Annual Meeting." The notice must contain all information required by our Bylaws about the shareholder proposing the nominee and about the nominee.

We also have a "proxy access" provision in our Bylaws which allows eligible shareholders to nominate candidates for election to our Board and include such candidates in our proxy statement and ballot subject to the terms, conditions, procedures and deadlines set

forth in Article I, Section 12 of our Bylaws. Our proxy access bylaw provides that holders of at least 3% of our outstanding shares, held by up to 20 shareholders, holding the shares continuously for at least 3 years, can nominate up to 20% of our Board for election at an annual shareholders' meeting.

For more specific information regarding these deadlines in respect of the 2023 annual meeting of shareholders, see "Shareholder Proposals for 2023 Annual Meeting" below. You should consult our Bylaws, posted on the "Corporate Governance" section of our website located at <https://investor.dollargeneral.com>, for more detailed information regarding the processes summarized above. No shareholder nominees have been submitted for this year's annual meeting.

What if a nominee is unwilling or unable to serve?

That is not expected to occur. If it does, the persons designated as proxies on the proxy card are authorized to vote your proxy for a substitute designated by our Board of Directors or the Board of Directors may reduce the size of the Board.

Are there any family relationships between any of the directors, executive officers or nominees?

There are no family relationships between any of our directors, executive officers or nominees.



The Board of Directors unanimously recommends that shareholders vote FOR the election of each of the 8 nominees named in this proposal.

CORPORATE GOVERNANCE

What governance practices are in place to promote effective independent Board leadership?

Our Board of Directors has adopted a number of governance practices to promote effective independent Board leadership, such as:



Independent Board Chairman

Mr. Calbert, an independent director, serves as our Chairman of the Board. In this role, Mr. Calbert serves as a liaison between the Board and our CEO, approves Board meeting agendas, facilitates communication of annual evaluation feedback to the Board and to individual directors as further discussed below, and participates with the Compensation Committee in the annual CEO performance evaluation. This decision allows our CEO to focus his time and energy on managing our business, while our Chairman devotes his time and attention to matters of Board oversight and governance. The Board, however, recognizes that no single leadership model is right for all companies and at all times, and the Board will review its leadership structure as appropriate to ensure it continues to be in the best interests of Dollar General and our shareholders.



Annual Evaluations and Board Succession Planning

Our Board of Directors, each standing committee, and each individual non-employee director are evaluated annually using written questionnaires and a process approved by the Nominating Committee. Mr. Calbert, as Chairman of both the Board and the Nominating Committee, discusses the results of the individual evaluations, as well as succession considerations, with each director and the results of his own individual evaluation with the Chairperson of the Compensation Committee. The Board and each committee review and discuss the results of the Board and applicable committee evaluations, all with the goal of enhancing effective Board leadership, effectiveness and oversight. These evaluations and discussions also help inform director re-nomination decisions.



Annual CEO Performance Evaluations

The CEO is annually evaluated under the leadership of the Compensation Committee and the Chairman of the Board. All independent directors are invited to provide input into this discussion.



Regularly Scheduled Independent Director Sessions

Opportunity is available at each quarterly Board meeting for executive sessions of the non-management directors (all of whom are currently independent). Mr. Calbert, as Chairman, presides over all executive sessions of the non-management and the independent directors.



Shareholder Engagement

To build and maintain relationships with shareholders and to ensure their perspectives are understood and considered by our Board of Directors, we conduct year-round outreach through our senior management, investor relations and legal teams. In 2021, we also continued to engage in focused shareholder engagement efforts regarding environmental, social and governance (“ESG”) matters, inviting shareholders representing approximately 60% of our outstanding shares to discuss their perspectives on these matters. We ultimately held conversations with shareholders comprising over 53% of shares outstanding. As Chairman of both the Board and the Nominating Committee, Mr. Calbert led the engagement with shareholders representing over 31% of shares outstanding. For more information on our ESG-focused shareholder outreach efforts, please see “How does shareholder feedback affect decision-making, including decisions about the shareholder special meeting right approved at last year’s annual meeting” below.

How does shareholder feedback affect decision-making, including decisions about the shareholder special meeting right approved at last year's annual meeting?

Topics discussed during the ESG-focused shareholder outreach meetings held in the fall of 2021 generally centered on recent enhancements surrounding our corporate governance, including the implementation of the shareholder special meeting right following our 2021 annual shareholders' meeting (our "2021 annual meeting") which received the support of over 98% of votes cast as discussed further below; our disclosures and efforts around environmental and social matters and human capital management; the refreshment and composition of our Board of Directors; and our executive compensation program structure. Feedback from these meetings was shared with our Board members to inform future decisions pertaining to these matters and helped inform the decisions to publish our consolidated EEO-1 data, to establish reduction targets for our Scopes 1 and 2 greenhouse gas emissions and to align certain of our climate disclosures to the TCFD framework, in each case in 2022, as well as various other disclosure enhancements in this proxy statement and in our annual *Serving Others* report to be published in 2022.

In response to both the shareholder feedback received during our outreach meetings held in the fall of 2020 prior to our 2021 annual meeting and the voting results pertaining to the shareholder special meeting right at our 2021 annual meeting, we amended our Charter in May 2021 to provide shareholders holding 25% or more of our shares with the right to request that our Board call a special meeting of shareholders upon satisfaction of the terms and conditions detailed in our Charter and Bylaws. As discussed below, the Nominating Committee and our Board believe this right is consistent with the views of a substantial majority of our shareholders and is in the best interests of Dollar General and our shareholders.

- **Shareholder outreach:** During our shareholder outreach meetings held in the fall of 2020 prior to our 2021 annual meeting, we held conversations with shareholders comprising 52% of shares outstanding regarding various ESG matters. During these conversations, we specifically solicited feedback regarding adoption of a special meeting right. Our shareholders overwhelmingly supported a shareholder special meeting right generally and, although they had divergent views regarding the threshold of outstanding shares required to exercise the right, we found broad support across our shareholder base for a 25% ownership threshold. Accordingly, the Board proposed a Charter amendment to implement a shareholder special meeting right at a 25% ownership threshold and

opposed a shareholder proposal to implement such a right at a 10% ownership threshold.

- **Voting results:** The Nominating Committee and our Board believe that the voting results at our 2021 annual meeting support the feedback we received during our 2020 investor outreach. An overwhelming majority of our shareholders—98.8% of the votes cast and 76.2% of our outstanding shares—voted in favor of the Board-supported proposal to adopt a special meeting right with a 25% threshold. In contrast, the shareholder proposal that contemplated a 10% threshold received substantially lower support—53.2% of votes cast and 43.8% of our outstanding shares.

The Nominating Committee and our Board continue to believe that a 25% special meeting threshold is in the best interests of Dollar General and our shareholders. In reaching that conclusion, the Nominating Committee and our Board considered:

- the results of our 2020 investor outreach efforts detailed above.
- that a significantly higher percentage of our shareholders voted for the Board-supported special meeting right proposal rather than the shareholder proposal at our 2021 annual meeting.
- that the adoption of a special meeting right, or a change to lower the ownership threshold of our special meeting right, requires a Charter amendment that is approved by the affirmative vote of a majority of our outstanding shares. The 10% ownership threshold, which was approved by a minority of our outstanding shares entitled to vote on the shareholder proposal, did not receive support from the requisite number of shares that would be required to implement the right in our Charter.
- the results of our 2021 shareholder outreach efforts, which continue to support a 25% threshold. Following the 2021 annual meeting, we again solicited views on this matter as part of our annual shareholder outreach conducted in the fall of 2021 and, based on the feedback we heard from shareholders, significant majority support remains for retaining the right at the 25% threshold.

Furthermore, the Nominating Committee and our Board continue to believe that a 25% threshold adds to our strong corporate governance practices, appropriately balancing shareholder rights in the event of an important, time-sensitive issue with the protection of the long-term interests of Dollar General and our shareholders against abuse of the right that could cause our company to unduly incur substantial costs and distraction.

What is the Board's role in risk oversight?

Our Board of Directors and its three standing committees, the Audit Committee, the Compensation Committee and the Nominating Committee, have an important role in our risk oversight process. The entire Board is regularly informed about risks through the committee reporting process, as well as through special reports and updates from management and advisors. This enables the Board and its committees to coordinate the risk oversight role, particularly with respect to risk interrelationships. The Board believes this division of risk management responsibilities effectively addresses the material risks facing Dollar General. The Board further believes that our leadership structure, described above, supports the risk oversight function of the Board as it allows our independent directors, through independent Board committees and executive sessions of independent directors, to exercise effective oversight of management's actions in identifying risks and implementing effective risk management policies and controls.

Strategic Planning Risk Oversight. Our company's strategy is firmly rooted in our long-standing mission of Serving Others, as we consistently strive to improve our performance while retaining our customer-centric focus. The Board actively oversees our corporate strategy and related risks through both annual strategic planning meetings and discussions and reports on the status of and risks to our strategic initiatives at quarterly meetings.

Enterprise Risk Oversight. We identify and manage our key risks using our enterprise risk management program. This framework evaluates significant internal and external business, financial, legal, reputational, ESG and other risks, identifies mitigation strategies, and assesses any residual risk. The program employs interviews with various levels of management and our Board and reviews of strategic initiatives, recent or potential legislative or regulatory changes, certain internal metrics and other information. The Audit Committee oversees our enterprise risk management program, discussing with management the process by which risk assessment and risk management is undertaken and our major financial and other risk exposures, including without limitation those relating to information systems, information security, data privacy and business continuity, and the steps management has taken to monitor and control such exposures. The Audit Committee reviews enterprise risk evaluation results at least annually and high residual risk categories, along with their mitigation strategies, quarterly. In addition, as part of its regular review of progress versus the strategic plan, our Board reviews related material risks as appropriate. Our General Counsel also periodically provides information to the Board regarding our insurance coverage and programs as well as litigation and other legal risks.

Cybersecurity Risk Oversight. In addition to consideration as part of the enterprise risk management program, cybersecurity risk is further evaluated through various internal and external audits and assessments designed to validate the effectiveness of our controls for managing the security of our information assets. Management develops action plans to address select identified opportunities for improvement, and the Audit Committee quarterly reviews reports and metrics, including a dashboard, pertaining to cybersecurity risks and mitigation efforts with our Chief Information Officer and our Chief Information Security Officer to help the Audit Committee understand and evaluate current risks, monitor trends, and track our progress against specific metrics. The Audit Committee also has the responsibility to review with management and the outside auditor any unauthorized access to information technology systems that could have an effect on the Company's financial statements.

Human Capital Management/Diversity and Inclusion Oversight. Our Board of Directors has delegated oversight of significant matters pertaining to our human capital management strategy to the Compensation Committee, including diversity and inclusion; recruitment, retention and engagement of employees; our executive compensation program; and the overall compensation philosophy and principles for the general employee population. As part of this oversight, each quarter the Compensation Committee reviews our diversity and inclusion efforts and results with the Chief People Officer. However, our Board retains direct oversight of certain human capital management areas, including annual discussions of management succession planning with the Chief Executive Officer and the Chief People Officer, review of significant employee-related litigation and legal matters at least quarterly with our General Counsel, and discussions of various human capital matters with the Chief Executive Officer. Our Board also has regularly reviewed our COVID-19 response with our Chief Executive Officer since March 2020.

Governance, Corporate Social Responsibility and Sustainability Risk Oversight. In addition to consideration of ESG as part of the enterprise risk management program, our Board of Directors has delegated oversight of corporate governance issues, including management's efforts on significant corporate social responsibility and sustainability matters (to the extent the matter is not overseen by the full Board or other committee), to the Nominating Committee. Such matters may include significant issues relating to the environment, human rights, labor, health and safety, supply chain, community and governmental relations, charitable contributions, political contributions (if any), and similar matters. As part of this oversight, the Nominating Committee: reviews our sustainability disclosures and practices, including

climate-related disclosures, practices, strategy and goals/targets; oversees our ESG-related shareholder outreach program and shareholder proposals; receives regular reports on ESG engagements with and viewpoints provided by shareholders; and reviews detailed information regarding corporate governance trends and practices, all of which informs recommendations to the Board. Some recent examples

of changes recommended by the Nominating Committee as a result of the governance practices reviews include: the implementation of the right of shareholders holding in the aggregate at least 25% of our common stock to request special meetings in 2021; the removal of the supermajority voting provisions from our Charter and Bylaws in 2020; and the implementation of proxy access in 2017.

What other functions are performed by the Board's Committees?

The functions of the Board's three standing committees are described in applicable Board-adopted written charters available on the "Corporate Governance" section of our website located at <https://investor.dollargeneral.com> and are summarized below along with each committee's current membership. In addition to the functions outlined

below, each committee performs an annual self-evaluation, periodically reviews and reassesses its charter, evaluates and makes recommendations concerning shareholder proposals that are within the committee's expertise, and performs the risk oversight roles outlined above.

Name of Committee & Members	Committee Functions
<p>AUDIT: Mr. Rhodes, Chairperson Mr. Bryant Ms. Sandler</p>	<ul style="list-style-type: none"> • Selects the independent auditor and periodically considers the advisability of audit firm rotation • Annually evaluates the independent auditor's qualifications, performance and independence, as well as the lead audit partner, and reviews the annual report on the independent auditor's internal quality control procedures and any material issues raised by its most recent review of internal quality controls • Pre-approves audit engagement fees and terms and all permitted non-audit services and fees, and discusses the audit scope and any audit problems or difficulties • Sets policies regarding the hiring of current and former employees of the independent auditor • Discusses the annual audited and quarterly unaudited financial statements with management and the independent auditor • Reviews CEO/CFO disclosures regarding any significant deficiencies or material weaknesses in our internal control over financial reporting, and establishes procedures for receipt, retention and treatment of complaints regarding accounting or internal controls • Discusses the types of information to be disclosed in earnings press releases and provided to analysts and rating agencies • Oversees our enterprise risk management program, including reports and metrics pertaining to cybersecurity risks • Reviews internal audit activities, projects and budget • Review and oversees reportable related party transactions (unless a particular transaction is within the purview of another committee) to ensure they are not inconsistent with the interests of the Company and our shareholders • Discusses with our general counsel legal matters having an impact on financial statements • Furnishes the committee report required in our proxy statement

Name of Committee & Members	Committee Functions
<p>COMPENSATION: Ms. Fili-Krushel, Chairperson Mr. Bryant Mr. McGuire</p>	<ul style="list-style-type: none"> • Oversees significant matters pertaining to human capital management strategy, including diversity and inclusion and recruitment, retention and engagement of employees • Reviews and approves corporate goals and objectives relevant to CEO compensation • Determines executive officer compensation (with an opportunity for the independent directors to ratify CEO compensation) and recommends Board compensation for Board approval • Oversees overall compensation philosophy and principles for the general employee population • Establishes short-term and long-term incentive compensation programs for senior officers and approves all equity awards • Oversees share ownership guidelines and holding requirements for Board members and senior officers • Oversees the performance evaluation process for senior officers • Reviews and discusses disclosure regarding executive compensation, including Compensation Discussion and Analysis and compensation tables (in addition to preparing the report on executive compensation for our proxy statement) • Selects and determines fees and scope of work of its compensation consultant • Oversees and evaluates the independence of its compensation consultant and other advisors
<p>NOMINATING AND GOVERNANCE: Mr. Calbert, Chairperson Ms. Fili-Krushel Ms. Sandler Mr. Santana</p>	<ul style="list-style-type: none"> • Develops and recommends criteria for selecting new directors • Screens and recommends to our Board individuals qualified to serve on our Board • Recommends Board committee structure and membership • Recommends persons to fill Board and committee vacancies • Develops and recommends Corporate Governance Guidelines and corporate governance practices and oversees corporate governance issues, including the ESG-related shareholder engagement program • Oversees the process governing annual Board, committee and director evaluations • Oversees management's efforts pertaining to significant corporate social responsibility and sustainability matters, which may include issues relating to the environment, human rights, labor, health and safety, supply chain, community and governmental relations, charitable and political contributions, and similar matters • Evaluates ESG-related shareholder proposals unless within the subject matter jurisdiction or expertise of another independent Board committee • Evaluates the appropriateness of a director's continued Board and committee membership in light of any changed circumstances that could affect the director's independence, qualifications or availability • Considers requests by directors and executive officers to serve on the board of directors of a for-profit company, taking into account among other factors the overboarding policy set forth in our Corporate Governance Guidelines

Does an audit committee financial expert serve on the Audit Committee?

Yes. Our Board of Directors has determined that Mr. Rhodes, Mr. Bryant and Ms. Sandler are audit committee financial experts who are independent as defined in New York Stock Exchange (“NYSE”) listing standards and in our Corporate Governance Guidelines.

How often did the Board and its committees meet in 2021?

During 2021, our Board of Directors, Audit Committee, Compensation Committee and Nominating Committee met 5, 4, 6 and 4 times, respectively. Each incumbent director attended at least 75% of the total of all meetings of the Board and committees on which he or she served which were held during the period for which he or she was a director and a member of each applicable committee.

What is Dollar General’s policy regarding Board member attendance at the annual meeting?

Our Board of Directors has adopted a policy that all directors should attend annual shareholders’ meetings unless attendance is not feasible due to unavoidable circumstances. The 2021 annual shareholders’ meeting was held virtually as a result of precautions related to the COVID-19 pandemic. All persons serving as Board members at the time of the 2021 annual shareholders’ meeting attended the meeting virtually.

Does Dollar General have a management succession plan?

Yes. Our Board of Directors ensures that a formalized process governs long-term management development and succession. Our comprehensive program encompasses not only our CEO and other executive officers but all employees through the front-line supervisory level. The program focuses on key succession elements, including identification of potential successors for positions where internal succession is appropriate, assessment of each potential successor’s level of readiness, diversity considerations, and preparation of individual growth and development plans. Our long-term business strategy is also considered with respect to CEO succession planning.

Our Board formally reviews our succession plan for officers, as well as other notable talent, at least annually. In addition, we maintain and review with the Board periodically a confidential procedure for the timely and efficient transfer of the CEO’s responsibilities in the event of an emergency or his sudden incapacitation or departure.

Are there share ownership guidelines and holding requirements for Board members and senior officers?

Yes. Details of our share ownership guidelines and holding requirements for Board members and senior officers are included in our Corporate Governance Guidelines. See “Compensation Discussion and Analysis—Share Ownership Guidelines and Holding Requirements” and “Director Compensation” for more information on these guidelines and holding requirements. The Compensation Committee establishes the related administrative details.

How can I communicate with the Board of Directors?

We describe our Board-approved process for security holders and other interested parties to contact the entire Board, a particular director, or the non-management directors or independent directors as a group on the “Corporate Governance” section of our website located at <https://investor.dollargeneral.com>.

Where can I find more information about Dollar General’s governance practices?

Our governance-related information is posted on <https://investor.dollargeneral.com> under “Corporate Governance,” including our Corporate Governance Guidelines, Code of Business Conduct and Ethics, the charter of each of the Audit Committee, the Compensation Committee and the Nominating Committee, and the name(s) of the person(s) chosen to lead the executive sessions of the non-management directors and, if different, of the independent directors. This information is available in print to any shareholder who sends a written request to: Investor Relations, Dollar General Corporation, 100 Mission Ridge, Goodlettsville, Tennessee 37072.

DIRECTOR COMPENSATION

Our director compensation program is designed to fairly pay directors for their time and efforts and to align their interests with the long-term interests of our shareholders. At least once every two years, the Compensation Committee reviews the form and amount of director compensation in light of these goals and makes related recommendations to the Board of Directors. The Committee considers peer group market data as the primary market reference point, survey data of general industry companies with revenues greater than \$10 billion for a general understanding of compensation practices in the broader market context, and directional recommendations, all as presented by its independent compensation consultant, Pearl Meyer. More information about our peer group and the Pearl Meyer engagement can be found under “Use of Market Data” and “Use of Outside Advisors,” respectively, in “Compensation Discussion and Analysis.” The Committee has the authority to delegate any of its responsibilities to one or more subcommittees as the Committee may deem appropriate to the extent allowed by applicable law and the NYSE.

Management serves in an administrative and support role for the Compensation Committee and Pearl Meyer, conducting research, compiling data, providing necessary Company-specific information, or otherwise assisting as requested. The Committee also may seek management’s viewpoint on Pearl Meyer’s analysis and recommendations.

The following table and text summarize the compensation earned by or paid to each person who served as a non-employee member of our Board of Directors during all or part of 2021. Mr. Vasos, whose executive compensation is discussed under “Executive Compensation” below, was not separately compensated for his service on the Board. We have omitted the columns pertaining to “Non-Equity Incentive Plan Compensation” and “Change in Pension Value and Nonqualified Deferred Compensation Earnings” because they are inapplicable.

Fiscal 2021 Director Compensation

Name	Fees Earned or Paid in Cash (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	Option Awards (\$) ⁽³⁾	All Other Compensation (\$) ⁽⁴⁾	Total (\$)
Warren F. Bryant	95,000	154,323	—	1,381	250,704
Michael M. Calbert	112,500	336,279	—	2,972	451,751
Patricia D. Fili-Krushel	115,000	154,323	—	1,381	270,704
Timothy I. McGuire	95,000	154,323	—	1,381	250,704
William C. Rhodes, III	120,000	154,323	—	1,381	275,704
Debra A. Sandler	95,000	154,323	—	1,381	250,704
Ralph E. Santana	95,000	154,323	—	1,381	250,704

- (1) In addition to the annual Board retainer, Messrs. Calbert and Rhodes and Ms. Fili-Krushel earned annual retainers for service as committee chairpersons during fiscal 2021.
- (2) Represents the grant date fair value of restricted stock units (“RSUs”) awarded to Mr. Calbert on February 1, 2021 (\$181,956) for his annual Chairman of the Board retainer, as well as to each director (including Mr. Calbert) on May 25, 2021 (\$154,323), in each case computed in accordance with FASB ASC Topic 718. Information regarding assumptions made in the valuation of these awards is included in Note 9 of the annual consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended January 28, 2022, filed with the SEC on March 18, 2022 (our “2021 Form 10-K”). As of January 28, 2022, each of the persons listed in the table above had the following total unvested RSUs outstanding (including additional unvested RSUs credited as a result of dividend equivalents earned with respect to such RSUs): each of Messrs. Bryant, McGuire, Rhodes and Santana and Mss. Fili-Krushel and Sandler (781); and Mr. Calbert (1,732).
- (3) The Board eliminated the use of stock option awards as part of director compensation beginning in fiscal 2015. As of January 28, 2022, each of the persons listed in the table above had the following total unexercised stock options outstanding (whether or not then exercisable): each of Messrs. Bryant and Calbert and Ms. Fili-Krushel (8,833); and each of Messrs. McGuire, Rhodes and Santana and Ms. Sandler (0).
- (4) Represents the dollar value of dividend equivalents paid, accumulated or credited on unvested RSUs. Perquisites and personal benefits, if any, totaled less than \$10,000 per director and therefore are not included in the table.

Each non-employee director receives payment (prorated as applicable) for a fiscal year in quarterly installments of the following cash compensation, as applicable, along with an annual award of RSUs, payable in shares of our common stock, having the estimated value listed below:

Fiscal Year	Board Retainer (\$)	Audit Committee Chairperson Retainer (\$)	Compensation Committee Chairperson Retainer (\$)	Nominating Committee Chairperson Retainer (\$)	Estimated Value of Equity Award (\$)
2021	95,000	25,000	20,000	17,500	165,000 ⁽¹⁾

(1) For annual equity awards granted in fiscal 2022, the estimated value of the equity award has been increased to \$175,000 as a result of the Committee's review of market data and the recommendations of the Committee's compensation consultant.

The RSUs are awarded annually to each non-employee director who is elected or re-elected at the annual shareholders' meeting and to any new director appointed thereafter but before February 1 of a given year. The RSUs are scheduled to vest on the first anniversary of the grant date subject to certain accelerated vesting conditions. Directors generally may defer receipt of shares underlying the RSUs. Prior to fiscal 2022, the RSUs were awarded under our Amended and Restated 2007 Stock Incentive Plan. For grants made beginning in fiscal 2022, the RSUs are awarded under our 2021 Stock Incentive Plan.

In addition to the fees outlined above, the Chairman of the Board receives an annual retainer delivered in the form of RSUs, payable in shares of our common stock and scheduled to vest on the first anniversary of the grant date, subject to certain accelerated vesting conditions, having an estimated value of \$200,000. Prior to fiscal 2022, the RSUs were awarded under our Amended and Restated 2007 Stock Incentive Plan. For grants made beginning in fiscal 2002, the RSUs are awarded under our 2021 Stock Incentive Plan.

The forms and amounts of director compensation as outlined above were recommended by the Compensation Committee and approved by the Board after taking into account market data, recommendations of the Committee's compensation consultant, Pearl Meyer, and, for the additional equity award to the Chairman of the Board, his further responsibilities to the Company.

Up to 100% of cash fees earned for Board services in a fiscal year generally may be deferred under the Non-Employee Director Deferred Compensation Plan.

Benefits are payable upon separation from service in the form, as elected by the director at the time of deferral, of a lump sum distribution or monthly payments for 5, 10 or 15 years. Participating directors can direct the hypothetical investment of deferred fees into funds identical to those offered in our 401(k) Plan and will be credited with the deemed investment gains and losses. The amount of the benefit will vary depending on the fees the director has deferred and the deemed investment gains and losses. Benefits upon death are payable to the director's named beneficiary in a lump sum. In the event of a director's disability (as defined in the Non-Employee Director Deferred Compensation Plan), the unpaid benefit will be paid in a lump sum. Participant deferrals are not contributed to a trust, and all benefits are paid from Dollar General's general assets.

Our non-employee directors are subject to share ownership guidelines, expressed as a multiple of the annual cash retainer payable for service on our Board (exclusive of additional amounts paid to each Committee chairperson), and holding requirements. The current ownership guideline is 5 times and should be acquired within 5 years of election to the Board. When the ownership guideline is increased, incumbent non-employee directors are allowed an additional year to acquire the incremental multiple. Each non-employee director is required to retain ownership of 100% of all net after-tax shares granted by Dollar General until reaching the share ownership target. As of January 28, 2022, each of our Board members was in compliance with our share ownership and holding requirement policy either because he or she met the guideline or was within the allotted grace period.

DIRECTOR INDEPENDENCE

Is Dollar General subject to the NYSE governance rules regarding director independence?

Yes. A majority of our directors must satisfy the independence requirements set forth in the NYSE listing standards. All members of the Audit Committee, the Compensation Committee and the Nominating Committee also must be independent to comply with NYSE listing standards and, in the case of the Audit Committee, with SEC rules. The NYSE listing standards define specific relationships that disqualify directors from being independent and further require that the Board of Directors affirmatively determine that a director has no material relationship with Dollar General in order to be considered “independent.” The SEC’s rules and NYSE listing standards contain separate definitions of independence for members of audit committees and compensation committees, respectively.

How does the Board of Directors determine director independence?

Our Board of Directors determines the independence of each director and director nominee using guidelines it has adopted, which include all elements of independence in the NYSE listing standards and SEC rules as well as certain Board-adopted categorical independence standards. These guidelines are detailed within our Corporate Governance Guidelines posted on the “Corporate Governance” section of our website located at <https://investor.dollargeneral.com>.

The Board first considers whether any director or nominee has a relationship covered by the NYSE listing standards that would prohibit an independence finding for Board or committee purposes. The Board then analyzes any relationship of the remaining eligible directors and nominees with Dollar General or our management that falls outside the parameters of the Board’s separately adopted categorical independence standards to determine if that relationship is material. The Board may determine that a person who has a relationship outside such parameters is nonetheless independent because the relationship is not considered to be material. Any director who has a material

relationship with Dollar General or its management is not considered to be independent. Absent special circumstances, the Board does not consider or analyze any relationship that management has determined falls within the parameters of the Board’s separately adopted categorical independence standards.

Are all of the directors and nominees independent?

Our CEO, Todd J. Vasos, is the only non-independent director. Our Board of Directors has affirmatively determined that each of Messrs. Bryant, Calbert, McGuire, Rhodes and Santana and Mss. Fili-Krushel and Sandler is independent under both the NYSE listing standards and our additional independence standards. Any relationship between an independent director and Dollar General or our management fell within the Board-adopted categorical standards and, accordingly, was not reviewed or considered by the Board in making independence decisions. There is no person currently serving or who served in 2021 on the Audit Committee, the Compensation Committee or the Nominating Committee that does or did not meet, as applicable, the NYSE independence requirements for membership on those committees, our additional standards and, as to the Audit Committee, SEC rules.

TRANSACTIONS WITH MANAGEMENT AND OTHERS

Does the Board of Directors have a related-party transactions approval policy?

Yes. Our Board of Directors has adopted a written policy for the review, approval or ratification of “related party transactions.” For purposes of this policy, a “related party” includes our directors, director nominees, executive officers and greater than 5% shareholders, and any of their immediate family members, and a “transaction” includes one or a series of similar financial or other transactions, arrangements or relationships in which (1) Dollar General or one of our subsidiaries is a participant; (2) a related party has a direct or indirect material interest; and (3) the total amount may exceed \$120,000 and is required to be disclosed pursuant to Item 404 of Regulation S-K under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as determined by our Law Department.

The policy requires that a designated Board committee review in advance and oversee related party transactions for potential conflicts of interest and prohibit the transaction if it determines the transaction is inconsistent with the interests of Dollar General and our shareholders. The Audit Committee is the designated committee for related party transactions except for compensatory transactions, which the Compensation Committee will review and oversee, and charitable donations or payments to an industry group, which the Nominating Committee will oversee. The related party may not participate in the review or approval of the related party transaction.

In determining whether a related party transaction should be approved or prohibited, the policy directs the designated committee to consider all relevant facts and circumstances, which may include among other factors whether:

- the terms of the transaction are fair to Dollar General and on the same basis as if the transaction had occurred on an arm’s-length basis;
- there are any compelling business reasons for Dollar General to enter into the transaction, and the nature of alternative transactions, if any; and
- the transaction would present an improper conflict of interest for any of our Board members or executive officers.

If approved, the designated committee will review each ongoing related party transaction at least annually to determine whether it should be allowed to continue.

If a related party transaction is inadvertently entered into without the required prior approval, including without limitation if a related party’s interest arises only after the commencement of an ongoing transaction, the designated committee will review the transaction as soon as is reasonably practicable and determine whether to ratify or prohibit the transaction, taking into consideration all relevant facts and circumstances, which may include among other factors those outlined above, the reason the policy was not followed and whether subsequent ratification would be detrimental to Dollar General.

In determining whether a transaction meets the definition of a related party transaction under the policy, the policy directs the Law Department to evaluate all relevant facts and circumstances, but provides that a related party’s interest in the following transactions generally would not be considered material, although the transaction amounts listed are not intended to imply that transaction amounts in excess of such amounts are presumed to be material:

- transactions involving a total amount that does not exceed the greater of \$1 million or 2% of an entity’s annual consolidated revenues (total consolidated assets in the case of a lender) if no related party who is an individual participates in providing the services or goods to, or negotiations with, us on the other entity’s behalf or receives special compensation or benefit as a result; or
- payments to a charitable organization, foundation or university if the total amount does not exceed 2% of the recipient’s total annual receipts and no related party who is an individual participates in the payment decision or receives any special compensation or benefit as a result.

What related party transactions existed in 2021 or are planned for 2022?

There are no transactions that have occurred since the beginning of 2021, or any currently proposed transactions, that involve Dollar General and exceed \$120,000 and in which a related party had or has a direct or indirect material interest.

EXECUTIVE COMPENSATION

This section provides details of fiscal 2021 compensation for our named executive officers: Todd J. Vasos, Chief Executive Officer; John W. Garratt, Executive Vice President and Chief Financial Officer; Jeffery C. Owen, Chief Operating Officer; Rhonda M. Taylor, Executive Vice President and General Counsel; and Carman R. Wenkoff, Executive Vice President and Chief Information Officer.

Compensation Discussion and Analysis

Overview

Our executive compensation program is designed to serve the long-term interests of our shareholders. To deliver superior shareholder returns, we believe it is critical to offer a competitive compensation package that will attract, retain, and motivate experienced executives with the requisite expertise. Our program is designed to balance the short-term and long-term components and thus incent achievement of our annual and long-term business strategies, to pay for performance, and to maintain our competitive position in the market in which we compete for executive talent.

Compensation Best Practices

We strive to align our executives' interests with those of our shareholders and to follow sound corporate governance practices.

Compensation Practice	Dollar General Policy
Pay for performance	A significant portion of compensation, including our annual Teamshare cash bonus incentive and our equity incentive compensation, is either performance-based, linked to changes in our stock price, or both.
Robust share ownership guidelines and holding requirements	Our share ownership guidelines and holding requirements create further alignment with shareholders' long-term interests. See "Share Ownership Guidelines and Holding Requirements."
Clawback policy	Our annual performance share unit ("PSU") equity awards and the annual Teamshare cash bonus program allow for the clawback of performance-based incentive compensation paid or awarded to a named executive officer in the case of a material financial restatement resulting from fraud or intentional misconduct on the part of the executive officer.
Hedging, pledging and margin prohibitions	Our policy prohibits executive officers and Board members (and certain of their family members, entities and trusts) from hedging against any decrease in the market value of Dollar General equity securities awarded by our company and held by them, and from pledging as collateral or holding in a margin account any securities issued by Dollar General. See "Hedging and Pledging Policies."
No excise tax gross-ups and minimal income tax gross-ups	We do not provide tax gross-up payments to named executive officers other than on relocation-related items.
Double-trigger provisions	All equity awards granted to named executive officers include a "double-trigger" vesting provision upon a change in control.
No repricing or cash buyout of underwater stock options without shareholder approval	Our equity incentive plans prohibit repricing underwater stock options, reducing the exercise price of stock options or replacing awards with cash or another award type, without shareholder approval.
Annual compensation risk assessment	At least annually, our Compensation Committee assesses the risk of our compensation program.

Pay for Performance

Consistent with our philosophy, and as illustrated to the right, a significant portion of annualized total target compensation for our named executive officers in 2021 was variable/at-risk as a result of being either performance-based, linked to changes in our stock price, or both.

In addition, the following financial performance was achieved in accordance with our short-term and long-term incentive plans:

- **Teamshare Bonus Program**

We achieved 2021 adjusted EBIT (as defined and calculated for purposes of the 2021 Teamshare bonus program) of \$3.468 billion, or 118.7% of the adjusted EBIT target, which resulted in a 2021 Teamshare payout to each named executive officer of 224.4% of his or her target Teamshare bonus percentage opportunity (see “Short-Term Cash Incentive Plan”).

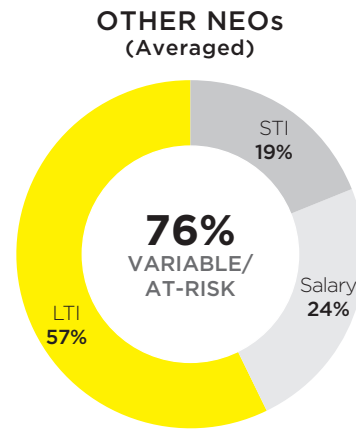
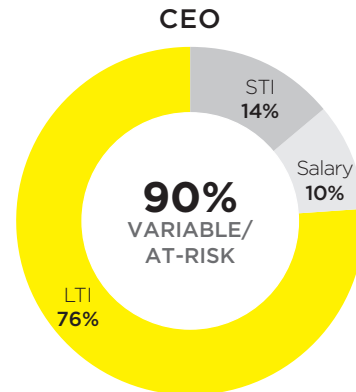
- **Performance Share Units**

The portion of the awards granted in March 2021 subject to 2021 adjusted EBITDA performance was earned at 196.1% of target, based on achieving adjusted EBITDA of \$4.103 billion, or 114.4% of the adjusted EBITDA target, and the portion of the awards granted in March 2019 subject to 2019-2021 adjusted ROIC performance was earned at the maximum of 300.0% of target based on achieving adjusted ROIC of 24.72%, or 119.5% of the adjusted ROIC three-year 2019-2021 target (which is greater than the maximum achievement level of 104.8%), in each case as defined and calculated in the PSU award agreements (see “Long-Term Equity Incentive Program”).

Shareholder Response

The most recent shareholder advisory vote on our named executive officer compensation was held on May 26, 2021. Excluding abstentions and broker non-votes, 90.1% of total votes were cast in support of the program. Because we view this outcome as very supportive of our compensation policies and practices, we do not believe the vote requires consideration of changes to the program. Nonetheless, because market practices and our business needs continue to evolve, we continually evaluate our program, including shareholder feedback, and make changes when warranted.

At our annual meeting of shareholders held on May 31, 2017, our shareholders expressed a preference that advisory votes on executive compensation occur every year. Consistent with this preference, our Board of Directors implemented an annual advisory vote on executive compensation until the next advisory vote on the frequency of shareholder votes on executive compensation, which will occur at our 2023 annual meeting of shareholders.



- LTI — Long-Term Equity Incentive (stock options and performance share units)
- STI — Short-Term Cash Incentive (Teamshare bonus program)

Philosophy and Objectives

We strive to attract, retain, and motivate persons with superior ability, to reward outstanding performance, and to align the long-term interests of our named executive officers with those of our shareholders. The material compensation principles applicable to the compensation of our named executive officers are outlined below:

- In determining total compensation, we consider a reasonable range of the median of total compensation of comparable positions at companies within our peer group, while accounting for distinct circumstances not reflected in the market data such as unique job descriptions as well as our particular niche in the retail sector and the impact that a particular officer may have on our ability to meet business objectives. For competitive or other reasons, our levels of total compensation or any component of compensation may exceed or be below the median range of our peer group.

- We set base salaries to reflect the responsibilities, experience, performance, and contributions of the named executive officers and the salaries for comparable positions, while maintaining an appropriate balance between base salary and incentive compensation.
- We reward named executive officers who enhance our performance by linking cash and equity incentives to the achievement of our financial goals.
- We promote share ownership to align the interests of our named executive officers with those of our shareholders.
- In approving compensation arrangements, we may consider recent compensation history, including special or unusual compensation payments.

Oversight and Process

Oversight

The Compensation Committee of our Board of Directors, or a subcommittee thereof if required for tax or other reasons, in each case consisting entirely of independent directors, determines and approves the compensation of our named executive officers. Throughout this “Compensation Discussion and Analysis,” the use of the term Compensation Committee (or Committee) means either the entire committee or a subcommittee thereof if required for tax or other reasons, as applicable. The independent members of our Board are provided the opportunity to ratify the Committee’s determinations pertaining to the level of CEO compensation.

Use of Outside Advisors

The Compensation Committee has selected Pearl Meyer to serve as its compensation consultant and has determined that Pearl Meyer is independent and that its work has not raised any conflicts of interest. When requested by the Committee, a Pearl Meyer representative attends Committee meetings and participates in private sessions with the Committee, and Committee members are free to consult directly with Pearl Meyer as desired.

The Committee (or its Chairperson) determines the scope of Pearl Meyer’s services and has approved a written agreement that details the terms under which Pearl Meyer will provide independent advice to the Committee. The approved scope of Pearl Meyer’s work generally includes the performance of analyses and provision of independent advice related to our executive and non-employee director compensation programs and related matters in support of the Committee’s decisions, and more specifically, includes performing preparation work associated with Committee meetings, providing advice in areas such as compensation philosophy, compensation risk

assessment, peer group, incentive plan design, target versus realizable pay, executive compensation disclosure, excise tax calculations upon change in control, emerging best practices and changes in the regulatory environment, and providing competitive market studies. Pearl Meyer, along with management, also prepares market data for consideration by the Committee in making decisions on items such as base salary, the Teamshare bonus program, and the long-term incentive program.

Management’s Role

Our executive management team prepares and recommends our annual financial plan to our Board of Directors for approval and establishes a 3-year financial plan. The financial performance targets used in our incentive compensation programs are the same as those in such financial plans and approved by our Compensation Committee. Our CEO and our Chief People Officer, as well as non-executive members of the human resources group, provide assistance to the Committee and Pearl Meyer regarding executive compensation matters, including conducting research, compiling data and/or making recommendations regarding compensation amount, compensation mix, incentive program structure alternatives, target versus realizable pay, and compensation-related governance practices, as well as providing information to and coordinating with Pearl Meyer as requested. Additionally, our General Counsel may provide legal advice to the Committee regarding executive compensation and related governance and legal matters and contractual arrangements from time to time. Although these recommendations may impact each of such officers’ compensation to the extent they participate in the plans and programs, none of such officers make recommendations to the Committee regarding their specific compensation. For the role of management in named executive officers’ performance evaluations, see “Use of Performance Evaluations” below. Although the Committee values and solicits management’s input, it retains and exercises sole authority to make decisions regarding named executive officer compensation.

Use of Performance Evaluations

Each member of the Board of Directors is asked to provide feedback to the Chairman of the Board regarding the CEO’s overall performance. The Chairman of the Board shares such information with the Compensation Committee. The Compensation Committee, together with the Chairman of the Board, assesses the performance of the CEO, and the CEO evaluates and reports to the Committee on the performance of each of the other named executive officers, in each case versus previously established goals. The Committee also has the opportunity to

provide input into each named executive officer's performance evaluation. These evaluations are subjective; no objective criteria or relative weighting is assigned to any individual goal or factor.

Performance ratings serve as an eligibility threshold for annual base salary increases and may directly impact the amount of such increases. The Committee starts with the percentage base salary increase that equals the overall budgeted increase for our U.S.-based employee population and approves differing merit increases to base salary based upon each named executive officer's individual performance rating. The Committee then considers whether additional adjustments are necessary to reflect performance, responsibilities or qualifications; to bring pay within a reasonable range of the peer group; due to a change in role or duties; to achieve a better balance between base salary and incentive compensation; to more appropriately align relative pay position among internal peers; or for other reasons the Committee believes justify a variance from the merit increase.

Performance evaluation results have the potential to affect the amount of Teamshare bonus payout because the Committee has the ability to adjust payments upward or downward depending upon the named executive officer's individual performance or other factors, although the Committee does not always exercise this right each year.

An unsatisfactory performance rating will reduce the number of, or completely eliminate, stock options awarded to the named executive officer in the following year. In addition, individual performance and other factors, such as retention, succession, and company and department performance, are used as part of a subjective assessment to determine each named executive officer's equity award value within a previously determined range of values.

Use of Market Data

The Compensation Committee approves, periodically reviews, and utilizes a peer group when making compensation decisions (see "Philosophy and Objectives"). The peer group data typically is considered annually for base salary adjustments, target equity award values, Teamshare target bonus opportunities, and total target compensation, and periodically when considering structural changes to our executive compensation program.

Our peer group consists of companies selected according to their similarity to our operations, services, revenues, markets, availability of information, and any other information the Committee deems appropriate. Such companies are likely to have executive positions comparable in breadth, complexity and scope of responsibility to ours. The peer group used for 2021

compensation decisions, which was unchanged from the prior year's peer group, consisted of:

Aramark	Kohl's	Sysco
AutoZone	L Brands	Target
Best Buy	Lowe's	TJX Companies
CarMax	Ross Stores	Tractor Supply
Dollar Tree	Starbucks	Yum! Brands
Genuine Parts		

Pearl Meyer provides peer group data annually for the CEO, to ensure that the Committee is aware of any significant movement in CEO compensation levels within the peer group, and biennially for each named executive officer position below CEO. In alternating years, the Committee uses the prior year data for non-CEO compensation decisions after applying an aging factor recommended by Pearl Meyer. Pearl Meyer provided peer group data for all 2021 CEO and non-CEO compensation decisions.

Elements of Named Executive Officer Compensation

We provide compensation in the form of base salary, short-term cash incentives, long-term equity incentives, benefits, and limited perquisites. We believe each of these elements is a necessary component of the total compensation package and is consistent with compensation programs at companies with whom we compete both for business and talent. Decisions regarding each named executive officer's 2021 compensation are discussed below, followed by a description of each element of compensation and the related applicable programs, as well as applicable financial performance results certified with respect to performance periods that ended in 2021.

2021 Compensation Generally

The Compensation Committee considered the annual compensation of each named executive officer in March 2021.

(a) 2021 Compensation Decisions for Mr. Vasos

The Compensation Committee considered the base salary, short-term incentive, and long-term incentive components of Mr. Vasos's compensation, as well as his total target compensation, in each case in comparison to the peer group data (see "Use of Market Data"). After considering the peer group data, as well as Mr. Vasos's and the Company's fiscal 2020 performance (see "Use of Performance Evaluations"), Mr. Vasos's experience and tenure in the CEO role, and CEO succession planning, the Committee determined to maintain Mr. Vasos's base salary and short-term incentive bonus percentage at his prior year levels (\$1,350,000 and 150% of base salary, respectively) and to increase his 2021 equity award value to

\$10.625 million and structure such award to enhance his performance and retention incentives and, in the event of his early retirement after April 1, 2022, to (a) secure his provision of up to 24 months of post termination transition services to the Company, and (b) further protect shareholders and the Company through an extension of his non-compete and non-solicitation periods from two to three years under his employment agreement. See “Short-Term Cash Incentive Plan” and “Long-Term Equity Incentive Program” for a description of such programs and “Potential Payments Upon Termination or Change in Control—Payments Upon Termination Due to Retirement—Early Retirement” and “Potential Payments Upon Termination or Change in Control—Payments After a Change in Control—Equity Awards—Other Stock Options and Performance Share Units” for a description of the early retirement provisions of Mr. Vasos’s 2021 equity award agreements.

(b) 2021 Compensation Decisions for Other Named Executive Officers

The Compensation Committee considered the base salary, short-term incentive, and long-term incentive components, as well as total target compensation, of the non-CEO named executive officers, in each case in comparison to the peer group data (see “Use of Market Data”), as well as each such officer’s performance (see “Use of Performance Evaluations”). The Committee made no change to any such officer’s target short-term incentive bonus percentage opportunity (for Mr. Owen, 100% of base salary, and for all other non-CEO officers, 75% of base salary) from the prior year’s level, which the Committee concluded remained reasonably aligned with the peer group data. See “Short-Term Cash Incentive Plan” for a description of the bonus program.

Continuing the practice begun in 2019, the Committee incorporated the use of an equity award value range to determine each non-CEO named executive officer’s equity award value level to achieve better market alignment at the individual position level while continuing to allow for subjective performance differentiation and sufficiently incenting and retaining such officers. The Committee determined the equity award value range based on the peer group data and then determined each such named executive officer’s actual award value within the range based on comparisons of his or her total target compensation against the peer group data, as well as a subjective assessment of a variety of factors outlined above under “Use of Performance Evaluations.” Each such officer’s March 2021 equity award value was: Mr. Garratt (\$1.7 million), Mr. Owen (\$2.2 million), and Ms. Taylor and Mr. Wenkoff (\$1.6 million). See “Long-Term Equity Incentive Program” for a description of the equity awards.

In addition, the Committee approved base salary merit increases by reference to the 3.0% overall U.S. merit budget increase for 2021 and adjusted to take into account each such officer’s 2020 performance, resulting in a base salary increase of 2.49% for Mr. Owen and 3.49% for each of Messrs. Garratt and Wenkoff and Ms. Taylor, effective April 1, 2021. After comparing each such officer’s total target compensation for 2021 against the peer group data, the Committee determined that, with the exception of Mr. Wenkoff, each such officer’s total target compensation for 2021 remained within a reasonable range of the peer group median given the responsibilities of the position, the contributions and experience of the individual, and relative pay positions among peers, and thus no additional base salary adjustments were made. However, to more closely align with the peer group median given the responsibilities of his position, contributions and experience, and relative pay position among his internal peers, the Committee approved an additional 15.7% base salary increase for Mr. Wenkoff, effective April 1, 2021. See “Use of Performance Evaluations.”

Base Salary

Base salary promotes our recruiting and retention objectives by reflecting the salaries for comparable positions in the competitive marketplace, recognizing performance, and providing a stable and predictable income source for our executives. Our employment agreements set forth minimum base salary levels, which the Compensation Committee retains sole discretion to increase from time to time. The Committee routinely considers annual base salary adjustments in March.

Short-Term Cash Incentive Plan

Our short-term cash incentive plan, called Teamshare, provides an opportunity to receive a cash bonus payment equal to a certain percentage of base salary based upon Dollar General’s level of achievement of one or more pre-established financial performance targets. Accordingly, Teamshare fulfills an important part of our pay for performance philosophy while aligning the interests of our named executive officers and our shareholders.

(a) 2021 Teamshare Structure

The Compensation Committee uses adjusted EBIT as the Teamshare financial performance measure because it is a comprehensive measure of corporate performance that the Committee believes aligns with our shareholders’ interests and is reasonably consistent with the practices of the peer group. The Committee further believes that focusing Teamshare on operating profit ensures that management is focused on two of our key operating priorities: driving profitable sales

growth and enhancing our position as a low-cost operator. Additionally, due to the uncertainty of the passage of federal, state or local legislation related to wages and benefits in 2021, which could have had a significant impact on business results, the Committee determined that additional language should be added to the definition of adjusted EBIT for the 2021 Teamshare program to allow the Committee the ability to consider these items in a similar fashion to the historical adjustments allowed for the implementation of unplanned accounting and tax legislative changes. Accordingly, for purposes of the 2021 Teamshare program, adjusted EBIT is defined as our operating profit as calculated in accordance with U.S. generally accepted accounting principles, but excludes the impact of (a) costs, fees and expenses directly related to the consideration, negotiation, preparation, or consummation of any transaction that results in a Change in Control (within the meaning of our Amended and Restated 2007 Stock Incentive Plan) or to any securities offering; (b) disaster-related charges; (c) gains or losses associated with our LIFO computation; and (d) unless the Committee disallows any such item, (i) any unbudgeted loss which individually exceeds \$1 million as a result of the resolution of a legal matter or (ii) any unplanned loss or gain which individually exceeds \$1 million related to the implementation of accounting or tax legislative changes or changes in federal, state or local wage or benefit mandates, or (iii) any unplanned loss or gain of a non-recurring nature which individually exceeds \$1 million, provided that the combined amount of (i), (ii) and (iii) equals or exceeds loss(es) or gain(s) of \$10 million in the aggregate.

The Committee set the 2021 adjusted EBIT performance goal at approximately \$2.922 billion, which was the adjusted EBIT target amount in our Board-approved 2021 annual financial plan. For 2021, the threshold (below which no bonus may be earned) and maximum (above which no further bonus may be earned) performance levels for the adjusted EBIT performance measure were 85% and 130% of the target level, respectively, and the corresponding payout percentages at the threshold and maximum performance level were calculated at 25% and 300%, respectively. The Committee believed that these performance and payout slopes, which varied slightly from historical practice, were appropriate to reduce the impact of uncontrollable swings in performance that could contribute to downside risk or upside windfall in light of continuing uncertainties in our business arising from the impact of the COVID-19 pandemic and the resulting difficulty in goal-setting these uncertainties created while also continuing to acceptably align with the practices of the peer group and our pay for performance philosophy. Payouts for financial performance are based on actual adjusted EBIT results and are interpolated on a straight-line basis between

the threshold and target levels and between the target and maximum levels.

The bonus payable to each named executive officer employed with us on the payment date upon achieving the target level of financial performance is equal to the officer's applicable percentage of base salary disclosed under "2021 Compensation Generally," unless the Committee elects to consider other factors as allowed under the program as described above under "Use of Performance Evaluations".

(b) 2021 Teamshare Results

The Compensation Committee certified the adjusted EBIT performance result at \$3.468 billion (118.7% of the adjusted EBIT target) which resulted in 2021 Teamshare payouts to each named executive officer of 224.4% of each such officer's target Teamshare bonus percentage opportunity. Such amounts are reflected in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table.

(c) Significant 2022 Teamshare Structure Changes

For the 2022 Teamshare program approved by the Committee in March 2022, the threshold and maximum performance levels for the adjusted EBIT performance measure are 90% and 120% of the target level, respectively, and the corresponding payout percentages at the threshold and maximum performance levels will be calculated at 50% and 300%, respectively, which is consistent with the historical structure of the Teamshare program. Because uncontrollable swings in performance that could contribute to downside risk or upside windfall in light of uncertainties in our business arising from the impact of the COVID-19 pandemic are not anticipated in 2022 to the degree that was expected at the beginning of 2021, the Committee believes that this return to historical practice in the current environment appropriately aligns pay and performance and remains reasonably consistent with the practices of the peer group. In addition, the Committee will allow pro-ration of the Teamshare payout, to the extent earned, in the event of death prior to the end of the performance period.

Long-Term Equity Incentive Program

Long-term equity incentives are an important part of our pay for performance philosophy and are designed to motivate named executive officers to focus on long-term success for shareholders while rewarding them for a long-term commitment to us. The Compensation Committee considers annual equity awards each March at its regular quarterly meeting and considers additional equity awards in connection with one-time events such as a new hire or promotion generally at its regularly scheduled quarterly meetings. 2021 equity awards to our named executive officers

were made under our shareholder-approved Amended and Restated 2007 Stock Incentive Plan.

(a) 2021 Annual Equity Award Structure

The Compensation Committee delivers the annual equity awards to named executive officers 50% in options and 50% in PSUs, believing that this mix continues to appropriately align the interests of management with those of shareholders and remains reasonably aligned with the practices of the peer group.

The options are granted with a per share exercise price equal to the fair market value of one share of our common stock on the grant date. With the exceptions described below in “Special Provisions of Mr. Vasos’s 2021 Annual Equity Award” for Mr. Vasos, the options vest 25% annually on April 1 of each of the four fiscal years following the fiscal year in which the grant is made, subject to continued employment with us and certain accelerated vesting provisions, and have a ten-year term. The PSUs can be earned if specified financial performance goals are achieved during the applicable performance periods and if certain additional vesting requirements are met as discussed more specifically below.

For PSUs the Committee selects and sets targets for financial performance measures, then establishes threshold and maximum levels of performance derived from those targets. The number of PSUs earned depends on the level of financial performance achieved versus such targets. The Committee selected adjusted EBITDA and adjusted ROIC as the financial performance measures for the 2021 PSUs. Half of the award is subject to adjusted EBITDA performance and half of the award is subject to adjusted ROIC performance. The Committee believes that these financial measures and the mix between them ensure that management is focused on longer-term investments in our business, as the combination of the two financial targets incentivizes management to invest in profitable initiatives with sound returns, thus aligning our strategic initiatives with financial results.

For the 2021 PSU awards, a one-year performance period corresponding to our 2021 fiscal year was established for the PSUs which are subject to the adjusted EBITDA performance measure. The adjusted EBITDA performance goal of approximately \$3.586 billion was the target amount set forth in our Board-approved 2021 annual financial plan. Further increasing the focus on multi-year performance as a counterbalance to short-term incentives, the PSUs

which are subject to the adjusted ROIC performance measure are subject to a three-year performance period beginning the first day of our 2021 fiscal year and extending through the last day of our 2023 fiscal year. The adjusted ROIC performance goal of 22.05% is the average of the adjusted ROIC goals for each fiscal year within the performance period as set forth in our three-year financial plan as it existed at the time the PSUs were awarded.

For 2021, the threshold (below which no bonus may be earned) and maximum (above which no further bonus may be earned) performance levels for the adjusted EBITDA performance measure were 85% and 130% of the target level, respectively, and the corresponding payout percentages at the threshold and maximum performance level were calculated at 25% and 300%, respectively. The Committee believed that these performance and payout slopes, which varied slightly from historical practice, were appropriate for the same reasons discussed under “2021 Teamshare Structure” above.

Adjusted EBITDA is calculated as income (loss) from continuing operations before cumulative effect of change in accounting principles plus interest and other financing costs, net, provision for income taxes, and depreciation and amortization, but excludes the impact of all items excluded from the 2021 Teamshare program adjusted EBIT calculation outlined under “2021 Teamshare Structure” above.

Adjusted ROIC for the three-year performance period is calculated as (a) the result of (x) the sum of (i) our operating income, plus (ii) depreciation and amortization, plus (iii) single lease cost, minus (y) taxes, divided by (b) the result of (x) the sum of the averages of the five most recently completed fiscal quarters of: (i) total assets, plus (ii) accumulated depreciation and amortization, minus (y) the difference of the averages of the five most recently completed fiscal quarters of: (i) cash, minus (ii) goodwill, minus (iii) accounts payable, minus (iv) other payables, minus (v) accrued liabilities, but excludes the impact of all items excluded from the 2021 Teamshare program adjusted EBIT calculation outlined under “2021 Teamshare Structure” above.

The following tables show the amount (as a percent of target) of such PSUs that could be earned at each of the threshold, target, and maximum performance levels for each applicable performance period, as well as the 2021 adjusted EBITDA performance result and the resulting number of PSUs earned by each eligible named executive officer as a result of such performance.

Level*	Adjusted EBITDA (2021)		
	Result v. Target (%)	EBITDA Result (\$) (in billions)	PSUs Earned (% of Target)
Below Threshold	<85	<3.048	0
Threshold	85	3.048	25
Target	100	3.586	100
Maximum	130	4.662	300
2021 Results	114.4	4.103	196.1

* PSUs earned for performance between threshold, target, and maximum levels are interpolated in a manner similar to that used for our 2021 Teamshare bonus program.

Name	2021 PSUs Earned (Adjusted EBITDA)
Mr. Vasos	26,240
Mr. Garratt	4,199
Mr. Owen	5,434
Ms. Taylor	3,951
Mr. Wenkoff	3,951

Level*	Adjusted ROIC (2021-2023)		
	Result v. Target (%)	ROIC Result (%)	PSUs Earned (% of Target)
Below Threshold	<95.5	<21.05	0
Threshold	95.5	21.05	50
Target	100.0	22.05	100
Maximum	104.5	23.05	300

* PSUs earned for performance between threshold, target, and maximum levels are interpolated in a manner similar to that used for our 2021 Teamshare bonus program.

Except as described below in “Special Provisions of Mr. Vasos’s 2021 Annual Equity Award” for Mr. Vasos, the PSUs earned by each named executive officer for fiscal 2021 adjusted EBITDA performance will vest in equal one-third installments on April 1, 2022, April 1, 2023, and April 1, 2024, subject to such officer’s continued employment with us and certain accelerated vesting provisions. Subject to certain pro-rata vesting conditions, the PSUs earned, if any, by each named executive officer for adjusted ROIC performance during the three-year performance period will vest on April 1, 2024, subject to such officer’s continued employment with us and certain accelerated vesting provisions. All vested PSUs will be settled in shares of our common stock.

(b) Special Provisions of Mr. Vasos’s 2021 Annual Equity Award

For the reasons set forth above under “2021 Compensation Decisions for Mr. Vasos,” Mr. Vasos’s option award agreement related to his 2021 annual equity award includes additional expiration, forfeiture and accelerated vesting conditions, and his PSU award agreement related to his 2021 annual equity award includes additional vesting, forfeiture and termination provisions, in each case, in the event he terminates employment due to an early retirement (as defined in

the award agreements) after April 1, 2022. For a detailed description of these award agreement provisions, see “Potential Payments Upon Termination or Change in Control—Payments Upon Termination Due to Retirement—Early Retirement” and “Potential Payments Upon Termination or Change in Control—Payments After a Change in Control—Equity Awards—Other Stock Options and Performance Share Units.”

(c) 2019 PSU Awards - Completed 2019-2021 Performance Period

Certain of the PSUs awarded in 2019 were subject to an adjusted ROIC performance measure for a three-year performance period beginning on the first day of our 2019 fiscal year and extending through the last day of our 2021 fiscal year, based on the average adjusted ROIC for each fiscal year within the three-year period. The average adjusted ROIC was derived from our three-year financial plan in place at the time of the award and is calculated as (a) the result of (x) the sum of (i) our operating income, plus (ii) depreciation and amortization, plus (iii) single lease cost, minus (y) taxes, divided by (b) the result of (x) the sum of the averages of: (i) total assets, including any assets associated with the adoption of new lease accounting standards in 2019 not otherwise reflected in our balance sheet, plus (ii) accumulated depreciation and amortization, minus

(y) (i) cash, minus (ii) goodwill, minus (iii) accounts payable, minus (iv) other payables, minus (v) accrued liabilities, but excluding the impact of (a) any costs, fees and expenses directly related to the consideration, negotiation, preparation or consummation of any transaction that results in a change in control (within the meaning of our Amended and Restated 2007 Stock Incentive Plan) or any security offering; (b) disaster-related charges; (c) any gains or losses associated with our LIFO computation; and (d) unless the Compensation Committee disallows any such item, (i) any unbudgeted loss as a result of the resolution of a legal matter or (ii) any unplanned loss(es) or gain(s)

related to the implementation of accounting or tax legislative changes or (iii) any unplanned loss(es) or gain(s) of a non-recurring nature, provided that in the case of each of (i), (ii) and (iii) such amount equals or exceeds \$1 million for a single loss or net loss or gain, as applicable, and \$10 million in the aggregate.

The following tables show the amount (as a percent of target) of such PSUs that could be earned at each of the applicable threshold, target and maximum performance levels, as well as the actual performance result and the number of such PSUs earned by each named executive officer.

Level*	Adjusted ROIC (2019-2021)		
	Result v. Target (%)	ROIC Result (%)	PSUs Earned (% of Target)
Below Threshold	<95.2	<19.68	0
Threshold	95.2	19.68	50
Target	100.0	20.68	100
Maximum	104.8	21.68	300
2019-2021 Results	119.5	24.72	300.0

* PSUs earned for performance between threshold, target, and maximum levels are interpolated in a manner similar to that used for our 2021 Teamshare bonus program.

Name	2019 - 2021 PSUs Earned (Adjusted ROIC)
Mr. Vasos	51,186
Mr. Garratt	8,637
Mr. Owen	9,915
Ms. Taylor	8,958
Mr. Wenkoff	8,316

(d) Significant 2022 Annual Equity Award Structure Changes

For the 2022 annual equity awards approved by the Committee in March 2022, the threshold and maximum performance levels for the adjusted EBITDA performance measure are 90% and 120% of the target level, respectively, and the corresponding payout percentages at the threshold and maximum performance levels will be calculated at 50% and 300%, respectively, which is consistent with historical practice. Because uncontrollable swings in performance that could contribute to downside risk or upside windfall in light of uncertainties in our business arising from the impact of the COVID-19 pandemic are not anticipated in 2022 to the degree that was expected at the beginning of 2021, the Committee believes that this return to historical practice in the current environment appropriately aligns pay and performance and remains reasonably consistent with the practices of the peer group.

(e) Share Ownership Guidelines and Holding Requirements

Our senior officers are subject to share ownership guidelines and holding requirements. The share ownership guideline is a multiple of annual base salary as in effect from time to time and is to be achieved within a five-year time period.

Officer Level	Multiple of Base Salary
CEO	6X
COO	4X
EVP	3X
SVP	2X

Each senior officer is required to retain ownership of 50% of all net after-tax shares issuable upon vesting or exercise of compensatory awards until the target ownership level is achieved. As of January 28, 2022, each of our named executive officers was in compliance with our share ownership and holding requirement policy.

(f) Hedging and Pledging Policies

Our policy prohibits Board members, executive officers, and their Controlled Persons from (1) pledging Dollar General securities as collateral, (2) holding Dollar General securities in a margin account, and (3) hedging against any decrease in the market value of equity securities awarded by Dollar General and held by them, such as entering into or trading prepaid variable forward contracts, equity swaps, collars, puts, calls, options, exchange funds (also known as swap funds) or other derivative instruments related to Dollar General equity securities. All other employees, as well as their Controlled Persons, are strongly discouraged from entering into these types of transactions. Controlled Persons include the Board member's, executive officer's or employee's respective spouses, immediate family members sharing their home or that are economically dependent on them, entities that they control, and trusts in which they serve as a trustee or are a beneficiary.

Benefits and Perquisites

Our named executive officers participate in certain benefits on the same terms that are offered to all of our salaried employees. We also provide them with limited additional benefits and perquisites for retention and recruiting purposes, to replace benefit opportunities lost due to regulatory limits, and to enhance their ability to focus on our business. We do not provide tax gross-up payments for named executive officers on any benefits and perquisites other than relocation-related items. The primary additional benefits and perquisites include the following:

- We provide a compensation deferral plan (the "CDP") and, for named executive officers hired or promoted prior to May 28, 2008, a defined contribution

Supplemental Executive Retirement Plan (the "SERP," and together with the CDP, the "CDP/SERP Plan") as discussed in more detail under "Nonqualified Deferred Compensation Fiscal 2021".

- We pay the premiums for a life insurance benefit equal to 2.5 times base salary up to a maximum of \$4 million.
- We provide a salary continuation program that provides income replacement for up to 26 weeks at 100% of base salary for the first three weeks and 70% of base salary thereafter. In addition to the income replacement benefit, we paid administrative fees associated with the program through March 31, 2021. We also pay the premiums under a group long-term disability plan that provides 60% of base salary up to a maximum monthly benefit of \$20,000.
- We provide a relocation assistance program under a policy applicable to officer-level employees.
- We offer personal financial and estate planning and tax preparation services through a third party.

In addition, as a result of the terms of his employment agreement with us, Mr. Vasos is entitled to reasonable non-exclusive use of our corporate aircraft for certain personal travel, not to exceed two round trips per calendar month.

Employment Agreements and Severance Arrangements

In 2021, we entered into new employment agreements with our named executive officers, each of which has a three-year term and is subject to certain automatic extensions. These agreements promote executive continuity, aid in retention, facilitate implementation of our clawback policy, and, in return for granting such executives certain severance and other rights upon a termination of employment, secure valuable protections for Dollar General, such as non-compete, non-solicitation, and confidentiality obligations.

We believe that reasonable severance benefits are appropriate to protect the named executive officer against circumstances over which he or she does not have control and as consideration for the promises of

non-disclosure, non-competition, non-solicitation, and non-interference, as well as the clawback rights that we require in our employment agreements. A change in control, by itself (“single trigger”), does not trigger any severance provision applicable to our named executive officers under the employment agreements.

Considerations Associated with Regulatory Requirements

The Compensation Committee views the tax deductibility of executive compensation as one of many factors to be considered in the context of its overall compensation philosophy and therefore reserves the right to approve compensation that may not be deductible in situations it deems appropriate.

Compensation Committee Report

The Compensation Committee of our Board of Directors reviewed and discussed with management the Compensation Discussion and Analysis required by

Item 402(b) of Regulation S-K and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this document.

This report has been furnished by the members of the Compensation Committee:

- Patricia D. Fili-Krushel, Chairperson
- Warren F. Bryant
- Timothy I. McGuire

The above Compensation Committee Report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Dollar General filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent Dollar General specifically incorporates this report by reference therein.

Summary Compensation Table

The following table summarizes compensation paid to or earned by our named executive officers in each of the 2021, 2020 and 2019 fiscal years. We have omitted from this table the columns for “Bonus” and “Change in Pension Value and Nonqualified Deferred Compensation Earnings” because they are inapplicable.

Name and Principal Position ⁽¹⁾	Year	Salary (\$) ⁽²⁾	Stock Awards (\$) ⁽³⁾	Option Awards (\$) ⁽⁴⁾	Non-Equity Incentive Plan Compensation (\$) ⁽⁵⁾	All Other Compensation (\$) ⁽⁶⁾	Total (\$)
Todd J. Vasos, Chief Executive Officer	2021	1,350,052	5,179,592	5,239,005	4,544,529	305,695	16,618,873
	2020	1,341,718	4,403,178	4,544,937	6,075,000	87,990	16,452,823
	2019	1,283,383	3,996,944	3,927,168	2,708,936	91,628	12,008,059
John W. Garratt, Executive Vice President & Chief Financial Officer	2021	794,061	828,781	838,227	1,344,028	67,261	3,872,358
	2020	767,284	782,849	807,990	1,736,125	63,620	4,157,868
	2019	742,091	674,435	662,705	776,709	66,524	2,922,464
Jeffery C. Owen, Chief Operating Officer	2021	845,241	1,072,461	1,084,805	1,904,528	68,659	4,975,694
	2020	823,405	1,076,301	1,110,990	2,484,144	64,017	5,558,857
	2019	725,972	774,346	1,058,485	880,443	65,770	3,505,016
Rhonda M. Taylor, Executive Vice President & General Counsel	2021	626,130	780,007	788,937	1,059,788	182,113	3,436,975
	2020	605,015	733,863	757,484	1,368,961	122,695	3,588,018
	2019	585,150	699,500	687,265	612,447	104,940	2,689,302
Carman R. Wenkoff, Executive Vice President & Chief Information Officer	2021	608,273	780,007	788,937	1,051,974	52,169	3,281,360
	2020	521,559	733,863	757,484	1,180,125	45,394	3,238,425

- (1) Mr. Owen served as Executive Vice President, Store Operations, from June 2015 until his promotion to Chief Operating Officer in August 2019. Mr. Wenkoff joined Dollar General in July 2017 but was not a named executive officer until 2020.
- (2) Each named executive officer deferred under the CDP and contributed to our 401(k) Plan a portion of salary earned in each of the fiscal years for which salaries are reported above for the applicable named executive officer. The amounts of the fiscal 2021 salary deferrals under the CDP are included in the Nonqualified Deferred Compensation Table.
- (3) The amounts reported represent the aggregate grant date fair value of PSUs awarded in each fiscal year for which compensation is required to be reported in the table for each named executive officer, in each case computed in accordance with FASB ASC Topic 718. The PSUs are subject to performance conditions, and the reported value at the grant date is based upon the probable outcome of such conditions on such date. The values of the PSUs at the grant date assuming that the highest level of performance conditions will be achieved are as follows for each fiscal year required to be reported for each applicable named executive officer:

Fiscal Year	Mr. Vasos (\$)	Mr. Garratt (\$)	Mr. Owen (\$)	Ms. Taylor (\$)	Mr. Wenkoff (\$)
2021	15,538,775	2,486,343	3,217,382	2,340,020	2,340,020
2020	13,209,533	2,348,547	3,228,904	2,201,589	2,201,589
2019	11,990,832	2,023,304	2,323,039	2,098,501	—

Information regarding the assumptions made in the valuation of these awards is set forth in Note 9 of the annual consolidated financial statements in our 2021 Form 10-K.

- (4) The amounts reported represent the aggregate grant date fair value of stock options awarded in each fiscal year for which compensation is required to be reported in the table for each named executive officer, in each case computed in accordance with FASB ASC Topic 718. Information regarding assumptions made in the valuation of these awards is set forth in Note 9 of the annual consolidated financial statements in our 2021 Form 10-K.
- (5) Represents amounts earned pursuant to our Teamshare bonus program for each fiscal year reported. See the discussion of the “Short-Term Cash Incentive Plan” in “Compensation Discussion and Analysis” above. Messrs. Vasos and Wenkoff deferred under the CDP 10% and 11%, respectively, of his fiscal 2021 Teamshare bonus payment reported above. Messrs. Vasos, Garratt and Wenkoff and Ms. Taylor deferred under the CDP 10%, 5%, 10% and 50%, respectively, of his or her fiscal 2020 Teamshare bonus payment reported above. Messrs. Vasos and Garratt and Ms. Taylor deferred under the CDP 5%, 5% and 25%, respectively, of his or her fiscal 2019 Teamshare bonus payment reported above.

EXECUTIVE COMPENSATION

(6) Includes the following amounts for each named executive officer:

Name	Company Match Contributions - 401(k) (\$)	Company Match Contributions - CDP (\$)	Company Contributions - SERP (\$)	Premiums for Life Insurance Program (\$)	Aggregate Incremental Cost of Providing Perquisites/Personal Benefits ^(a) (\$)
Mr. Vasos	14,500	53,003	—	2,827	235,365
Mr. Garratt	14,607	25,091	—	1,664	25,899
Mr. Owen	14,582	27,676	—	1,770	24,631
Ms. Taylor	14,584	16,718	149,499	1,312	—
Mr. Wenkoff	14,851	15,495	—	1,274	20,549

(a) Perquisites and personal benefits for Ms. Taylor totaled less than \$10,000 and accordingly the incremental cost is not included in the table or detailed in this footnote. None of the named executive officers received any perquisite or personal benefit for which the aggregate incremental cost individually equaled or exceeded the greater of \$25,000 or 10% of total perquisites except for Mr. Vasos for whom the aggregate incremental cost of personal airplane usage as allowed under his employment agreement totaled \$215,859 and was calculated using costs we would not have incurred but for the personal usage (including costs incurred as a result of “deadhead” legs of personal flights), including fuel costs, variable maintenance costs, crew expenses, landing, parking and other associated fees, supplies and catering costs, as well as charter costs when charter usage was necessary because our plane was unavailable. The aggregate incremental cost of providing perquisites and personal benefits to Messrs. Vasos (in addition to the aggregate incremental cost of providing the personal plane usage detailed above), Garratt, Owen and Wenkoff related to: (1) for each such named executive officer, financial and estate planning services, miscellaneous gifts and limited entertainment costs, premiums paid under our group long-term disability program and our accidental death and dismemberment policy, and an administrative fee for coverage under our short-term disability program; (2) for Mr. Garratt, an executive physical medical examination; and (3) for Messrs. Garratt and Owen, one or more directed charitable donations. We also provided each named executive officer with certain perquisites and personal benefits at no aggregate incremental cost to Dollar General, including access to participation in a group umbrella liability insurance program through a third party vendor at a group rate paid by the executive and coverage under our business travel accident insurance for which Dollar General pays a flat fee for the eligible employee population.

Grants of Plan-Based Awards in Fiscal 2021

The table below shows each named executive officer's 2021 Teamshare bonus opportunity under "Estimated Possible Payouts Under Non-Equity Incentive Plan Awards." Actual amounts earned under the 2021 Teamshare program are shown in the Summary Compensation Table and represent payment for financial performance between the target and maximum performance levels. See "Short-Term Cash Incentive Plan" in "Compensation Discussion and Analysis" for discussion of the Teamshare program.

The table below also shows information regarding equity awards made to our named executive officers for fiscal 2021, all of which were granted pursuant to our Amended and Restated 2007 Stock Incentive Plan. The awards listed under "Estimated Future Payouts Under Equity Incentive Plan Awards" include the threshold, target and maximum number of PSUs which could be earned by each named executive officer based upon the level of achievement of the applicable financial performance measures. The awards listed under "All Other Option Awards" include nonqualified stock options that vest over time based upon the applicable named executive officer's continued employment by Dollar General. See "Long-Term Equity Incentive Program" in "Compensation Discussion and Analysis" for further discussion of these awards. We have omitted from this table the column for "All Other Stock Awards" because it is inapplicable.

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh) ⁽¹⁾	Grant Date Fair Value of Stock and Option Awards (\$) ⁽²⁾
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)			
Mr. Vasos	—	506,250	2,025,000	6,075,000	—	—	—	—	—	—
	03/16/21	—	—	—	—	—	—	122,977	193.55	5,239,005
	03/16/21	—	—	—	10,035	26,761	80,283	—	—	5,179,592
Mr. Garratt	—	149,722	598,886	1,796,659	—	—	—	—	—	—
	03/16/21	—	—	—	—	—	—	19,676	193.55	838,227
	03/16/21	—	—	—	1,606	4,282	12,846	—	—	828,781
Mr. Owen	—	212,160	848,640	2,545,920	—	—	—	—	—	—
	03/16/21	—	—	—	—	—	—	25,464	193.55	1,084,805
	03/16/21	—	—	—	2,078	5,541	16,623	—	—	1,072,461
Ms. Taylor	—	118,058	472,232	1,416,695	—	—	—	—	—	—
	03/16/21	—	—	—	—	—	—	18,519	193.55	788,937
	03/16/21	—	—	—	1,512	4,030	12,090	—	—	780,007
Mr. Wenkoff	—	117,188	468,750	1,406,250	—	—	—	—	—	—
	03/16/21	—	—	—	—	—	—	18,519	193.55	788,937
	03/16/21	—	—	—	1,512	4,030	12,090	—	—	780,007

(1) The per share exercise price was calculated based on the closing market price of one share of our common stock on the date of grant as reported by the NYSE.

(2) Represents the aggregate grant date fair value of each equity award, computed in accordance with FASB ASC Topic 718. For equity awards that are subject to performance conditions, the value at the grant date is based upon the probable outcome of such conditions.

Outstanding Equity Awards at 2021 Fiscal Year-End

The table below sets forth information regarding awards granted under our Amended and Restated 2007 Stock Incentive Plan and held by our named executive officers as of the end of fiscal 2021. We have omitted from this table the column for “Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options” because it is inapplicable. All awards included in the table, to the extent they have not vested, are subject to certain accelerated vesting provisions as described in “Potential Payments upon Termination or Change in Control.” PSUs reported in the table are payable in shares of our common stock on a one-for-one basis.

Name	Grant Date	Option Awards				Stock Awards			
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) ⁽¹⁾	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) ⁽¹⁾
Mr. Vasos	03/21/2018	—	39,299 ⁽²⁾	92.98	03/21/2028	—	—	—	—
	03/20/2019	—	64,198 ⁽²⁾	117.13	03/20/2029	—	—	—	—
	03/17/2020	33,433 ⁽²⁾	100,290 ⁽²⁾	154.53	03/17/2030	—	—	—	—
	03/16/2021	—	122,977 ⁽²⁾	193.55	03/16/2031	—	—	—	—
	03/20/2019	—	—	—	—	58,221 ⁽³⁾	11,896,297	—	—
	03/17/2020	—	—	—	—	28,494 ⁽⁴⁾	5,822,179	42,741 ⁽⁵⁾	8,733,269
	03/16/2021	—	—	—	—	26,240 ⁽⁶⁾	5,361,619	40,140 ⁽⁷⁾	8,201,806
Mr. Garratt	03/21/2018	—	6,877 ⁽²⁾	92.98	03/21/2028	—	—	—	—
	03/20/2019	—	10,832 ⁽²⁾	117.13	03/20/2029	—	—	—	—
	03/17/2020	—	17,829 ⁽²⁾	154.53	03/17/2030	—	—	—	—
	03/16/2021	—	19,676 ⁽²⁾	193.55	03/16/2031	—	—	—	—
	03/20/2019	—	—	—	—	9,824 ⁽³⁾	2,007,338	—	—
	03/17/2020	—	—	—	—	5,066 ⁽⁴⁾	1,035,136	7,599 ⁽⁵⁾	1,552,704
	03/16/2021	—	—	—	—	4,199 ⁽⁶⁾	857,982	6,423 ⁽⁷⁾	1,312,412
Mr. Owen	08/25/2015	35,703 ⁽⁸⁾	—	73.73	08/25/2025	—	—	—	—
	03/16/2016	32,890 ⁽²⁾	—	84.67	03/16/2026	—	—	—	—
	03/22/2017	37,686 ⁽²⁾	—	70.68	03/22/2027	—	—	—	—
	03/21/2018	22,107 ⁽²⁾	7,368 ⁽²⁾	92.98	03/21/2028	—	—	—	—
	03/20/2019	12,439 ⁽²⁾	12,438 ⁽²⁾	117.13	03/20/2029	—	—	—	—
	08/27/2019	4,816 ⁽⁸⁾	4,816 ⁽⁸⁾	138.75	08/27/2029	—	—	—	—
	03/17/2020	8,172 ⁽²⁾	24,516 ⁽²⁾	154.53	03/17/2030	—	—	—	—
	03/16/2021	—	25,464 ⁽²⁾	193.55	03/16/2031	—	—	—	—
	03/20/2019	—	—	—	—	11,278 ⁽³⁾	2,304,434	—	—
	03/17/2020	—	—	—	—	6,966 ⁽⁴⁾	1,423,363	10,446 ⁽⁵⁾	2,134,431
	03/16/2021	—	—	—	—	5,434 ⁽⁶⁾	1,110,329	8,310 ⁽⁷⁾	1,697,982
Ms. Taylor	03/21/2018	20,633 ⁽²⁾	6,877 ⁽²⁾	92.98	03/21/2028	—	—	—	—
	03/20/2019	11,236 ⁽²⁾	11,234 ⁽²⁾	117.13	03/20/2029	—	—	—	—
	03/17/2020	5,574 ⁽²⁾	16,713 ⁽²⁾	154.53	03/17/2030	—	—	—	—
	03/16/2021	—	18,519 ⁽²⁾	193.55	03/16/2031	—	—	—	—
	03/20/2019	—	—	—	—	10,189 ⁽³⁾	2,081,918	—	—
	03/17/2020	—	—	—	—	4,750 ⁽⁴⁾	970,568	7,122 ⁽⁵⁾	1,455,238
	03/16/2021	—	—	—	—	3,951 ⁽⁶⁾	807,308	6,045 ⁽⁷⁾	1,235,175

Name	Grant Date	Option Awards				Stock Awards			
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) ⁽¹⁾	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) ⁽¹⁾
Mr. Wenkoff	08/29/2017	16,412 ⁽⁸⁾	—	76.89	08/29/2027	—	—	—	—
	03/21/2018	19,159 ⁽²⁾	6,386 ⁽²⁾	92.98	03/21/2028	—	—	—	—
	03/20/2019	10,433 ⁽²⁾	10,432 ⁽²⁾	117.13	03/20/2029	—	—	—	—
	03/17/2020	5,574 ⁽²⁾	16,713 ⁽²⁾	154.53	03/17/2030	—	—	—	—
	03/16/2021	—	18,519 ⁽²⁾	193.55	03/16/2031	—	—	—	—
	03/20/2019	—	—	—	—	9,459 ⁽³⁾	1,932,757	—	—
	03/17/2020	—	—	—	—	4,750 ⁽⁴⁾	970,568	7,122 ⁽⁵⁾	1,455,238
	03/16/2021	—	—	—	—	3,951 ⁽⁶⁾	807,308	6,045 ⁽⁷⁾	1,235,175

- (1) Computed by multiplying the number of units by the closing market price of one share of our common stock on January 28, 2022, as reported by the NYSE.
- (2) Part of a time-based options grant with a vesting schedule of 25% per year on each of the first four anniversaries of the April 1 following the grant date.
- (3) Part of a PSU grant, 12% of which were earned as a result of our fiscal 2019 adjusted EBITDA performance and 88% of which were earned as a result of our 2019-2021 adjusted ROIC performance, and in each case are scheduled to vest on April 1, 2022.
- (4) Part of a PSU grant that was earned as a result of our fiscal 2020 adjusted EBITDA performance and is scheduled to vest 50% per year on each of April 1, 2022, and April 1, 2023.
- (5) Part of a PSU grant that is scheduled to vest on April 1, 2023, if the adjusted ROIC performance goal is achieved for fiscal years 2020-2022. The number of PSUs reported in this column assumes achievement of the maximum level of adjusted ROIC performance for the performance period. The actual number of PSUs earned, if any, will be determined based on the actual level of adjusted ROIC performance achieved for the performance period.
- (6) Part of a PSU grant that was earned as a result of our fiscal 2021 adjusted EBITDA performance and is scheduled to vest 33 1/3% per year on each of the first three anniversaries of the April 1 following the grant date.
- (7) Part of a PSU grant that is scheduled to vest on April 1, 2024, if the adjusted ROIC performance goal is achieved for fiscal years 2021-2023. The number of PSUs reported in this column assumes achievement of the maximum level of adjusted ROIC performance for the performance period. The actual number of PSUs earned, if any, will be determined based on the actual level of adjusted ROIC performance achieved for the performance period.
- (8) Part of a time-based options grant with a vesting schedule of 25% per year on each of the first four anniversaries of the grant date.

Option Exercises and Stock Vested During Fiscal 2021

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#) ⁽¹⁾	Value Realized on Exercise (\$) ⁽²⁾	Number of Shares Acquired on Vesting (#) ⁽³⁾	Value Realized on Vesting (\$) ⁽⁴⁾
Mr. Vasos	592,650	75,969,713	89,359	18,086,262
Mr. Garratt	85,850	10,001,586	15,634	3,164,322
Mr. Owen	—	—	17,608	3,563,859
Ms. Taylor	42,648	5,237,927	15,520	3,141,248
Mr. Wenkoff	9,900	1,288,692	14,580	2,950,992

(1) Represents the gross number of option shares exercised, without deduction for shares that may have been surrendered or withheld to satisfy the exercise price or applicable tax withholding obligations.

(2) Value realized is calculated by multiplying the gross number of options exercised by the difference between the market price of our common stock at exercise as reported by the NYSE and the exercise price.

(3) Represents the gross number of shares acquired upon vesting of PSUs, without deduction for shares that may have been withheld to satisfy applicable tax withholding obligations.

(4) Value realized is calculated by multiplying the gross number of shares vested by the closing market price of our common stock on the vesting date as reported by the NYSE.

Pension Benefits Fiscal 2021

We have omitted the Pension Benefits table because it is inapplicable.

Nonqualified Deferred Compensation Fiscal 2021

Information regarding each named executive officer's participation in our CDP/SERP Plan is included in the following table. The material terms of the CDP/SERP Plan are described after the table. Please also see "Benefits and Perquisites" in "Compensation Discussion and Analysis" above. We have omitted from this table the column pertaining to "Aggregate Withdrawals/Distributions" during the fiscal year because it is inapplicable.

Name	Executive Contributions in Last FY (\$) ⁽¹⁾	Registrant Contributions in Last FY (\$) ⁽²⁾	Aggregate Earnings in Last FY (\$) ⁽³⁾	Aggregate Balance at Last FYE (\$) ⁽⁴⁾
Mr. Vasos	675,003	53,003	95,305	2,692,381
Mr. Garratt	126,509	25,091	41,298	627,505
Mr. Owen	42,262	27,676	42,406	478,688
Ms. Taylor	715,787	166,217	63,636	2,242,143
Mr. Wenkoff	179,361	15,495	26,262	505,861

(1) Of the reported amounts, the following are reported in the Summary Compensation Table as "Salary" for 2021: Mr. Vasos (\$67,503); Mr. Garratt (\$39,703); Mr. Owen (\$42,262); Ms. Taylor (\$31,306); and Mr. Wenkoff (\$61,348).

(2) Reported as "All Other Compensation" in the Summary Compensation Table.

(3) The amounts shown are not reported in the Summary Compensation Table because they do not represent above-market or preferential earnings.

(4) Of the amounts reported, the following were previously reported as compensation for years prior to 2021 in a Summary Compensation Table: Mr. Vasos (\$2,004,178); Mr. Garratt (\$430,401); Mr. Owen (\$275,198); Ms. Taylor (\$1,362,036); and Mr. Wenkoff (\$167,587).

Pursuant to the CDP, each named executive officer may annually elect to defer up to 65% of his or her base salary if his or her compensation exceeds the limit set forth in Section 401(a)(17) of the Internal Revenue Code, and up to 100% of his or her bonus pay if his or her compensation equals or exceeds the highly compensated limit under Section 414(q)(1)(B) of the Internal Revenue Code. We currently match base pay deferrals at a rate of 100%, up to 5% of annual salary, with annual salary offset by the amount of match-eligible salary under the 401(k) Plan. All named executive officers are 100% vested in compensation and matching deferrals and earnings on those deferrals.

Pursuant to the SERP, we make an annual contribution equal to a certain percentage of a participant's annual salary and bonus to eligible participants who are actively employed in an eligible job grade on January 1 and continue to be employed as of December 31 of a given year. The contribution percentage is based on age, years of service, and job grade. Persons hired after May 27, 2008, are not eligible to participate in the SERP. The fiscal 2021 contribution percentage was 7.5% for Ms. Taylor, and she is 100% vested in her SERP account. No other named executive officer was eligible to participate in the SERP in 2021.

The amounts deferred or contributed to the CDP/SERP Plan are credited to a liability account, which is then invested at the participant's option in an account that mirrors the performance of a fund or funds selected by the Compensation Committee or its delegate. These funds are identical to the funds offered in our 401(k) Plan.

For a participant who ceases employment with at least 10 years of service or after reaching age 50 and whose CDP account balance or SERP account balance exceeds certain dollar thresholds, the account balance will be paid by (a) lump sum, (b) monthly installments over a 5, 10 or 15-year period or (c) a combination of lump sum and installments, pursuant to the participant's election. Otherwise, payment is made in a lump sum. The vested amount will be payable at the time designated by the CDP/SERP Plan upon the participant's termination of employment. A participant's CDP/SERP Plan benefit normally is payable in the following February if employment ceases during the first 6 months of a calendar year or is payable in the following August if employment ceases during the last 6 months of a calendar year. However, participants may elect to receive an in-service lump sum distribution of vested amounts credited to the CDP account, provided that the date of distribution is no sooner than 5 years after the end of the year in which the amounts were deferred. In addition, a participant who is actively employed may request an "unforeseeable emergency hardship" in-service lump sum distribution of vested amounts credited to the participant's CDP account. Account balances are payable in cash.

As a result of our change in control which occurred in 2007, the CDP/SERP Plan liabilities through July 6, 2007, were fully funded into an irrevocable rabbi trust. We also funded into the rabbi trust deferrals into the CDP/SERP Plan between July 6, 2007, and October 15, 2007. All CDP/SERP Plan liabilities incurred on or after October 15, 2007, are unfunded.

Potential Payments Upon Termination or Change in Control

Our agreements with our named executive officers and certain plans and programs in which they participate, in each case as in effect at the end of fiscal 2021, provide for benefits or payments upon certain employment termination or change in control events. We discuss these benefits and payments below except to the extent they are available generally to all salaried employees and do not discriminate in favor of our executive officers or to the extent already discussed under "Nonqualified Deferred Compensation Fiscal 2021" above. The discussion of equity awards in each scenario includes nonqualified stock options outstanding as of the end of fiscal 2021, as well as PSUs awarded in 2019 ("2019 PSUs"), 2020 ("2020 PSUs") and 2021 ("2021 PSUs"). In all scenarios discussed below, stock options may not be exercised any later than the 10th anniversary of the grant date.

Payments Upon Termination Due to Death or Disability

Equity Awards

If a named executive officer's employment with us terminates due to death or disability (as defined in the governing agreement):

- Stock Options. Outstanding unvested stock options become immediately vested and exercisable with respect to 100% of the underlying shares immediately prior to such event and may be exercised until the 1st anniversary of the event.
- Performance Share Units. Unearned or unvested PSUs are forfeited and cancelled on the termination date or the last day of the performance period, as applicable, except that (1) if the termination occurs on or after the end of the applicable one-year or three-year performance period associated with each of the 2019 PSUs, the 2020 PSUs and the 2021 PSUs but before an applicable vesting date, any earned but unvested PSUs shall become vested and nonforfeitable as of the termination date but be paid at the same time as if no termination had occurred; (2) for the 2021 PSUs, if the termination occurs before the end of the one-year performance period, a pro-rata portion (based on months employed during

the performance period) of one-third of the 2021 PSUs subject to the one-year Adjusted EBITDA performance goal (the “2021 Adjusted EBITDA PSUs”) earned based on performance during such performance period shall become vested and nonforfeitable as of the end of such performance period and be paid at the same time as if no termination had occurred; and (3) for the 2019 PSUs, 2020 PSUs and 2021 PSUs, if the termination occurs before the end of the applicable three-year performance period, a pro-rata portion (based on months employed during the applicable performance period) of the 2019 PSUs subject to the three-year Adjusted ROIC performance goal, of the 2020 PSUs subject to the three-year Adjusted ROIC performance goal, and of the 2021 PSUs subject to the three-year Adjusted ROIC performance goal, in each case earned based on performance during the applicable performance period, shall become vested and nonforfeitable as of the end of such applicable performance period and be paid at the same time as if no termination had occurred.

Other Payments

In the event of a named executive officer’s death, the beneficiary will receive payments under our group life insurance program in an amount, up to a maximum of \$4 million, equal to 2.5 times the officer’s annual base salary and, in the event of death on or after the last day of a fiscal year, payment for the officer’s incentive bonus earned for that fiscal year under the terms of our Teamshare program (which otherwise generally requires a participant to remain employed on the payment date to receive the bonus payment). In addition, in the event of disability (as defined in the governing document), a named executive officer will receive 60% of covered monthly earnings up to a \$20,000 monthly benefit under our long-term disability insurance program. In the event of death or disability (as defined in the CDP/SERP Plan), a named executive officer’s CDP/SERP Plan benefit will be payable in a lump sum within 60 days after the end of the calendar quarter in which such termination event occurs, provided that we may delay payment in the event of disability until as soon as reasonably practicable after receipt of the disability determination by the Social Security Administration. Dependent upon the cause of death or loss suffered, a named executive officer may also be eligible to receive payment of up to \$50,000 under our group accidental death and dismemberment program.

Payments Upon Termination Due to Retirement

Except as provided below with respect to equity awards, retirement is not treated differently from any other voluntary termination without good reason (as

discussed below under “Payments Upon Voluntary Termination”) under our plans or agreements for named executive officers.

Normal Retirement

In the event a named executive officer retires on or after reaching a minimum age (age 55 for equity awards beginning in 2021; otherwise age 62) and achieving five consecutive years of service with us, provided that the sum of the officer’s age plus years of service equals a specified minimum (at least 65 for equity awards beginning in 2021; otherwise at least 70) and that there is no basis to terminate the officer with cause (as defined in the governing agreement) and, with respect to Mr. Vasos only, the retirement does not meet the requirements for early retirement as set forth in the award agreements governing his 2021 stock option and PSU awards (collectively, “Normal Retirement”):

- **Stock Options.** The portion of the outstanding unvested stock options that would have become vested and exercisable within the one-year period following the Normal Retirement date if the officer had remained employed with us shall remain outstanding following the Normal Retirement date and become vested and exercisable on the anniversary of the grant date that falls within the one-year period following the Normal Retirement date. However, if during such one-year period the officer dies or, for stock options awarded to officers other than Mr. Vasos prior to 2021 and for all stock options awarded to Mr. Vasos, incurs a disability (as defined in the governing agreement), such portion shall instead become immediately vested and exercisable upon such death or, for stock options awarded to officers other than Mr. Vasos prior to 2021 and for all stock options awarded to Mr. Vasos, upon such disability. Otherwise, any option which is unvested and unexercisable on the Normal Retirement date shall immediately expire without payment. The officer may exercise the option to the extent vested and exercisable any time before the 5th anniversary of the Normal Retirement date.
- **Performance Share Units.** With the exception outlined below, the vesting and payment of the PSUs in a Normal Retirement scenario before the end of the applicable one-year or three-year performance period and on or after the end of such periods is identical to the vesting and payment in the death and disability scenarios discussed above for the PSUs during these respective time periods. However, if the Normal Retirement occurs on or after the end of the one-year performance period but before an applicable vesting date, the one-third of the 2019 PSUs subject to the Adjusted EBITDA goal (the “2019 Adjusted EBITDA PSUs”), the one-third of the 2020 PSUs subject to the Adjusted EBITDA goal (the “2020

Adjusted EBITDA PSUs”), and the one-third of the 2021 Adjusted EBITDA PSUs, in each case that would have become vested on the next vesting date shall become vested and nonforfeitable as of the Normal Retirement date but be paid at the same time as if no retirement had occurred. Otherwise, any unearned or unvested PSUs shall be forfeited and cancelled on the Normal Retirement date or the last day of the performance period, as applicable. See “Payments After a Change in Control” for a discussion of treatment of the PSUs if a named executive officer terminates employment due to Normal Retirement within two years following a change in control.

Early Retirement

Solely with respect to the stock options awarded to Mr. Vasos in March 2020 (the “2020 Options”) and March 2021 (the “2021 Options”) and the 2020 PSUs and 2021 PSUs awarded to Mr. Vasos, in the event Mr. Vasos voluntarily terminates his employment after April 1, 2021 (with respect to the 2020 Options and the 2020 PSUs) or after April 1, 2022 (with respect to the 2021 Options and the 2021 PSUs), provided that: (1) he has provided written notice within a reasonable period of time prior to such date; (2) he has agreed in writing to provide reasonable transition services to our Board of Directors and his successor for up to 12 months (with respect to the 2020 Options and the 2020 PSUs) or up to 24 months (with respect to the 2021 Options and the 2021 PSUs) following his voluntary termination; (3) he agrees in writing to extend the “restricted period” of the Business Protection Provisions (as defined below under “Voluntary Termination with Good Reason or After Failure to Renew the Employment Agreement”) contained in his employment agreement from two years to three years; and (4) there is no basis to terminate him with cause (as defined in the governing agreement) (“Early Retirement”):

- 2020 Options and 2021 Options. Any outstanding unvested 2020 Options and 2021 Options shall remain outstanding following the Early Retirement date and become vested and exercisable on the scheduled vesting dates as if no such retirement had occurred. However, if: (1) Mr. Vasos violates any of the Business Protection Provisions following Early Retirement, any unvested 2020 Options and 2021 Options shall instead terminate and be forfeited; (2) Mr. Vasos dies or incurs a disability (as defined in the governing document) following Early Retirement, any unvested 2020 Options and 2021 Options shall instead become immediately vested and exercisable upon such death or disability; or (3) a change in control (as defined in the governing document) occurs following Early Retirement, any unvested 2020 Options and 2021 Options shall instead become immediately vested and exercisable upon such change in control. Mr. Vasos may exercise the 2020 Options and the 2021 Options to the extent vested

and exercisable at any time before the 5th anniversary of the Early Retirement date. However, if we become aware of a violation by Mr. Vasos following Early Retirement of any of the Business Protection Provisions, any portion of the 2020 Options and the 2021 Options that vested following Early Retirement shall immediately be forfeited and subject to clawback and any unvested portion of the 2020 Options and the 2021 Options shall immediately be forfeited without payment.

- 2020 PSUs and 2021 PSUs. Any unearned or unvested 2020 PSUs and 2021 PSUs awarded to Mr. Vasos shall be forfeited and cancelled on the Early Retirement date except that: (1) if the Early Retirement occurs after the end of the applicable one-year performance period, any earned but unvested 2020 Adjusted EBITDA PSUs and 2021 Adjusted EBITDA PSUs shall remain outstanding and become vested and be paid on the scheduled vesting dates as if no such retirement had occurred; and (2) if the Early Retirement occurs before the vesting date, any 2021 PSUs subject to the three-year Adjusted ROIC performance goal (“2021 Adjusted ROIC PSUs”) shall remain outstanding and become vested (to the extent earned) and be paid on the scheduled vesting date as if no such retirement had occurred. However, (1) with respect to the 2020 Adjusted EBITDA PSUs and the 2021 Adjusted EBITDA PSUs, if, following the Early Retirement and prior to an applicable vesting date, Mr. Vasos dies or becomes disabled (as defined in the governing document) or there is a change in control (as defined in the governing document), then such unvested 2020 Adjusted EBITDA PSUs and 2021 Adjusted EBITDA PSUs instead shall become vested and nonforfeitable (to the extent earned) as of such death, disability or change in control, as applicable, but be paid on the scheduled vesting dates as if no such event had occurred; and (2) with respect to the 2021 Adjusted ROIC PSUs, if, following the Early Retirement and prior to the vesting date (a) Mr. Vasos dies or becomes disabled, then such unvested 2021 Adjusted ROIC PSUs instead shall become vested and nonforfeitable (to the extent earned) as of the end of the performance period or, if later, as of the date of such death or disability, as applicable, but be paid on the scheduled vesting date as if no such event had occurred; or (b) there is a change in control, then such unvested 2021 Adjusted ROIC PSUs instead shall become vested and nonforfeitable (to the extent earned, if the change in control occurs after the end of the performance period, or at the target level of performance, if the change in control occurs on or before the end of the performance period) as of such change in control, but be paid on the scheduled vesting date as if no such event had occurred. However, if we become aware of a violation by Mr. Vasos following Early

Retirement of any of the Business Protection Provisions, then any of the 2020 PSUs and 2021 PSUs that vested following the Early Retirement shall immediately be forfeited and subject to clawback and any unvested 2020 PSUs and 2021 PSUs shall immediately be forfeited and cancelled. See “Payments After a Change in Control” for a discussion of treatment of the 2020 Adjusted EBITDA PSUs and the 2021 PSUs awarded to Mr. Vasos if he terminates employment due to Early Retirement within two years following a change in control.

Payments Upon Voluntary Termination

The payments to be made upon other voluntary termination scenarios vary depending upon whether the resignation occurs with or without “good reason” (as defined in the governing agreement) or after our failure to offer to renew, extend or replace the applicable employment agreement under certain circumstances.

Voluntary Termination with Good Reason or After Failure to Renew the Employment Agreement

If a named executive officer resigns with good reason, he or she will forfeit all then unvested equity awards and generally may exercise any outstanding vested options up to 90 days following the resignation date. If a named executive officer resigns under the circumstances described in (2) below, his or her equity will be treated as described under “Voluntary Termination without Good Reason” below. See “Payments After a Change in Control” for a discussion of treatment of equity awards if a named executive officer resigns with good reason within two years following a change in control.

If a named executive officer resigns (1) with good reason after giving 30 days (90 days in the case of Mr. Vasos) written notice within 30 days after the event purported to give rise to the claim for good reason and opportunity for us to cure any such claimed event within 30 days after receiving such notice, or (2) within 60 days (90 days in the case of Mr. Vasos) of our failure to offer to renew, extend or replace his or her employment agreement before, at or within 6 months (1 year in the case of Mr. Vasos) after the end of the agreement’s term (unless we enter into a mutually acceptable severance arrangement or the resignation is a result of the officer’s retirement or termination other than for good reason), then in each case the officer will receive the following benefits generally on or beginning on the 60th day after termination of employment but contingent upon the execution and effectiveness of a release of certain claims in the form attached to the employment agreement:

- Continuation of base salary, generally as in effect immediately before the termination, for 24 months payable in accordance with our normal payroll cycle and procedures.
- A lump sum payment of: (1) for Mr. Vasos, two times the amount of his annual target bonus under our annual bonus program in respect of the fiscal year in which his termination occurs; and (2) for each other named executive officer, two times the amount of the average percentage of target bonus paid to such officer under our annual bonus program with respect to our two most recently completed fiscal years (not including a fiscal year for which financial performance has not yet been certified) for which annual bonuses have been paid to executives under such program multiplied by such officer’s (A) target bonus level and (B) base salary (in each case, as applicable as of the date immediately preceding the employment termination or, if the termination is for good reason due to the reduction of the officer’s target bonus level or base salary, then his or her target bonus level and base salary applicable immediately prior to such reduction). If no bonus was paid to such officer with respect to one or both of the applicable fiscal years due to Dollar General’s performance or to individual performance (as opposed to ineligibility due to length of employment), then such bonus amount shall be zero in calculating the average. If the named executive officer was not eligible for a bonus with respect to one of the two applicable fiscal years due to length of employment, then such amount shall be calculated based upon the percentage of target bonus to such officer for the applicable fiscal year for which a bonus was paid. If no bonus was paid to the named executive officer with respect to the applicable fiscal years due to length of employment, then no such amount shall be paid.
- Mr. Vasos also will receive a lump sum payment, payable when annual bonuses are paid to our other executives, of a pro-rata portion of the annual bonus, if any, that he would have been entitled to receive for the fiscal year of termination, if such termination had not occurred, based on our performance for the fiscal year in which his employment terminates, multiplied by a fraction, the numerator of which is the number of days during which he was employed by us in the fiscal year and the denominator of which is 365.
- A lump sum payment of two times our annual contribution that would have been made in respect of the plan year in which such termination occurs for the named executive officer’s participation in our pharmacy, medical, dental and vision benefits programs.
- Reasonable outplacement services until the earlier of one year or subsequent employment.

Any amounts owed to a named executive officer in the form of salary continuation that would otherwise have been paid during the 60-day period after termination will instead be payable in a single lump sum on the 60th day after such termination and the remainder will be paid in the form of salary continuation payments over the remaining 24-month period as set forth above.

In certain cases, some or all of the payments and benefits provided on termination of employment may be delayed for six months following termination to comply with the requirements of Section 409A of the Internal Revenue Code. Any payment required to be delayed would be paid at the end of the six-month period in a lump sum, and any payments due after the six-month period would be paid at the normal payment date provided for under the applicable employment agreement.

To the extent permitted by law, if we reasonably believe a named executive officer engaged in conduct during employment that would have resulted in termination for cause, any unpaid severance amounts under the applicable employment agreement may be forfeited and we may seek to recover any severance amounts paid under the applicable employment agreement.

The named executive officer will forfeit any unpaid severance amounts, and we retain any other rights we have available under law or equity, upon a material breach of any continuing obligation under the applicable employment agreement or the release, which include the following business protection provisions (the “Business Protection Provisions”):

- Such officer must maintain the confidentiality of, and refrain from disclosing or using, our (a) trade secrets for any period of time as the information remains a trade secret under applicable law and (b) confidential information for a period of two years following the termination date.
- For two years after the termination date, such officer may not accept or work in a “competitive position” in a state where we maintain stores at the termination date or where we plan to open stores within six months of that date. “Competitive position” includes any employment, consulting, advisory, directorship, agency, promotional or independent contractor arrangement between the named executive officer and any person or entity engaged wholly or in material part in the business in which we are engaged (including, but not limited to, those entities identified in the applicable employment agreement), or any person or entity then planning to enter the discount consumable basics retail business, if such officer is required to perform services which are substantially similar to those he or she provided or directed at any time while employed by us.
- For two years after the termination date, such officer may not recruit or induce any of our exempt

employees to leave our employ and may not solicit or communicate with anyone who has a business relationship with us and with whom such officer had contact while employed by us if it would likely interfere with our business relationships or result in an unfair competitive advantage over us.

In addition, each named executive officer’s rights, payments and benefits with respect to any incentive compensation (whether cash or equity) shall be subject to any reduction, cancellation, forfeiture or recoupment, in whole or in part, upon the occurrence of certain specified events, as may be required by any applicable law, rule or regulation, by any applicable national exchange, or by a separate Dollar General clawback or recoupment policy.

Voluntary Termination without Good Reason

If a named executive officer otherwise resigns without good reason, he or she will forfeit all then unvested equity awards and generally may exercise any outstanding vested options up to 90 days following the resignation date.

Payments Upon Involuntary Termination

The payments to be made to a named executive officer upon involuntary termination vary depending upon whether termination is with or without “cause” (as defined in the governing document).

Involuntary Termination with Cause

Upon an involuntary termination with cause, a named executive officer will forfeit all unvested equity awards, all vested but unpaid PSUs and all vested but unexercised options.

Involuntary Termination without Cause

Upon an involuntary termination without cause, a named executive officer:

- Will forfeit all then unvested equity awards.
- Generally may exercise any outstanding vested options up to 90 days following the termination date.
- Will receive the same severance payments and benefits on the same terms and conditions (except for the notice and cure provisions) as described under “Voluntary Termination with Good Reason or After Failure to Renew the Employment Agreement” above.

See “Payments After a Change in Control” for a discussion of the treatment of equity awards if the officer is involuntarily terminated without cause within two years following a change in control.

Payments After a Change in Control

Equity Awards

- Stock Options Awarded to Mr. Owen Prior to 2016. Mr. Owen will have one year from his termination date in which to exercise outstanding vested options granted prior to 2016 if he resigns or is involuntarily terminated within two years following a change in control (as defined in the governing document) under any scenario other than Normal Retirement or involuntary termination with cause, in which respective cases, he instead will have five years from the retirement date to exercise such vested options and will forfeit any vested but unexercised options held at the time of a termination with cause.
- Other Stock Options and Performance Share Units. With respect to PSUs, if a change in control (as defined in the governing document) occurs on or before the end of an applicable performance period, and the named executive officer has remained continuously employed until the change in control, the target number of the applicable unvested PSUs shall be deemed earned but otherwise continue to be subject to the service and payment provisions, including applicable pro-rata requirements, of the applicable award agreement, unless the officer experiences a “qualifying termination” or, solely with respect to the 2021 Adjusted ROIC PSUs awarded to Mr. Vasos, a “qualifying early retirement.” A change in control that occurs after the end of an applicable performance period with respect to PSUs, or that occurs at any time with respect to stock options, will have no effect upon any such PSUs or such stock options unless the named executive officer experiences a “qualifying termination” or, solely with respect to the 2020 Adjusted EBITDA PSUs and 2021 PSUs in each case awarded to Mr. Vasos, a “qualifying early retirement.”

Upon a named executive officer’s “qualifying termination,” which includes involuntary termination (including, with respect to the 2021 PSUs, due to a disability termination) without cause or resignation with good reason (unless cause to terminate exists), in each case as defined in the applicable award agreement, as well as voluntary resignation due to Normal Retirement (unless cause to terminate exists) in the case of PSUs, in each case within two years after a change in control (provided that the officer was continuously employed by us until the change in control): (1) all of his or her outstanding unvested options will immediately vest and become exercisable as to 100% of the shares underlying such options on the termination date, and the officer may exercise any outstanding vested options up to three years following the termination date; and (2) all of his or her previously earned, or deemed earned, but unvested PSUs that have not been previously

forfeited will immediately vest, become nonforfeitable and be paid on the termination date (or the previously scheduled applicable vesting date if earlier) subject to a six-month delay if applicable to comply with Section 409A of the Internal Revenue Code. To qualify as a resignation with good reason for this purpose, the officer must have provided written notice of the existence of the circumstances providing grounds for resignation with good reason within 30 days of the initial existence of such grounds and must have given us at least 30 days from receipt of such notice to cure such condition. In addition, the resignation must have become effective no later than one year after the initial existence of the condition constituting good reason.

In the event of Mr. Vasos’s voluntary termination due to Early Retirement occurring within two years after a change in control as defined in the applicable award agreement (a “qualifying early retirement”), provided that he was continuously employed by us until the change in control, then all of his previously deemed earned but unvested 2021 Adjusted ROIC PSUs (in the event the change in control occurred on or before the end of the applicable performance period) and all of his previously earned by unvested 2020 Adjusted EBITDA PSUs and 2021 PSUs (in the event the change in control occurred after the end of an applicable performance period) that have not been previously forfeited will immediately vest, become nonforfeitable and be paid on the date of the qualifying early retirement (or the previously scheduled applicable vesting date if earlier) subject to a six-month delay if applicable to comply with Section 409A of the Internal Revenue Code. Notwithstanding the foregoing, if we become aware of a violation by Mr. Vasos following the qualifying early retirement of any of the Business Protection Provisions, then any of the 2020 PSUs or 2021 PSUs that vested following the qualifying early retirement shall immediately be forfeited and subject to clawback.

Other Payments

Except as otherwise described above with respect to equity awards, upon an involuntary termination without cause or a resignation with good reason following a change in control (in each case as defined in the governing document), a named executive officer will receive the same severance payments and benefits as described above under “Voluntary Termination with Good Reason or After Failure to Renew the Employment Agreement.”

In the event of a change in control as defined in Section 280G of the Internal Revenue Code, each named executive officer’s employment agreement provides for capped payments (taking into consideration all payments and benefits covered by

such Section 280G) of \$1 less than the amount that would trigger the “golden parachute” excise tax under federal income tax rules (the “excise tax”) unless he or she signs a release and the after-tax benefit would be at least \$50,000 more than it would be without capping the payments. In such case, such officer’s payments and benefits would not be capped and he or she would be responsible for the excise tax payment. We would not pay any additional amount to cover the excise tax. The table below reflects the uncapped amounts, subject to reduction in the circumstances described in this paragraph.

The following table reflects potential payments to each named executive officer in various termination and change in control scenarios based on compensation, benefit and equity levels in effect on, and assuming the scenario was effective as of, January 28, 2022. For

stock valuations, we have used the closing price of our stock on the NYSE on January 28, 2022 (\$204.33). The table below reports only amounts that are increased, accelerated or otherwise paid or owed as a result of the applicable scenario and, as a result, exclude earned but unpaid base salary through the employment termination date and equity awards and CDP/SERP Plan benefits that had vested prior to the event. For more information regarding the CDP/SERP Plan benefits, see “Nonqualified Deferred Compensation Fiscal 2021” above. The table also excludes any amounts that are available generally to all salaried employees and do not discriminate in favor of our executive officers. The amounts shown are merely estimates. We cannot determine actual amounts to be paid until a termination or change in control scenario occurs.

Potential Payments to Named Executive Officers Upon Occurrence of Various Termination Events or Change in Control as of January 28, 2022

Name/Item	Death (\$) ⁽³⁾	Disability (\$) ⁽³⁾	Retirement (\$) ⁽⁴⁾	Voluntary Without Good Reason (\$)	Involuntary Without Cause or Voluntary With Good Reason (\$)	Involuntary With Cause (\$)	Change in Control With Qualifying Termination (\$)
Mr. Vasos							
Equity Vesting Due to Event ⁽¹⁾	47,930,352	47,930,352	15,669,466	n/a	n/a	n/a	35,253,720
Cash Severance	4,544,529	n/a	n/a	n/a	11,294,529	n/a	11,294,529
Health Payment	n/a	n/a	n/a	n/a	23,834	n/a	23,834
Outplacement ⁽²⁾	n/a	n/a	n/a	n/a	8,500	n/a	8,500
Life Insurance Proceeds	3,375,000	n/a	n/a	n/a	n/a	n/a	n/a
Total	55,849,881	47,930,352	15,669,466	n/a	11,326,863	n/a	46,580,582
Mr. Garratt							
Equity Vesting Due to Event ⁽¹⁾	8,183,358	8,183,358	n/a	n/a	n/a	n/a	6,025,224
Cash Severance	1,344,028	n/a	n/a	n/a	4,225,660	n/a	4,225,660
Health Payment	n/a	n/a	n/a	n/a	11,647	n/a	11,647
Outplacement ⁽²⁾	n/a	n/a	n/a	n/a	8,500	n/a	8,500
Life Insurance Proceeds	1,997,000	n/a	n/a	n/a	n/a	n/a	n/a
Total	11,524,386	8,183,358	n/a	n/a	4,245,808	n/a	10,271,032
Mr. Owen							
Equity Vesting Due to Event ⁽¹⁾	10,543,326	10,543,326	n/a	n/a	n/a	n/a	7,866,603
Cash Severance	1,904,528	n/a	n/a	n/a	5,422,129	n/a	5,422,129
Health Payment	n/a	n/a	n/a	n/a	25,447	n/a	25,447
Outplacement ⁽²⁾	n/a	n/a	n/a	n/a	8,500	n/a	8,500
Life Insurance Proceeds	2,122,000	n/a	n/a	n/a	n/a	n/a	n/a
Total	14,569,854	10,543,326	n/a	n/a	5,456,076	n/a	13,322,679
Ms. Taylor							
Equity Vesting Due to Event ⁽¹⁾	8,018,979	8,018,979	n/a	n/a	n/a	n/a	5,877,600
Cash Severance	1,059,788	n/a	n/a	n/a	3,332,002	n/a	3,332,002
Health Payment	n/a	n/a	n/a	n/a	24,474	n/a	24,474
Outplacement ⁽²⁾	n/a	n/a	n/a	n/a	8,500	n/a	8,500
Life Insurance Proceeds	1,575,000	n/a	n/a	n/a	n/a	n/a	n/a
Total	10,653,767	8,018,979	n/a	n/a	3,364,975	n/a	9,242,575
Mr. Wenkoff							
Equity Vesting Due to Event ⁽¹⁾	7,745,211	7,745,211	n/a	n/a	n/a	n/a	5,691,285
Cash Severance	1,051,974	n/a	n/a	n/a	3,307,437	n/a	3,307,437
Health Payment	n/a	n/a	n/a	n/a	25,447	n/a	25,447
Outplacement ⁽²⁾	n/a	n/a	n/a	n/a	8,500	n/a	8,500
Life Insurance Proceeds	1,563,000	n/a	n/a	n/a	n/a	n/a	n/a
Total	10,360,185	7,745,211	n/a	n/a	3,341,383	n/a	9,032,668

(1) For the portion of the 2020 PSUs and 2021 PSUs that are subject to performance for periods ending after January 28, 2022, the value included in the Death, Disability and Retirement columns assumes a maximum payout of 300%, prorated for a death, disability or retirement termination scenario occurring on January 28, 2022.

(2) Estimated based on information provided by our outplacement services provider.

(3) In addition to the amounts reported above, dependent upon the cause of death or the loss suffered, a named executive officer also may be eligible to receive payment of up to \$50,000 under our group accidental death & dismemberment program.

(4) Mr. Vasos was eligible for Early Retirement solely with respect to his 2020 equity awards (\$10,816,621) and for Normal Retirement solely with respect to his 2021 equity awards (\$4,852,845) on January 28, 2022. None of the remaining named executive officers were eligible for retirement on January 28, 2022.

Compensation Committee Interlocks and Insider Participation

None of Ms. Fili-Krushel or Messrs. Bryant and McGuire, each of whom was a member of our Compensation Committee during all or a portion of 2021: (1) was at any time during 2021 an officer or employee, or was at any time prior to 2021 an officer, of Dollar General or any of our subsidiaries; or (2) had any relationship requiring disclosure under “Transactions with Management and Others.” Also, none of our executive officers serves, or in the past fiscal year has served, as a director or compensation committee (or equivalent committee) member of any entity that has an executive officer serving as a Dollar General director or Compensation Committee member.

Compensation Risk Considerations

In March 2022, our Compensation Committee reviewed a risk assessment of our compensation program for employees, including executive officers, prepared by its compensation consultant with input from management. The assessment included a review of our compensation programs for certain design features which could potentially encourage excessive risk-taking or otherwise create risk to Dollar General. The Committee concluded, after considering the degree to which risk-aggravating factors were offset by risk-mitigating factors, that the net risks created by our overall compensation program are not reasonably likely to have a material adverse effect on Dollar General.

Pay Ratio Disclosure

As required by Item 402(u) of Regulation S-K, we are providing the following information about the relationship of the annual total compensation of our employees and our Chief Executive Officer (our “CEO”).

This pay ratio is a reasonable estimate calculated in a manner consistent with SEC rules based on our payroll and employment records and the methodology described below.

The 2021 annual total compensation of the median compensated employee (a part-time store associate) of our temporary, part-time and full-time employee base who were employed as of the last day of our 2021 fiscal year (January 28, 2022), other than our CEO, was \$17,773; our CEO’s 2021 annual total compensation was \$16,618,873 and the ratio of these amounts is 1:935.

As of January 28, 2022, our total population, excluding the CEO, consisted of 153,024 compensated employees, of which 123 were located in non-U.S. jurisdictions as follows: Hong Kong (12); China (90); Mexico (20); and Turkey (1). Pursuant to SEC rules, we excluded all such 123 non-U.S. employees. After applying this exemption, the employee population used to identify the median employee consisted of 152,901 temporary, part-time and full-time employees located solely in the U.S.

To identify the median compensated employee, we used W-2 Box 5 Medicare wages for the period from January 30, 2021 (the first day of our 2021 fiscal year) through January 28, 2022 (the last day of our 2021 fiscal year), with such amounts annualized for those permanent employees who did not work for the full year.

The SEC rules for identifying the median compensated employee and calculating the pay ratio based on that employee’s annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their compensation practices. As such, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies may have different employment and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

SECURITY OWNERSHIP

The following tables show the amount of our common stock beneficially owned by the listed persons as of March 16, 2022. For purposes of such tables, a person “beneficially owns” a security if that person has or shares voting or investment power or has the right to acquire beneficial ownership within 60 days. Unless otherwise noted, to our knowledge these persons have sole voting and investment power over the shares listed. Percentage computations are based on 228,784,867 shares of our common stock outstanding as of March 16, 2022.

Security Ownership of Certain Beneficial Owners

The following table pertains to beneficial ownership by those known by us to beneficially own more than 5% of our common stock.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
T. Rowe Price Associates, Inc. ⁽¹⁾	18,522,760	8.1%
BlackRock, Inc. ⁽²⁾	18,399,415	8.0%
The Vanguard Group ⁽³⁾	18,009,857	7.9%
Capital World Investors ⁽⁴⁾	15,508,790	6.8%

- (1) T. Rowe Price Associates, Inc. has sole power to vote or direct the vote of 7,501,388 shares and sole power to dispose or direct the disposition of 18,522,760 shares. The address of T. Rowe Price Associates, Inc. is 100 E. Pratt Street, Baltimore, Maryland 21202. All information is based solely on Amendment No. 7 to Statement on Schedule 13G filed on February 14, 2022.
- (2) BlackRock, Inc., through various subsidiaries, has sole power to vote or direct the vote of 16,221,967 shares and sole power to dispose or direct the disposition of 18,399,415 shares. The address of BlackRock, Inc. is 55 East 52nd Street, New York, New York 10055. All information is based solely on Amendment No. 7 to Statement on Schedule 13G filed on February 1, 2022.
- (3) The Vanguard Group has shared power to vote or direct the vote of 381,996 shares, sole power to dispose or direct the disposition of 17,056,079 shares, and shared power to dispose or direct the disposition of 953,778 shares. The address of The Vanguard Group is 100 Vanguard Blvd., Malvern, Pennsylvania 19355. All information is based solely on Amendment No. 8 to Statement on Schedule 13G filed on February 9, 2022.
- (4) Capital World Investors, a division of Capital Research and Management Company and certain of its investment management subsidiaries and affiliates, has sole power to vote or direct the vote and sole power to dispose or direct the disposition of 15,508,790 shares. The address of Capital World Investors is 333 South Hope Street, 55th Floor, Los Angeles, California 90071. All information is based solely on Statement on Schedule 13G filed on February 11, 2022.

Security Ownership of Officers and Directors

The following table pertains to beneficial ownership of our directors, nominees and named executive officers individually and to our current directors and all of our current executive officers as a group. These persons may be contacted at our executive offices.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership ⁽¹⁾⁽²⁾	Percent of Class
Warren F. Bryant	39,473	*
Michael M. Calbert ⁽³⁾	110,582	*
Patricia D. Fili-Krushel ⁽⁴⁾	27,352	*
Timothy I. McGuire	6,819	*
William C. Rhodes, III ⁽⁵⁾	49,988	*
Debra A. Sandler	1,259	*
Ralph E. Santana	—	—
Todd J. Vasos	424,771	*
John W. Garratt	55,467	*
Jeffery C. Owen	226,402	*
Rhonda M. Taylor	98,350	*
Carman R. Wenkoff	97,139	*
All current directors and executive officers as a group (17 persons) ⁽³⁾⁽⁴⁾⁽⁵⁾	1,373,628	*

* Denotes less than 1% of class.

(1) Share totals have been rounded to the nearest whole share.

(2) Includes the following number of shares (1) underlying RSUs (including RSUs credited, where applicable, as a result of dividend equivalents earned with respect to the RSUs) and earned PSUs that are or could be settleable within 60 days of March 16, 2022, over which the person will not have voting or investment power until the applicable RSUs and PSUs are settled, and (2) subject to options exercisable either currently or within 60 days of March 16, 2022, over which the person will not have voting or investment power until exercised: Mr. Bryant (2,831 RSUs; 8,833 options); Mr. Calbert (22,873 RSUs; 8,833 options); Ms. Fili-Krushel (781 RSUs; 8,833 options); Mr. McGuire (781 RSUs); Mr. Rhodes (781 RSUs); Ms. Sandler (781 RSUs); Mr. Vasos (81,216 PSUs; 169,006 options); Mr. Garratt (13,758 PSUs; 23,155 options); Mr. Owen (16,573 PSUs; 181,938 options); Ms. Taylor (13,881 PSUs; 60,140 options); Mr. Wenkoff (13,151 PSUs; 73,383 options); and all current directors and executive officers as a group (31,182 RSUs; 152,386 PSUs; 715,400 options). Such shares are considered outstanding for computing the percentage owned by each named person and by the group but not for any other person. Excludes shares underlying RSUs that are vested but deferred at the election of Ms. Sandler and Mr. Santana, but over which such persons will not have voting or investment power until the applicable RSUs are settled on a date that is later than 60 days after March 16, 2022.

(3) Mr. Calbert shares voting and investment power over 65,953 shares with his spouse, Barbara Calbert, as co-trustee of The Michael and Barbara Calbert 2007 Joint Revocable Trust.

(4) Ms. Fili-Krushel shares voting and investment power over 7,591 shares with her spouse, Kenneth Krushel.

(5) Mr. Rhodes shares voting and investment power over 16,367 shares with his spouse, Amy Rhodes, as power of attorney of The Amy Plunkett Rhodes Revocable Living Trust, dated July 30, 2014.

Delinquent Section 16(a) Reports

The U.S. securities laws require our executive officers, directors and greater than 10% shareholders to file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the SEC. Based solely upon a review of these reports furnished to us during and with respect to 2021, or written representations that no Form 5 reports were required, we believe that each of those persons filed, on a timely basis, the reports required by Section 16(a) of the Exchange Act, except that Mr. Owen filed one Form 4 in 2021 (representing one transaction during 2021) that was not reported on a timely basis. The untimely Form 4 was filed to correct an otherwise timely filed Form 4 which, due to a third party reporting error, underreported the number of shares withheld for the payment of taxes in connection with the vesting and payment of certain PSUs.

PROPOSAL 2: Advisory Vote to Approve Named Executive Officer Compensation

In accordance with Section 14A of the Securities Exchange Act of 1934, as amended, we provide our shareholders each year with an opportunity to vote on an advisory basis on the compensation paid to our named executive officers as disclosed in this proxy statement pursuant to Item 402 of Regulation S-K. Accordingly, you may vote on the following resolution at the annual meeting: **“RESOLVED, that the shareholders approve, on an advisory basis, the compensation of Dollar General’s named executive officers as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, the accompanying compensation tables, and the related narrative disclosures in this proxy statement.”**

As discussed in detail in the “Compensation Discussion and Analysis” section, the Compensation Committee actively oversees our executive compensation program, adopting changes and awarding compensation as appropriate to reflect Dollar General’s circumstances and to promote the main objectives of the program. Our compensation programs are designed to attract, retain and motivate persons with superior ability, to reward outstanding performance, and to align the long-term interests of our named executive officers with those of our shareholders. Under these programs, our named executive officers are rewarded for the achievement of specific annual and long-term goals and the realization of increased shareholder value. We

firmly believe that the information we have provided in this proxy statement demonstrates that our executive compensation program was designed appropriately and is working to ensure alignment of management’s and shareholders’ interests to support long-term value creation. At our 2021 annual meeting of shareholders, over 90% of shareholder votes were cast in support of our executive compensation program.

This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers. This vote also is not a vote on director compensation, as described under “Director Compensation,” or on our compensation policies as they relate to risk management, as described under “Compensation Risk Considerations” in the “Executive Compensation” section.

Our Board of Directors is asking our shareholders to indicate their support for our named executive officer compensation as described in this proxy statement in accordance with SEC rules by voting for this proposal. Because the vote on this proposal is advisory in nature, it will not affect any compensation already paid or awarded and will not be binding on or overrule any decisions by the Compensation Committee or the Board. Nonetheless, our Board and the Compensation Committee value our shareholders’ views and intend to consider the outcome of the vote, along with other relevant factors, when making future named executive officer compensation decisions.



The Board of Directors unanimously recommends that shareholders vote FOR the approval of the compensation of our named executive officers as disclosed in this proxy statement.

AUDIT COMMITTEE REPORT

The Audit Committee of our Board of Directors has:

- reviewed and discussed with management the audited financial statements for the fiscal year ended January 28, 2022,
- discussed with Ernst & Young LLP, our independent registered public accounting firm, the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board and the SEC,
- received the written disclosures and the letter from Ernst & Young LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence, and
- discussed with Ernst & Young LLP the independence of Ernst & Young LLP.

Based on these reviews and discussions, the Audit Committee unanimously recommended to the Board of Directors that Dollar General's audited financial

statements be included in the Annual Report on Form 10-K for the fiscal year ended January 28, 2022, for filing with the SEC.

This report has been furnished by the members of the Audit Committee:

- William C. Rhodes, III, Chairman
- Warren F. Bryant
- Debra A. Sandler

The above Audit Committee Report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Dollar General filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent Dollar General specifically incorporates this report by reference therein.

PROPOSAL 3: Ratification of Appointment of Auditors

Who is responsible for the selection of the independent auditor?

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the independent auditor.

Is the Audit Committee involved in the lead audit partner selection process?

Yes. Prior to the selection of a lead audit partner, the Chairman of the Audit Committee, typically one additional Audit Committee member, and the Chairman of the Board interview the candidates. Following the interviews, the Audit Committee discusses each candidate's credentials, experience level and independence prior to making the final selection.

Does the Audit Committee evaluate the independent auditor and the lead audit partner?

Yes. The Audit Committee annually evaluates the lead audit partner, as well as the independent auditor's qualifications, performance and independence. The evaluation, which includes the input of management, entails consideration of a broad range of factors, including the quality of services and sufficiency of resources that have been provided; the skills, knowledge and experience of the firm and the audit team; the effectiveness and sufficiency of communications and interactions; independence

and level of objectivity and professional skepticism; reasonableness of fees; and other factors.

Who has the Audit Committee selected as the independent auditor?

After conducting the evaluation process discussed above, the Audit Committee selected Ernst & Young LLP as our independent auditor for the 2022 fiscal year. Ernst & Young LLP has served in that capacity since October 2001. The Audit Committee and the Board of Directors believe that the continued retention of Ernst & Young LLP is in the best interests of Dollar General and our shareholders.

Will representatives of Ernst & Young LLP attend the annual meeting?

Representatives of Ernst & Young LLP have been requested and are expected to attend the annual meeting. These representatives will have the opportunity to make a statement if they so desire and are expected to be available to respond to appropriate questions.

What if shareholders do not ratify the appointment?

The Audit Committee is not bound by a vote either for or against the firm. If the shareholders do not ratify this appointment, our Audit Committee will consider that result in selecting our independent auditor in the future.



The Board of Directors unanimously recommends that shareholders vote **FOR** the ratification of Ernst & Young LLP as our independent auditor for the 2022 fiscal year.

FEES PAID TO AUDITORS

The table below lists the aggregate fees for professional audit services rendered to us by Ernst & Young LLP for the audit of our consolidated financial statements for the past two fiscal years and fees billed for other services rendered by Ernst & Young LLP

during the past two fiscal years. Information related to audit fees for 2021 includes amounts billed through January 28, 2022, and additional amounts estimated to be billed for the 2021 period for services rendered.

Service	2021 Aggregate Fees Billed (\$)	2020 Aggregate Fees Billed (\$)
Audit Fees ⁽¹⁾	2,680,086	2,704,793
Audit-Related Fees ⁽²⁾	—	—
Tax Fees ⁽³⁾	2,418,017	2,231,915
All Other Fees ⁽⁴⁾	5,325	6,450

- (1) Represents for each fiscal year the aggregate fees billed for professional services for the audit of our annual financial statements and review of financial statements included in our Forms 10-Q and services that are normally provided in connection with statutory and regulatory filings or engagements.
- (2) Represents for each fiscal year the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements.
- (3) Represents for each fiscal year the aggregate fees billed for professional services for tax compliance, tax advice and tax planning. 2021 and 2020 fees relate primarily to tax compliance services, which represented \$2,155,935 and \$1,903,870 in 2021 and 2020, respectively, for work related to work opportunity tax credit assistance, foreign sourcing offices' tax compliance, state tax credit assistance, and other federal job credits. Tax fees for 2021 also included fees for tax advisory services related to start up and initial year services related to Mexico. The remaining tax fees for each such year are for tax advisory services related to inventory, as well as income tax advisory services.
- (4) Represents for each fiscal year the aggregate fees billed for other products and services, which in each year consisted solely of subscription fees to an on-line accounting research tool.

The Audit Committee pre-approves all audit and permissible non-audit services provided by our independent auditor. Where feasible, the Committee considers and, when appropriate, pre-approves services at regularly scheduled meetings after disclosure by management and the independent auditor of the nature of the proposed services, the estimated fees (when available), and their opinions that

the services will not impair the independence of the independent auditor. The Committee's Chairman (or any Committee member if the Chairman is unavailable) may pre-approve such services between Committee meetings and must report to the Committee at its next meeting with respect to all services so pre-approved. The Committee pre-approved 100% of the services provided by Ernst & Young LLP during 2021 and 2020.

PROPOSAL 4: Shareholder Proposal Requesting Political Spending Disclosure

Introduction and Board of Directors' Recommendation

John Chevedden (the "Proponent"), located at 2215 Nelson Avenue, No. 205, Redondo Beach, CA 90278, has notified us that he intends to present at the annual meeting the shareholder proposal set forth below. The Proponent has provided us with documentation indicating that he is the beneficial owner of at least 40 shares of our common stock. The shareholder proposal will be voted upon at the annual meeting if the

Proponent or his qualified representative is present at the annual meeting and properly presents the shareholder proposal for a vote.

Dollar General is not responsible for the accuracy or content of the shareholder proposal, which is printed verbatim as received in accordance with SEC rules, and we have not endeavored to correct any erroneous statements or typographical errors it may contain.



The Board of Directors unanimously recommends that shareholders vote AGAINST Proposal 4 for the reasons set forth in the Board's Statement in Opposition, which follows the shareholder proposal.

Shareholder Proposal

Proposal 4- Political Spending Disclosure



Resolved, that the shareholders of Dollar General Corporation ("Dollar General" or "Company") hereby request that the Company provide a report, updated semiannually, disclosing the Company's:

1. Policies and procedures for making, with corporate funds or assets, contributions and expenditures (direct or indirect) to (a) participate or intervene in any campaign on behalf of (or in opposition to) any candidate for public office, or (b) influence the general public, or any segment thereof, with respect to an election or referendum.
2. Monetary and non-monetary contributions and expenditures (direct and indirect) used in the manner described in section 1 above, including:
 - a. The identity of the recipient as well as the amount paid to each; and
 - b. The title(s) of the person(s) in the Company responsible for decision-making.

The report shall be presented to the board of directors or relevant board committee and posted on the Company's website within 12 months from the date of the annual meeting. This proposal does not encompass lobbying spending.

Supporting Statement

As a long-term shareholders of Dollar General, I support transparency and accountability in corporate electoral spending. This includes any activity considered intervention in a political campaign under the Internal Revenue Code, such as direct and indirect contributions to political candidates, parties, or organizations, and independent expenditures or electioneering communications on behalf of federal, state, or local candidates.

A company's reputation, value, and bottom line can be adversely impacted by spending that is conducted blindly. The risk is especially serious when giving to trade associations, Super PACs, 527 committees, and "social welfare" organizations - groups that routinely pass money to or spend on behalf of candidates and political causes that a company might not otherwise wish to support.

The Conference Board's 2021 "Under a Microscope" report <<https://www.conference-board.org/publications/Under-a-Microscope-ES>> details these risks, recommends the process suggested in this proposal, and warns "a new era of stakeholder scrutiny, social media, and political polarization has propelled corporate political activity—and the risks that come with it—into the spotlight. Political activity can pose increasingly significant risks for companies, including the perception that political contributions—and other forms of activity—are at odds with core company values."

This proposal asks Dollar General to disclose all of its electoral spending, including payments to trade associations and other tax-exempt organizations which may be used for electoral purposes—and are otherwise undisclosed. This would bring our Company in line with a growing number of leading companies, including

Yum! Brands, Kohl's, and Lowe's, which present this information on their websites.

Without knowing the recipients of our company's political dollars shareholders cannot sufficiently assess whether our company's election-related spending aligns or conflicts with its policies on climate change and sustainability. I ask your support for this critical governance reform.

Political Spending Disclosure—Proposal 4

Board of Directors' Statement in Opposition to Proposal 4

Our Board of Directors has carefully considered this shareholder proposal and while the Board generally supports the proposal's stated objectives of transparency and accountability, it believes that the proposal is not in the best interests of the Company or our shareholders for the reasons outlined below. Accordingly, the Board unanimously recommends that shareholders vote **AGAINST** this Proposal 4.

Our political contributions are limited and immaterial.

We do not directly make contributions or expenditures to participate or intervene in any campaign on behalf of, or in opposition to, any candidate for public office or to influence the general public with respect to the candidate for a specific election at the federal, state or local level. Further, we do not have a Company-sponsored Political Action Committee.

We participate in certain industry trade organizations, primarily Retail Industry Leaders Association, for many important reasons, including business, technical, and industry standard-setting expertise. While we may not support each of the initiatives of every association in which we participate or align with every position of every association to which we belong, we believe it is important to participate in the discussions these organizations have on industry-relevant topics so that important decisions that may affect our business, employees, customers, and shareholders are made with our input.

Our Political Activities Policy is publicly available, and we make any direct or indirect political contributions pursuant to this policy, with appropriate oversight, and in compliance with all applicable laws and regulations.

Our Political Activities Policy, which was adopted by the Nominating and Governance Committee of our Board of Directors this year, codifies our positions on political activities. This policy is publicly available on our website located at <https://www.dollargeneral.com/>

about-us/corporate-social-responsibility.html and provides for significant oversight of our limited political contributions. Specifically, pre-approval by our Chief Executive Officer is required for any permitted direct Company political contributions, specifically those directly made to influence the general public with respect to a referendum. Further, any Company contributions or expenditures of greater than \$10,000 directly made to entities organized under Section 527, 501(c)(4), or 501(c)(6) of the Internal Revenue Code, which, because of the nature of these organizations, may be used for political purposes (thus, potentially "indirect political contributions"), must be approved in advance by each of our Vice President of Government Affairs, Executive Vice President & General Counsel, and Chief Executive Officer.

Our Nominating and Governance Committee has significant oversight over our political contributions.

Our Nominating and Governance Committee oversees management's efforts on significant issues relating to political contributions in accordance with the Nominating and Governance Committee Charter. In connection with this oversight, as mentioned above, the Committee reviewed and approved our Political Activities Policy. Additionally, the Committee will review and approve any future changes to this policy and annually review any Company political contributions requiring public disclosure pursuant to this policy.

Beginning with our completed 2022 fiscal year, we will annually and publicly report on all direct Company political contributions and indirect Company political contributions of greater than \$10,000.

We will publicly report on an annual basis, beginning with our 2022 fiscal year, on any direct Company political contributions and any indirect Company political contributions of greater than \$10,000 as outlined in our Political Activities Policy. Given the limited frequency and amount of our political contributions of any kind, we believe that annual reporting is most appropriate, and that producing the report on a semiannual basis as requested by the proposal would be burdensome and an unnecessary use of the Company's resources without commensurate benefit.

Conclusion

In summary, our Board of Directors opposes this Proposal 4 because the Board believes that the Company already complies, or is committed to complying, with the vast majority of the requests contained within the proposal and that the Company's Political Activities Policy provides appropriate oversight and reporting of the Company's political contributions.



The Board of Directors unanimously recommends that shareholders vote AGAINST Proposal 4.

SHAREHOLDER PROPOSALS FOR 2023 ANNUAL MEETING

All shareholder proposals and notices discussed below must be mailed to Corporate Secretary, Dollar General Corporation, 100 Mission Ridge, Goodlettsville, Tennessee 37072. Shareholder proposals and director nominations that are not included in our proxy materials will not be considered at any annual meeting of shareholders unless such proposals have complied with the requirements of our Bylaws.

Shareholder Proposals

To be considered for inclusion in our proxy materials relating to the 2023 annual meeting of shareholders (the “2023 Annual Meeting”), eligible shareholders must submit proposals that comply with Rule 14a-8 under the Exchange Act and other relevant SEC regulations for our receipt by December 2, 2022.

New Business at 2023 Annual Meeting

To introduce new business outside of the Rule 14-8 process or to nominate directors (other than a proxy access nomination, which is described below) at the 2023 Annual Meeting, or to recommend a candidate for our Nominating Committee’s consideration, you must deliver written notice to us no earlier than the close of business on January 25, 2023, and no later than the close of business on February 24, 2023, and comply with the advance notice provisions of our Bylaws. If we do not receive a properly submitted proposal by February 24, 2023, then the proxies held by our management may provide the discretion to vote

against such proposal even though the proposal is not discussed in our proxy materials sent in connection with the 2023 Annual Meeting.

In addition to satisfying the foregoing requirements under our Bylaws, to comply with the universal proxy rules (once effective), shareholders who intend to solicit proxies in support of director nominees other than the Company’s nominees must provide notice that sets forth the information required by Rule 14a-19 under the Exchange Act no later than March 27, 2023.

Proxy Access

Our Bylaws contain proxy access provisions that permit a shareholder, or a group of up to 20 shareholders, owning 3% or more of our stock continuously for at least three years, to nominate and include in our proxy materials candidates for election as directors. Such shareholder or group may nominate up to 20% of our Board, provided that the shareholder or group and the nominee(s) satisfy the requirements specified in our Bylaws. In order to be properly brought before our 2023 Annual Meeting, an eligible shareholder’s notice of nomination of a director candidate pursuant to the proxy access provisions of our Bylaws must be received by us no earlier than the close of business on November 2, 2022, and no later than the close of business on December 2, 2022, and comply with the other relevant provisions of our Bylaws pertaining to proxy access nominees.

DOLLAR GENERAL®

10-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended January 28, 2022, or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____
Commission file number: 001-11421

DOLLAR GENERAL CORPORATION

(Exact name of registrant as specified in its charter)

TENNESSEE
*(State or other jurisdiction of
incorporation or organization)*

61-0502302
*(I.R.S. Employer
Identification No.)*

100 MISSION RIDGE
GOODLETTSVILLE, TN 37072
(Address of principal executive offices, zip code)

Registrant's telephone number, including area code: **(615) 855-4000**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.875 per share	DG	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the registrant's common stock outstanding and held by non-affiliates as of July 30, 2021 was \$54.2 billion calculated using the closing market price of the registrant's common stock as reported on the NYSE on such date (\$232.64). For this purpose, directors, executive officers and greater than 10% record shareholders are considered the affiliates of the registrant.

The registrant had 228,868,368 shares of common stock outstanding as of March 11, 2022.

DOCUMENTS INCORPORATED BY REFERENCE

Certain of the information required in Part III of this Form 10-K is incorporated by reference to the registrant's definitive proxy statement to be filed for the Annual Meeting of Shareholders to be held on May 25, 2022.

TABLE OF CONTENTS

INTRODUCTION

PART I

ITEM 1. BUSINESS	4
ITEM 1A. RISK FACTORS	10
ITEM 1B. UNRESOLVED STAFF COMMENTS	21
ITEM 2. PROPERTIES	21
ITEM 3. LEGAL PROCEEDINGS	22
ITEM 4. MINE SAFETY DISCLOSURES	22
INFORMATION ABOUT OUR EXECUTIVE OFFICERS	22

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES	25
ITEM 6. RESERVED	25
ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	26
ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	40
ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA	41
Report of Ernst & Young, LLP, Independent Registered Public Accounting Firm (PCAOB ID:42)	41
Consolidated Balance Sheets	43
Consolidated Statements of Income	44
Consolidated Statements of Comprehensive Income	45
Consolidated Statements of Shareholders' Equity	46
Consolidated Statements of Cash Flows	47
Notes to Consolidated Financial Statements	48
ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE	64
ITEM 9A. CONTROLS AND PROCEDURES	64
Report of Independent Registered Public Accounting Firm	65
ITEM 9B. OTHER INFORMATION	66
ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS	66

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE	67
ITEM 11. EXECUTIVE COMPENSATION	67
ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS	68
ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE	68
ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES	68

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES	69
ITEM 16. FORM 10-K SUMMARY	76

SIGNATURES	77
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INTRODUCTION

General

This report contains references to years 2022, 2021, 2020 and 2019, which represent fiscal years ending or ended February 3, 2023, January 28, 2022, January 29, 2021 and January 31, 2020, respectively. Our fiscal year ends on the Friday closest to January 31. Our 2022 fiscal year will consist of 53 weeks, while each of the remaining years listed consists of 52 weeks. All of the discussion and analysis in this report should be read with, and is qualified in its entirety by, the Consolidated Financial Statements and related notes.

Solely for convenience, our trademarks and tradenames may appear in this report without the ® or TM symbol which is not intended to indicate that we will not assert, to the fullest extent under applicable law, our rights or the right to these trademarks and tradenames.

Cautionary Disclosure Regarding Forward-Looking Statements

We include “forward-looking statements” within the meaning of the federal securities laws throughout this report, particularly under the headings “Business,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Note 7 – Commitments and Contingencies,” among others. You can identify these statements because they are not limited to historical fact or they use words such as “may,” “will,” “should,” “could,” “can,” “would,” “believe,” “anticipate,” “project,” “plan,” “expect,” “estimate,” “goal,” “seek,” “ensure,” “potential,” “opportunity,” “intend,” “predict,” “committed,” “likely,” “continue,” “strive,” “aim,” “scheduled,” “focused on,” or “subject to” and similar expressions that concern our strategies, plans, initiatives, intentions or beliefs about future occurrences or results. For example, all statements relating to, among others, our estimated and projected expenditures, cash flows, results of operations, financial condition and liquidity; our expectations regarding economic and competitive market conditions; our plans and objectives for, and expectations regarding, future operations, growth and initiatives, including but not limited to the number of planned store openings, remodels and relocations, store formats or concepts, progress of our strategic (including our non-consumables and digital initiatives, DG Fresh, Fast Track, and pOpshelf), merchandising, margin enhancing, and distribution/transportation efficiency (including self-distribution) initiatives, and international expansion plans; trends in sales of consumable and non-consumable products, customer traffic and basket size; level of future costs and expenses; expectations regarding inflationary and labor pressures, fuel prices, and other supply chain challenges; potential future stock repurchases and cash dividends; anticipated borrowing under our unsecured revolving credit agreement and our commercial paper program; potential impact of the COVID-19 pandemic and associated governmental responses; potential impact of legal or regulatory changes or governmental assistance or stimulus programs and our responses thereto, including the potential increase of federal, state and/or local minimum wage rates/salary levels, as well as changes to SNAP benefits, unemployment benefits, and child tax credits, or potential changes to the corporate tax rate; or expected outcome or effect of pending or threatened legal disputes, litigation or audits are forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and other factors that may cause our actual results to differ materially from those which we expected. Many of these statements are derived from our operating budgets and forecasts, which are based on many detailed assumptions that we believe are reasonable. However, it is very difficult to predict the effect of known factors, and we cannot anticipate all factors that could affect future results.

Important factors that could cause actual results to differ materially from the expectations expressed or implied in our forward-looking statements are disclosed under “Risk Factors” in Part I, Item 1A and elsewhere in this document (including, without limitation, in conjunction with the forward-looking statements themselves and under the heading “Critical Accounting Policies and Estimates”). All forward-looking statements are qualified in their entirety by these and other cautionary statements that we make from time to time in our other SEC filings and public communications. You should evaluate forward-looking statements in the context of these risks and uncertainties and are cautioned not to place undue reliance on such statements. These factors may not contain all of the factors that are important to you. We cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect. Forward-looking statements in this report are made only as of the date hereof. We undertake no obligation, and specifically disclaim any duty, to update or revise any forward-looking statement as a result of new information, future events or otherwise, except as may be required by law.

PART I

ITEM 1. BUSINESS

General

We are among the largest discount retailers in the United States by number of stores, with 18,190 stores located in 47 states as of February 25, 2022, with the greatest concentration of stores in the southern, southwestern, midwestern and eastern United States. We offer a broad selection of merchandise, including consumable items, seasonal items, home products and apparel. Our merchandise includes national brands from leading manufacturers, as well as our own private brand selections with prices at substantial discounts to national brands. We offer our customers these national brand and private brand products at everyday low prices (typically \$10 or less) in our convenient small-box locations.

Our History

J.L. Turner founded our Company in 1939 as J.L. Turner and Son, Wholesale. We were incorporated as a Kentucky corporation under the name J.L. Turner & Son, Inc. in 1955, when we opened our first Dollar General store. We changed our name to Dollar General Corporation in 1968 and reincorporated in 1998 as a Tennessee corporation. Our common stock was publicly traded from 1968 until July 2007, when we merged with an entity controlled by investment funds affiliated with Kohlberg Kravis Roberts & Co. L.P., or KKR. In November 2009 our common stock again became publicly traded on the New York Stock Exchange under the symbol “DG”, and in December 2013 the entity controlled by investment funds affiliated with KKR sold its remaining shares of our common stock.

COVID-19 Pandemic

Throughout 2020 and 2021, the COVID-19 (coronavirus) pandemic resulted in widespread and continuing impacts on the global economy and affected our business, as well as our customers, suppliers, and other business partners. In March 2020, we began seeing heightened demand from customers, particularly for consumable products such as paper, food and cleaning products. Shortly thereafter, we also saw a significant increase in demand for many non-consumable products, resulting in a significant overall sales mix shift into non-consumable categories in 2020. Overall, the mix of consumables to non-consumables sales in 2021 remained relatively consistent with 2020. Since 2020, we also have seen a shift in consumer shopping behavior towards trip consolidation, along with an increase in average transaction amounts. In 2020, we incurred significant expense related to the pandemic, including appreciation bonuses for retail, distribution and transportation employees and health and safety measures. Although some of these expenses continued in 2021, they were not as significant as in 2020. We expect to continue to be affected, although the extent and duration are unknown, by the COVID-19 pandemic and its effects on the economy (including governmental response thereto), including its impact on the global supply chain and increased product, distribution, transportation and other costs.

Our Business Model

Our long history of profitable growth is founded on a commitment to a relatively simple business model: providing a broad base of customers with their basic everyday and household needs, supplemented with a variety of general merchandise items, at everyday low prices in conveniently located, small-box stores. We continually evaluate the needs and demands of our customers and modify our merchandise selections and pricing accordingly, while remaining focused on increasing profitability, cash generation and returns for our shareholders.

Our long-term operating priorities are: 1) driving profitable sales growth, 2) capturing growth opportunities, 3) enhancing our position as a low-cost operator, and 4) investing in our diverse teams through development, empowerment and inclusion. For more information on these operating priorities, see the “Executive Overview” section of Management’s Discussion and Analysis of Financial Condition and Results of Operations, included in Part II, Item 7 of this report.

From 1990 through 2020, we achieved 31 consecutive years of positive same-store sales growth. As a result of the unusually high sales results we experienced in 2020, we did not achieve positive same-store sales growth in 2021. Notwithstanding the unusual circumstances of 2020 and 2021, we believe that this consistent growth over many years, which has taken place in a variety of economic conditions, is a result of our compelling value and convenience proposition, although no assurances can be given that we will achieve positive same-store sales growth in any given year.

Compelling Value and Convenience Proposition. Our ability to deliver highly competitive prices in convenient locations and our easy “in and out” shopping format create a compelling shopping experience that we believe distinguishes us from other discount retailers as well as convenience, drug, grocery, online and mass merchant retailers. Our slogan “Save time. Save money. Every day!”® summarizes our appeal to customers. We believe our ability to effectively deliver both value and convenience allows us to succeed in small markets with limited shopping alternatives, as well as in larger and more competitive markets. Our value and convenience proposition is evidenced by the following attributes of our business model:

- ***Everyday Low Prices on Quality Merchandise.*** Our research indicates that we offer a price advantage over most food and drug retailers and that our prices are competitive with even the largest discount retailers. Our ability to offer everyday low prices on quality merchandise is supported by our low-cost operating structure and our strategy to maintain a limited number of items per merchandise category, which we believe helps us maintain strong purchasing power. We offer nationally advertised brands at these everyday low prices in addition to offering our own private brands at substantially lower prices.
- ***Convenient Locations.*** Our stores are conveniently located in a variety of rural, suburban and urban communities. We seek to locate our stores in close proximity to our customers, which helps drive customer loyalty and trip frequency and makes us an attractive alternative to large discount and other large-box retail and grocery stores.
- ***Time-Saving Shopping Experience.*** We strive to provide customers with a highly convenient, easy to navigate shopping experience. Our small-box stores make it easier to get in and out quickly, and our digital tools and offerings help drive even greater convenience and additional access points. Our product offering includes most necessities, such as basic packaged and refrigerated or frozen food and dairy products, cleaning supplies, paper products, health and beauty care items, greeting cards and other stationery items, basic apparel, housewares, hardware and automotive supplies, among others. Our convenient hours and broad merchandise offering allow our customers to fulfill their requirements for basic goods and minimize their need to shop elsewhere.

Substantial Growth Opportunities. We believe we have substantial long-term growth potential in the U.S., and we have identified significant opportunities to add new stores in both existing and new markets, which include our new pOpshelf concept. In addition, we have opportunities to relocate or remodel locations within our existing store base to better serve our customers. Our attractive store economics, including a relatively low initial investment and simple, low-cost operating model, and our variety of store formats have allowed us to grow our store base to current levels and provide us significant opportunities to continue our profitable store growth strategy.

Our Merchandise

We offer a focused assortment of everyday necessities, which we believe helps to drive frequent customer visits, and key items in a broad range of general merchandise categories. Our product assortment provides the opportunity for our customers to address most of their basic shopping needs with one trip. We offer a wide selection of nationally advertised brands from leading manufacturers. Additionally, our private brand products offer even greater value with options to purchase both products that are of comparable quality to national brands as well as opening price point items, each at substantial discounts to the national brands.

Consumables is our largest merchandise category and includes paper and cleaning products (such as paper towels, bath tissue, paper dinnerware, trash and storage bags, disinfectants, and laundry); packaged food (such as

cereals, pasta, canned soups, fruits and vegetables, condiments, spices, sugar and flour); perishables (such as milk, eggs, bread, refrigerated and frozen food, beer and wine); snacks (such as candy, cookies, crackers, salty snacks and carbonated beverages); health and beauty (such as over-the-counter medicines and personal care products including soap, body wash, shampoo, cosmetics, dental hygiene and foot care products); pet (such as pet supplies and pet food); and tobacco products.

Seasonal products include holiday items, toys, batteries, small electronics, greeting cards, stationery, prepaid phones and accessories, gardening supplies, hardware, automotive and home office supplies.

Home products include kitchen supplies, cookware, small appliances, light bulbs, storage containers, frames, candles, craft supplies and kitchen, bed and bath soft goods.

Apparel includes casual everyday apparel for infants, toddlers, girls, boys, women and men, as well as socks, underwear, disposable diapers, shoes and accessories.

The percentage of net sales of each of our four categories of merchandise for the fiscal years indicated below was as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Consumables.....	76.7 %	76.8 %	78.0 %
Seasonal	12.2 %	12.1 %	11.7 %
Home products.....	6.8 %	6.5 %	5.8 %
Apparel.....	4.3 %	4.6 %	4.5 %

Our seasonal and home products categories typically account for the highest gross profit margins, and the consumables category typically accounts for the lowest gross profit margin.

The Dollar General Store

The typical Dollar General store is operated by a store manager, one or more assistant store managers, and three or more sales associates. Our stores generally feature a low-cost, no frills building with limited maintenance capital, low operating costs, and a focused merchandise offering within a broad range of categories, allowing us to deliver low retail prices while generating strong cash flows and capital investment returns. Our stores currently average approximately 7,400 square feet of selling space, and approximately 75% of our stores are located in towns of 20,000 or fewer people. Beginning in 2021, our primary new store format averages approximately 8,500 square feet of selling space. We generally have had good success in locating suitable store sites in the past, and we believe that there is ample opportunity for new store growth in existing and new markets. In addition, we believe we have significant opportunities available for our relocation and remodel programs.

Our store growth over the past three years is summarized in the following table:

<u>Year</u>	<u>Stores at Beginning of Year</u>	<u>Stores Opened</u>	<u>Stores Closed</u>	<u>Net Store Increase</u>	<u>Stores at End of Year</u>
2019.....	15,370	975	67	908	16,278
2020.....	16,278	1,000	101	899	17,177
2021.....	17,177	1,050	97	953	18,130

Our Customers

Our customers seek value and convenience. Depending on their financial situation and geographic proximity, customers' reliance on Dollar General varies from fill-in shopping, to making periodic trips to stock up on household items, to making weekly or more frequent trips to meet most essential needs. We generally locate our stores and plan our merchandise selections to best serve the needs of our core customers, the low and fixed income households often underserved by other retailers (including grocers), and we are focused on helping them make the most of their spending dollars. At the same time, however, Dollar General shoppers from a wide range of income

brackets and life stages appreciate our quality merchandise as well as our attractive value and convenience proposition.

Our Suppliers

We purchase merchandise from a wide variety of suppliers and maintain direct buying relationships with many producers of national brand merchandise. Despite our broad offering, we maintain only a limited number of items per category, allowing us to keep our average costs low. Our two largest suppliers accounted for approximately 9% and 8%, respectively, of our purchases in 2021. Our private brands come from a wide variety of suppliers. We directly imported approximately 6% of our purchases at cost in 2021.

In 2020 and 2021, COVID-19 and its impacts caused disruptions in our supply chain, at times making it more difficult to obtain certain products in sufficient quantities to meet customer demand and increasing distribution and transportation costs. We anticipate these COVID-19 effects to persist to some degree, although the ultimate extent and duration of the COVID-19 pandemic and its effects are unknown. Prior to 2020, we had generally been able to obtain sufficient quantities of core merchandise and in cases where one or more of our current sources of supply became unavailable, we generally had been able to obtain alternative sources. In situations where it becomes necessary to secure alternative sources, we may experience increased merchandise costs and supply chain lead time and expenses, a temporary reduction in store inventory levels, and reduced product selection or quality. An inability to obtain alternative sources could adversely affect our sales.

Distribution and Transportation

Our stores are currently supported by distribution centers for both refrigerated and non-refrigerated merchandise located strategically throughout our geographic footprint. We lease additional temporary warehouse space as necessary to support our distribution needs. In addition to our traditional distribution centers, we now operate multiple temperature-controlled distribution facilities in support of “DG Fresh”, our strategic, multi-phased shift to self-distribution of frozen and refrigerated goods, such as dairy, deli and frozen products. We regularly analyze and rebalance the network to ensure that it remains efficient and provides the service levels our stores require. See “—Properties” below for additional information pertaining to our distribution centers.

Most of our merchandise flows through our distribution centers and is delivered to our stores by our private fleet and by third-party trucking firms, utilizing our trailers. In addition, vendors or third-party distributors deliver or ship certain food items and other merchandise directly to our stores.

Seasonality

The nature of our business is somewhat seasonal. Generally, our operating profit has been greater in the fourth quarter, which includes the Christmas selling season, as compared with operating profit in each of the first three quarters of our fiscal year. In addition, our quarterly results can be affected by the timing of certain holidays, new store openings, remodels, relocations and store closings. Consumer behavior driven by the COVID-19 pandemic and its accompanying impacts has resulted in a departure from seasonal norms we have experienced in recent years and may continue to disrupt the historical quarterly cadence of our results of operations for an unknown period of time.

Our Competition

We operate in the basic discount consumer goods market, which is highly competitive with respect to price, customers, store location, merchandise quality, assortment and presentation, service offerings, in-stock consistency, customer service, promotional activity, employees, and market share. We compete with discount stores and many other retailers, including mass merchandise, warehouse club, grocery, drug, convenience, variety, online, and certain specialty stores. These other retail companies operate stores in many of the areas where we operate, and many of them engage in extensive advertising and marketing efforts. Our direct competitors include Family Dollar, Dollar Tree, Big Lots, 99 Cents Only and various local, independent operators, as well as Walmart, Target, Kroger, Aldi, Walgreens, CVS, and Rite Aid, among others. Certain of our competitors have greater financial, distribution,

marketing and other resources than we do and may be able to secure better arrangements from suppliers than we can. Competition is intense and we believe it will continue to be so, with certain competitors reducing their store locations while others move into or increase their presence in our geographic and product markets and increase the availability of mobile, web-based and other digital technology to facilitate a more convenient and competitive online and in-store customer shopping experience.

We believe that we differentiate ourselves from other forms of retailing by offering consistently low prices in a convenient, small-store format. We are able to maintain competitive prices due in part to our low-cost operating structure and the relatively limited assortment of products offered. Purchasing large volumes of merchandise within our focused assortment in each merchandise category allows us to keep our average product costs low, contributing to our ability to offer competitive everyday low prices to our customers. See “—Our Business Model” above for further discussion of our competitive situation.

Our Intellectual Property

We own marks that are registered with the United States Patent and Trademark Office and are protected under applicable intellectual property laws, including, without limitation, Dollar General®, DG®, Clover Valley®, trueliving®, and pOpshelf® along with variations and formatives of these trademarks. We attempt to obtain registration of our trademarks whenever practicable and to pursue vigorously any infringement of those marks. Our trademark registrations have various expiration dates; however, assuming that the trademark registrations are properly renewed, they have a perpetual duration. We also hold an exclusive license to the Rexall brand through at least March 5, 2029 and the Believe Beauty brand through at least March 18, 2025.

Human Capital Resources

At Dollar General, a foundational element in how we operate is exemplified in our fourth operating priority – Investing in our diverse teams through development, empowerment and inclusion. Building on our core value of respecting the dignity and differences of others, our goal is to create a work environment where each employee is encouraged and empowered to bring their unique perspective and voice to work each day. Based on a talent philosophy of “Attract, Develop, and Retain”, whether an individual works in a store, a distribution center, our store support center or our international offices, over the last 80+ years, we have helped millions of individuals start and progress in their careers, providing employees with numerous opportunities to gain new skills and develop their talents, supported by our award-winning training and development programs.

Attract

We seek to provide market competitive compensation and benefits packages that attract talent to the organization and then retain and incent employees for performance. Although eligibility for and the level of benefits vary depending on the employee’s full-time or part-time status, compensation level, date of hire, and/or length of service, the broad range of benefits we provide or make available may include: medical, prescription, telemedicine, dental and vision plans; flexible spending accounts; disability insurance; 401(k) plan; paid vacation; employee assistance program with access to legal assistance and counseling; healthy lifestyle and disease management programs; education assistance benefits; parental leave; adoption assistance; service award recognition; and a broad range of discounts for other products and services. To help measure the success of our overall employee compensation and benefits programs, we monitor employee applicant flow and staffing levels across the organization, as well as employee turnover, particularly at the store manager level.

Develop

As a testament to our employee development efforts, in February 2021 we were inducted into Training magazine’s Hall of Fame, following two consecutive years as the magazine’s top training and development program and rounding out 10 consecutive years among its Top 100 list. In 2021, we estimate we invested over three million training hours in our employees to promote their education and development.

Our internal promotion rate helps us measure the success of our development programs. As of February 25, 2022, we employed approximately 163,000 full-time and part-time employees, including divisional and regional managers, district managers, store managers, other store personnel, and distribution center, fleet and administrative personnel. As of the end of 2021, approximately 76% of store managers and thousands of additional employees, including several members of our senior leadership, have been promoted from within our organization.

Retain

To ensure we are creating an environment where our employees feel respected, safe, empowered, and motivated, we regularly monitor retention and engagement levels across the organization through a variety of means, working to understand what is important to our employees and how we can best continue to meet their evolving needs.

Compliance with Governmental Regulations

Our operations are subject to the applicable federal, state, local and foreign laws, rules, and regulations of the jurisdictions in which we operate or conduct business. These laws, rules and regulations relate to, among other things, the sale of products, including without limitation product and food safety, marketing and labeling; information security and privacy; labor and employment; employee wages and benefits; health and safety; real property; public accommodations; anti-bribery; financial reporting and disclosure; antitrust and fair competition; anti money laundering; transportation; imports and customs; intellectual property; taxes; and environmental compliance.

Although we routinely incur significant costs in complying with the laws and regulations applicable to the Company, and we can make no guarantees that future such costs will not be material, to date, compliance with these laws, rules and regulations has not had a material adverse effect on our capital expenditures, earnings or competitive position. Many of our entry-level store employees are paid at rates in line with the applicable state minimum wage, and consequently, in certain situations, increases to such wage rates have increased our labor costs. If federal, state and/or local minimum wage rates/salary levels were to increase significantly and/or rapidly, compliance with such increases could adversely affect our earnings. Additionally, if significant changes in the federal, state or foreign corporate tax rates occur in the future, such change could adversely affect our overall effective tax rate and earnings. See “Risk Factors” in Part I, Item 1A for additional information regarding government regulations that could impact our business.

Available Information

Our Internet website address is www.dollargeneral.com. The information on our website is not incorporated by reference into, and is not a part of, this Form 10-K. We file with or furnish to the Securities and Exchange Commission (the “SEC”) annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports, proxy statements and annual reports to shareholders, and, from time to time, registration statements and other documents. These documents are available free of charge to investors on or through the Investor Information section of our website (<https://investor.dollargeneral.com>) as soon as reasonably practicable after we electronically file them with or furnish them to the SEC. The SEC also maintains an internet site that contains reports, proxy and information statements and other information regarding issuers, such as Dollar General, that file electronically with the SEC. The address of that website is <http://www.sec.gov>.

ITEM 1A. RISK FACTORS

Investment in our Company involves risks. You should carefully consider the risks described below and the other information in this report and other filings that we make from time to time with the SEC, including our consolidated financial statements and accompanying notes. Any of the following risks could materially and adversely affect our business, financial condition, results of operations or liquidity. These risks are not the only risks we face. Our business, financial condition, results of operations or liquidity could also be adversely affected by additional factors that apply to all companies generally or by risks not currently known to us or that we currently view to be immaterial. We can provide no assurance and make no representation that our risk mitigation efforts, although we believe they are reasonable, will be successful.

Business, Strategic and Competitive Risks

The COVID-19 pandemic has continued to impact our business, financial performance and financial condition and could have a material adverse impact on our business, financial performance and financial condition in the future.

The COVID-19 pandemic has resulted in widespread and continuing adverse impacts on, and volatility in, the global economy and has continued to impact our business, employees, customers, suppliers, and other business partners. Considerable uncertainty exists regarding the extent to which the COVID-19 pandemic's existing and new variants will continue, as well as the scope, duration and effectiveness of continued measures directed at containment and mitigation of the virus, including travel bans and restrictions, quarantines, school closures, vaccination rollouts (including any boosters), vaccine and/or testing initiatives and mandates, restrictions on large gatherings and social distancing directives, and business and government restrictions and shutdowns. These measures taken by national, state and local government authorities to date have had serious adverse impacts on domestic and foreign economies and could have a significant adverse impact on our core customer and her spending for an unknown length of time. The timing, scope and potential effect of any additional economic stabilization efforts, including additional government stimulus payments, food/nutrition assistance and enhanced unemployment benefits, is uncertain. If customer spending on the goods we sell declines as a result of some or all of these factors, there could be a material adverse impact on our business and results of operations.

We have been classified as an essential business in all locations where we operate, and as such, our stores generally have remained open to serve our customers. While none of the below has resulted in an overall material adverse impact on our business, financial performance or financial condition to date, we have experienced or are experiencing certain effects of the COVID-19 pandemic, including but not limited to, the following:

- Supply chain disruptions and capacity constraints, including shipping and procurement delays of certain goods from international and domestic shipping origins, delivery delays to our stores as a result of staffing challenges (including COVID-19-related absenteeism) in certain of our distribution centers and vendor restrictions on their sale to us of a significant percentage of certain of our core products;
- Reduced or no availability of certain products in our stores as a result of supply chain disruptions outlined above and extremely high customer demand for certain products which has outpaced available supply;
- Increased distribution and transportation costs as a result of the effects outlined above, increased carrier rates and greater driver shortages, increased importing expense, increased overtime pay expenses due to reduced labor availability, and demand for transportation services outpacing carrier supply;
- Delayed store openings as a result of delays in store equipment, inventory deliveries or availability, and entitlement processes;
- Temporary store and distribution center closings in order to allow for deep cleanings as needed;
- Increased incremental expenses for certain items, including supplies for enhanced cleaning protocols and personal protective equipment for employees in stores, distribution centers and corporate headquarters (e.g., gloves, masks, hand sanitizer);
- In addition to the additional distribution overtime discussed above, increased labor expenses as a result of awarding employee appreciation bonuses, significantly increasing our hiring of new store

employees, and the increased workload associated with the incremental sales volume or inconsistent deliveries from our distribution centers to our stores; and

- COVID-19 and remote-work oriented phishing and similar cybersecurity attack attempts.

Depending on the duration and severity of the COVID-19 pandemic, including whether there are additional “waves”, other additional periods of increases or spikes in the number of COVID-19 cases or variants thereof and the availability, acceptance and efficacy of medical treatments, vaccines (including both adult and pediatric booster vaccines), effect of vaccine and/or testing mandates and related regulations, which are uncertain and cannot be predicted, as well as governmental authorities’ responses and requirements related to the pandemic, including the pace and extent of the easing or removal of restrictions on businesses and customers or the reinstatement of more stringent regulations, these experienced effects could have a material adverse impact on our business, financial performance and financial condition in the future if they increase in number, duration, and/or magnitude. We also could experience other effects that could aggravate or increase the likelihood of the risk factors set forth herein and/or result in a material adverse impact on our business, financial performance or financial condition, including but not limited to, the financial difficulties experienced by our suppliers or business partners, including the financial failure of one or more of our international steamship line vendors resulting in our inability to obtain our purchased goods in their possession; increased operating costs as a result of increased government regulations and mandates requiring us to provide wage increases or premiums to frontline employees, personal protective equipment or personal hygiene supplies to customers or to increase store and distribution center cleaning protocols, as well as store and/or distribution center closures as a result of increased government enforcement of any such new regulations and mandates; increased litigation expenses resulting from employee or customer lawsuits, including those related to the Company’s COVID-19 response and alleged employee or customer contraction; increased insurance costs, medical claims costs and workers’ compensation claim costs and the impact of regulatory and judicial changes in liability for workers’ compensation; and damage to our reputation if our response to the COVID-19 pandemic is perceived as inadequate or inappropriate. Additionally, the COVID-19 pandemic’s new and existing variants may cause or accelerate a shift in our core customer’s behaviors, expectations and shopping trends, which could result in lost sales and market share if we are not able to successfully increase the pace of our strategic initiatives development, particularly our digital strategic initiatives, and if our current digital shopping offerings do not continue to compete effectively.

The extent to which the COVID-19 pandemic ultimately impacts our business, financial performance and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak (and any variants thereof), its severity, the actions to contain and mitigate the virus or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. As a result, we may not be able to identify all risks ultimately faced from the COVID-19 pandemic and its aftermath.

Economic factors may reduce our customers’ spending, impair our ability to execute our strategies and initiatives, and increase our costs and expenses, which could result in materially decreased sales and/or profitability.

Many of our customers have fixed or low incomes and limited discretionary spending dollars. Any factor that could adversely affect their disposable income could decrease our customers’ spending or cause them to shift their spending to our lower margin product choices, which could result in materially decreased sales and/or profitability. Factors that could reduce our customers’ disposable income include but are not limited to high unemployment or underemployment levels or decline in real wages; inflation; pandemics (such as the COVID-19 pandemic); higher fuel, energy, healthcare and housing costs, interest rates, consumer debt levels, and tax rates; tax law changes that negatively affect credits and refunds; lack of available credit; and decreases in, or elimination of, government stimulus programs or subsidies such as unemployment, food/nutrition assistance programs, and the Child Tax Credit.

Many of the economic factors listed above, as well as commodity rates; transportation, lease and insurance costs; wage rates (including the heightened possibility of increased federal, state and/or local minimum wage rates); foreign exchange rate fluctuations; measures that create barriers to or increase the costs of international trade (including increased import duties or tariffs); changes in applicable laws and regulations (including tax laws related

to the corporate tax rate); and other economic factors, also could impair our ability to successfully execute our strategies and initiatives, as well as increase our cost of goods sold and selling, general and administrative expenses (including real estate costs), and may have other adverse consequences that we are unable to fully anticipate or control, all of which may materially decrease our sales or profitability.

Our plans depend significantly on strategies and initiatives designed to increase sales and profitability and improve the efficiencies, costs and effectiveness of our operations, and failure to achieve or sustain these plans could materially affect our results of operations.

We have short-term and long-term strategies and initiatives (such as those relating to merchandising, real estate and new store development, international expansion, store formats and concepts, digital, marketing, health services, shrink, sourcing, private brand, inventory management, supply chain, store operations, expense reduction, and technology) in various stages of testing, evaluation, and implementation, which are designed to continue to improve our results of operations and financial condition. The effectiveness of these initiatives is inherently uncertain, even when tested successfully, and is dependent on consistency of training and execution, workforce stability, ease of execution and scalability, and the absence of offsetting factors that can influence results adversely. The number and diverse geographic locations of our stores and distribution centers and our decentralized field management also contribute to the challenging nature of these factors. Other risk factors described herein also could negatively affect general implementation. Failure to achieve successful or cost-effective implementation of our initiatives could materially and adversely affect our business, results of operations and financial condition.

The success of our merchandising initiatives, particularly our non-consumable initiatives (including our new pOpshelf concept) and efforts to increase sales of higher margin products within the consumables category, further depends in part upon our ability to predict the products that our customers will demand and to identify and timely respond to evolving trends in consumer preferences and demographic mixes in our markets. If we are unable to select and timely obtain products that are attractive to customers and at costs that allow us to sell them at an acceptable profit, or to effectively market such products, it could result in materially decreased sales and profitability.

The success of our cold chain self-distribution initiative, DG Fresh, further depends in part on the availability of certain supply chain resources, including temperature-controlled distribution centers, refrigerated transportation equipment, and drivers. The success of our Fast Track initiative, which is designed to enhance our in-store labor productivity, on-shelf availability and customer convenience, further depends in part on successful acquisition, implementation and maintenance of the necessary hardware and technology, continued customer interest and adoption of self-checkout, our ability to gain cost efficiencies and control shrink levels from the initiative, and vendor cooperation. The success of DG Media Network, which is our platform for connecting brand partners with our customers to drive even greater value for each, further depends on our ability to successfully gather target customer audiences that deliver consistent, predictable and beneficial returns on advertising spending so as to generate interest and demand from our brand partners, as well as to properly handle and secure all sensitive customer data.

We face intense competition that could limit our growth opportunities and materially and adversely affect our results of operations and financial condition.

The retail business is highly competitive with respect to price, customers, store location, merchandise quality, product assortment and presentation, service offerings, product sourcing and supply chain capacity, in-stock consistency, customer service, ease of shopping experience, promotional activity, employees, and market share. We compete with discount stores and many other retailers, including mass merchandise, warehouse club, grocery, drug, convenience, variety, online retailers, and certain specialty stores. To maintain our competitive position, we may be required to lower prices, either temporarily or permanently, and may have limited ability to increase prices in response to increased costs, resulting in lower margins and reduced profitability. Certain of our competitors have greater financial, distribution, marketing and other resources, and may be able to secure better arrangements with suppliers, than we.

Competition is intense, and is expected to continue to be so, with certain competitors reducing their store locations while others enter or increase their presence in our geographic and product markets (including through the expansion of availability of delivery services) and expand availability of mobile, web-based and other digital technologies to facilitate a more convenient and competitive online and in-store shopping experience. If our competitors or others were to enter our industry in a significant way, including through alliances or other business combinations, it could significantly alter the competitive dynamics of the retail marketplace and result in competitors with greatly improved competitive positions, which could materially affect our financial performance. Our ability to effectively compete will depend substantially upon our continued ability to develop and execute compelling and cost-effective strategies and initiatives. If we fail to anticipate or respond effectively to competitive pressures and industry changes, it could materially affect our results of operations and financial condition.

Operational Risks

If we cannot timely and cost-effectively execute our real estate projects and meet our financial expectations, or if we do not anticipate or successfully address the challenges imposed by our expansion, including into new countries or domestic markets, states, or urban or suburban areas, it could materially impede our planned future growth and our profitability.

Delays in or failure to complete a significant portion of our real estate projects, or failure to meet our financial expectations for these projects, could materially and adversely affect our growth and our profitability. Our ability to timely open, relocate and remodel profitable stores and expand into additional market areas is a key component of our planned future growth and may depend in part on: the availability of suitable store locations and capital funding; the absence of entitlement process or occupancy delays, including zoning restrictions and moratoria on small box discount retail development such as those passed by certain local governments in areas where we operate or seek to operate; supply chain volatility resulting in delivery delays, and in some cases, lack of availability of store equipment, building materials, and store merchandise for resale; the ability to negotiate acceptable lease and development terms (for example, real estate development requirements and cost of building materials and labor), to cost-effectively hire and train qualified new personnel, especially store managers, and to identify and accurately assess sufficient customer demand; and general economic conditions. While we have experienced certain of these factors at heightened levels in fiscal 2021, to date, they have not materially impaired our ability to complete our planned real estate projects or growth, and thus, have not had a material adverse effect on our financial performance. However, if the heightened levels which we have recently experienced increase or are sustained for an extended period of time, we expect that they could have a material adverse effect on our ability to complete our future planned real estate projects or growth, and in turn, a material adverse effect on our financial performance.

We also may not anticipate or successfully address all of the challenges imposed by the expansion of our operations (including our new pOpshelf store concept), including into new countries or domestic markets, states or urban or suburban areas where we have limited or no meaningful experience or brand recognition. Those areas may have different regulatory environments, competitive and market conditions, consumer tastes and discretionary spending patterns than our existing markets, as well as higher cost of entry and operating costs. These factors may cause our new stores to be less profitable than stores in our existing markets, which could slow future growth in these areas. In addition, many new stores will be located in areas where we have existing stores, which inadvertently may temporarily or permanently divert a larger than anticipated number of customers and sales from our existing stores, thereby adversely affecting our overall financial performance.

Inventory shrinkage may negatively affect our results of operations and financial condition.

We experience significant inventory shrinkage. Although some level of inventory shrinkage is an unavoidable cost of doing business, higher rates of inventory shrinkage or increased security or other costs to combat inventory theft could adversely affect our results of operations and financial condition. There can be no assurance that we will be successful in our efforts to contain or reduce inventory shrinkage.

Our cash flows from operations, profitability and financial condition may be negatively affected if we are not successful in managing our inventory balances.

Our inventory balance represented approximately 52% of our total assets exclusive of goodwill, operating lease assets, and other intangible assets as of January 28, 2022. Efficient inventory management is a key component of our business success and profitability. We must maintain sufficient inventory levels and an appropriate product mix to meet our customers' demands without allowing those levels to increase such that the costs to store and hold the goods unduly impacts our financial results or increases the risk of inventory shrinkage. If we do not accurately predict customer trends, spending levels, or price sensitivity, we may have to take unanticipated markdowns to dispose of the excess inventory, which also can adversely affect our financial results. We continue to focus on ways to reduce these risks, but we cannot make assurances that we will be successful in our inventory management. If we are not successful in managing our inventory balances, our cash flows from operations and financial condition may be negatively affected.

Failure to maintain the security of our business, customer, employee or vendor information or to comply with privacy laws could expose us to litigation, government enforcement actions and costly response measures, and could materially harm our reputation and affect our business and financial performance.

In connection with sales, we transmit confidential credit and debit card information which is encrypted using point-to-point encryption. We also have access to, collect or maintain certain private or confidential information regarding our customers, employees and their dependents, and vendors, as well as our business. Some of this information is stored electronically in connection with our e-commerce and mobile applications, some of which may leverage third-party service providers. Additionally, we may share information with and depend upon select vendors to assist us in conducting our business. While we have implemented procedures and technology intended to protect such information and require appropriate controls of our vendors, external attackers could compromise such controls and result in unauthorized disclosure of such information, as attacks are becoming increasingly sophisticated, may include attacks on our third-party business partners, and do not always or immediately produce detectable indicators of compromise. Moreover, inadvertent or malicious internal personnel actions could result in a defeat of security measures and a compromise of our or our third-party vendors' information systems. Furthermore, if a vendor is the victim of a cyberattack, including a ransomware attack, such attack could have a corresponding material effect on our ability to do business with that vendor or to receive information that may be required to timely prepare our financial statements. Due to the political uncertainty involving Russia and Ukraine, there is an increased likelihood that escalation of tensions could result in cyberattacks that could either directly or indirectly impact our operations. Like other retailers, we and our vendors have experienced threats to, and incidents involving, data and systems, including by perpetrators of attempted random or targeted malicious attacks; computer malware, ransomware, bots, or other destructive or disruptive software; and attempts to misappropriate our information and cause system failures and disruptions although to date none have been material to our business. If attackers obtain customer, employee or vendor passwords through unrelated third-party breaches, and if impacted customers, employees, or vendors do not employ good online security practices (e.g., use the same password across different sites or do not use multifactor authentication), these passwords could be used to gain access to their information or accounts with us in certain situations.

Because we accept debit and credit cards for payment, we are subject to industry data protection standards and protocols, such as the Payment Card Industry Data Security Standards, issued by the Payment Card Industry Security Standards Council. Nonetheless, we may be vulnerable to, and unable to detect and appropriately respond to, cardholder data security breaches and data loss, including successful attacks on applications, systems, or networks.

A significant security breach of any kind experienced by us or one of our vendors, which could be undetected for a period of time, or a significant failure by us or one of our vendors to comply with applicable privacy and information security laws, regulations and standards could expose us to risks of data loss, litigation, government enforcement actions, fines or penalties, credit card brand assessments, negative publicity and reputational harm, business disruption and costly response measures (e.g., providing notification to, and credit monitoring services for, affected individuals, as well as further upgrades to our security measures; procuring a replacement vendor if one of our current vendors is unable to fulfill its obligations to us due to a cyberattack or

incident) which may not be covered by or may exceed the coverage limits of our insurance policies, and could materially disrupt our operations. Any resulting negative publicity could significantly harm our reputation which could cause us to lose market share as a result of customers discontinuing the use of our e-commerce and mobile applications or debit or credit cards in our stores or not shopping in our stores altogether and could materially and adversely affect our business and financial performance.

Material damage or interruptions to our information systems as a result of external factors, staffing shortages or challenges in maintaining or updating our existing technology or developing or implementing new technology could materially and adversely affect our business and results of operations.

We depend on a variety of information technology systems, including systems owned and managed by third-party vendors, for the efficient functioning of our business, including, without limitation, transaction processing and the management of our employees, facilities, logistics, inventories, stores and customer-facing digital applications and operations. Our technology initiatives may not deliver desired results or may do so on a delayed schedule. Additionally, such systems are subject to damage or interruption from power surges and outages, facility damage, physical theft, computer and telecommunications failures, inadequate or ineffective redundancy, malicious code (including malware, ransomware, or similar), successful attacks (e.g., account compromise; phishing; denial of service; and application, network or system vulnerability exploitation), software upgrade failures or code defects, natural disasters and human error. Due to the political uncertainty involving Russia and Ukraine, there is an increased likelihood that escalation of tensions could result in cyberattacks that could either directly or indirectly impact our operations. Design defects, damage to, or interruption to these systems may require a significant investment to repair or replace, disrupt our operations and affect our ability to meet business and reporting requirements, result in the loss or corruption of critical data, and harm our reputation, all of which could materially and adversely affect our business or results of operations.

We also rely heavily on our information technology staff. Failure to meet these staffing needs may negatively affect our ability to fulfill our technology initiatives while continuing to provide maintenance on existing systems. We rely on third parties to maintain and periodically upgrade many of these systems so that they can continue to support our business. We license the software programs supporting many of our systems from independent software developers. The inability of these vendors, developers or us to continue to maintain and upgrade these systems and software programs could disrupt or reduce the efficiency of our operations or retain vulnerability exploitation risk if we were unable to convert to alternate systems in an efficient and timely manner and could expose us to greater risk of a successful attack. In addition, costs and delays associated with the implementation of new or upgraded systems and technology, including the migration of applications to the cloud or our current implementation of our new point of sale system, or with maintenance or adequate support of existing systems also could disrupt or reduce the efficiency of our operations, fail to operate as designed, result in the potential loss or corruption of data or information, disrupt operations and affect our ability to meet business and reporting requirements and adversely affect our profitability.

A significant disruption to our distribution network, the capacity of our distribution centers or the timely receipt of inventory could adversely affect sales or increase our transportation costs, which would decrease our profitability.

We rely on our distribution and transportation network to provide goods to our stores timely and cost-effectively. Using various transportation modes, including ocean, rail, and truck, we and our vendors move goods from vendor locations to our distribution centers and our stores. Any disruption, unanticipated or unusual expense or operational failure related to this process could negatively impact sales and profits. We experienced in fiscal 2021, and continue to experience, increased fuel costs, as well as inventory receipt and delivery delays and increases in transportation costs (including increased import freight costs, and carrier and driver wages as a result of driver shortages) as a result of a decrease in transportation capacity for overseas shipments, port closures or congestion, and labor shortages. Labor shortages or work stoppages or slowdowns in the transportation industry or disruptions to the national and international transportation infrastructure that necessitate our securing alternative labor or shipping suppliers could also increase our costs or otherwise negatively affect our business. The COVID-19 pandemic has disrupted the global and domestic transportation and distribution of goods and resulted in product delivery delays and higher delivery prices. The supply chain disruptions that we have experienced to date as a result

of the COVID-19 pandemic had a material negative impact on our financial results in fiscal 2021. Depending on the continued extent and duration of these disruptions, our distribution network, results of operations (including sales) or future business may continue to be materially and adversely impacted.

We maintain a network of distribution facilities and are moving forward with plans to build or lease new facilities to support our growth objectives and strategic initiatives. Delays in opening such facilities could adversely affect our financial performance by slowing store growth (including accelerated pOpshelf store growth plans) or the rollout of certain strategic initiatives such as our DG Fresh initiative, which may in turn reduce revenue growth and/or profitability, or by increasing transportation and product costs. In addition, distribution-related construction or expansion projects entail risks that could cause delays and cost overruns, such as: shortages of materials or skilled labor; work stoppages; unforeseen construction, scheduling, engineering, environmental or geological problems; weather interference; fires or other casualty losses; and unanticipated cost increases. For these reasons, the completion date and ultimate cost of these projects could differ significantly from initial expectations, and we cannot guarantee that any project will be completed on time or within established budgets.

Risks associated with or faced by our suppliers could adversely affect our financial performance.

We source our merchandise from a wide variety of domestic and international suppliers, and we depend on them to supply merchandise in a timely and efficient manner and in the large volumes that we may require. In 2021, our two largest suppliers accounted for approximately 9% and 8% respectively, of our purchases. If one or more of our current sources of supply became unavailable, we believe we generally would be able to obtain alternative sources, but it could increase our merchandise costs and supply chain lead time and expenses, result in a temporary reduction in store inventory levels, and reduce the selection and quality of our merchandise. An inability to obtain alternative sources could materially decrease our sales. Additionally, if a supplier fails to deliver on its commitments, we could experience merchandise out-of-stocks that could lead to lost sales and reputational harm. Further, failure of suppliers to meet our compliance protocols could prolong our procurement lead time, resulting in lost sales and adverse margin impact.

We directly imported approximately 6% of our purchases (measured at cost) in 2021, but many of our domestic vendors directly import their products or components of their products. Changes to the prices and flow of these goods often are for reasons beyond our control, such as political or civil unrest, acts of war, disruptive global political events (for example, the current conflict between Russia and Ukraine), currency fluctuations, disruptions in maritime lanes, port labor disputes, economic conditions and instability in countries in which foreign suppliers are located, the financial instability of suppliers, failure to meet our terms and conditions or our standards, issues with our suppliers' labor practices or labor problems they may experience (such as strikes, stoppages or slowdowns, which could also increase labor costs during and following the disruption), the availability and cost of raw materials, pandemic outbreaks, merchandise quality or safety issues, transport availability and cost, increases in wage rates and taxes, transport security, inflation, and other factors relating to suppliers and the countries in which they are located or from which they import. Such changes could adversely affect our operations and profitability.

While we are working to diversify our sources of imported goods, a substantial amount of our imported merchandise comes from China, and thus, a change in the Chinese leadership, the effects of pandemic outbreaks including COVID-19, economic and market conditions, internal economic stimulus actions, or currency or other policies, as well as trade relations between China and the United States and increases in costs of labor, could negatively impact our merchandise costs. We experienced delays in the receipt of certain goods from international and domestic shipping origins as a result of the COVID-19 pandemic and more general global supply chain constraints in fiscal 2021. Depending on the continued extent and duration of these constraints and disruptions, our supply chain, results of operations (including sales) or future business may be materially and adversely impacted. In addition, the United States' foreign trade policies, duties, tariffs and other impositions on imported goods, trade sanctions imposed on certain countries (particularly China) and entities, import limitations on certain types of goods or of goods containing certain materials from other countries and other factors relating to foreign trade and port labor agreements are beyond our control. These and other factors affecting our suppliers and our access to products could adversely affect our business and financial performance. If we increase our product imports from foreign vendors, the risks associated with these imports also will increase, and we may be exposed to additional or different risks as we increase imports of goods produced in countries other than China.

Natural disasters and unusual weather conditions (whether or not caused by climate change), pandemic outbreaks or other health crises, political or civil unrest, acts of war, violence or terrorism, and disruptive global political events could disrupt business and result in lower sales and/or profitability and otherwise adversely affect our financial performance.

The occurrence of one or more natural disasters, such as hurricanes, fires, floods, tornadoes and earthquakes, unusual weather conditions, pandemic outbreaks or other health crises (including but not limited to the COVID-19 pandemic), political or civil unrest, acts of war, violence or terrorism (including within our stores, distribution centers or other Company property), or disruptive global political events (for example, the current conflict between Russia and Ukraine) or similar disruptions could adversely affect our reputation, business and financial performance. If any of these events result in the closure, or a limitation on operating hours, of one or more of our distribution centers, a significant number of stores, our sourcing offices, our corporate headquarters or data center or impact one or more of our key suppliers, our operations and financial performance could be materially and adversely affected through an inability or reduced ability to make deliveries, process payroll or provide other support functions to our stores and through lost sales. These events also could affect consumer shopping patterns or prevent customers from reaching our stores, which could lead to lost sales and higher markdowns, or result in increases in fuel or other energy prices, fuel shortage(s), new store or distribution center opening delays, the temporary lack of an adequate work force in a market, the temporary or long-term disruption of product availability in our stores, the temporary or long-term inability to obtain or access technology needed to effectively run our business, disruption of our utility services or information systems, and damage to our reputation. These events may also increase the costs of insurance if they result in significant loss of property or other insurable damage by us or in the market more generally.

Furthermore, the long-term impacts of global climate change present the possibility of both physical risks (such as extreme weather conditions or rising sea levels) and transition risks (such as regulatory or technology changes), which may be widespread and unpredictable. Over time, these changes could affect, for example, the availability and cost of products, commodities and energy (including utilities), which in turn may impact our ability to procure goods and services required for the operation of our businesses at the quantities and levels we require. In addition, our operations and facilities may be located in areas impacted by the physical risks of climate change, and we face the risk of losses incurred as a result of physical damage to stores, distribution centers, or our corporate offices, as well as loss or spoilage of inventory and business interruption caused by such events. We also use natural gas, diesel fuel and gasoline and electricity in our operations, all of which could face increased regulation as a result of climate change or other environmental concerns. Regulations limiting greenhouse gas emissions and energy inputs may also increase in coming years, which may increase our costs associated with compliance and merchandise. These events and their impacts could otherwise disrupt and adversely affect our operations and could materially adversely affect our financial performance.

Product liability, product recall or other product safety or labeling claims could adversely affect our business, reputation and financial performance.

We depend on our vendors to ensure that the products we buy from them comply with applicable product safety and labeling laws and regulations and to inform us of all applicable restrictions on the sale of such products. Nonetheless, product liability, personal injury or other claims may be asserted against us relating to alleged product contamination, tampering, expiration, mislabeling, recall and other safety or labeling issues, including those relating to products that we may self-distribute through our DG Fresh initiative.

We seek but may not be successful in obtaining contractual indemnification and insurance coverage for product-related claims and issues from our vendors. If we do not have adequate contractual indemnification or insurance available, or our vendors fails to adhere to their obligations to us, such claims could materially and adversely affect our business, financial condition and results of operations. Our ability to obtain indemnification from foreign vendors may be hindered by our ability to obtain jurisdiction over them to enforce contractual obligations. Even with adequate insurance and indemnification, such claims could significantly harm our reputation and consumer confidence in our products and we could incur significant litigation expenses, which also could materially affect our results of operations even if a product liability claim is unsuccessful or not fully pursued.

Our current insurance program may expose us to unexpected costs and negatively affect our financial performance.

Our insurance coverage reflects deductibles, self-insured retentions, limits of liability and similar provisions that we believe are prudent based on our operations. However, there are types of losses we may incur but against which we cannot be insured or which we believe are not economically reasonable to insure, such as losses due to acts of war, certain crimes (including employee crime), certain wage and hour and other employment-related claims and litigation, actions based on certain consumer protection laws, and some natural and other disasters or similar events. If we incur material uninsured losses, our financial performance could suffer. Certain material events have resulted, and may result again in the future, in sizable losses for the insurance industry and adversely affect the availability of adequate insurance coverage or result in excessive premium increases. To offset negative insurance market trends, we may elect to self-insure, accept higher deductibles or reduce the amount of coverage. In addition, we self-insure a significant portion of expected losses under our workers' compensation, automobile liability, general liability (including claims made against certain of our landlords), property loss, and group health insurance programs. Significant changes in actuarial assumptions and management estimates underlying our recorded liabilities for these losses, including any expected increases in medical and indemnity costs, could result in materially different expenses than expected under these programs, which could materially and adversely affect our results of operations and financial condition. Although we maintain property insurance for catastrophic events at our store support center and distribution centers, we are effectively self-insured for other property losses. If we experience a greater number of these losses than we anticipate, our financial performance could be adversely affected.

Failure to attract, develop and retain qualified employees while controlling labor costs, as well as other labor issues, could adversely affect our financial performance.

Our future growth and performance, positive customer experience and legal and regulatory compliance depends on our ability to attract, develop, retain and motivate qualified employees while operating in an industry challenged by historically high rates of employee turnover. Our ability to meet our labor needs, while controlling our labor costs, is subject to many external factors, including competition for and availability of qualified personnel, unemployment levels, wage rates and salary levels (including the heightened possibility of increased federal, state and/or local minimum wage rates/salary levels), health and other insurance costs, changes in employment and labor laws or other workplace regulations (including those relating to employee benefit programs such as health insurance and paid leave programs), employee activism, and our reputation and relevance within the labor market. If we are unable to attract, develop and retain adequate numbers of qualified employees, our operations, customer service levels, legal and regulatory compliance, and support functions could suffer. In addition, to the extent a significant portion of our employee base unionizes, or attempts to unionize, our labor and other related costs could increase, and it is possible that federal agencies may adopt or impose regulatory or other changes to existing law that could facilitate union organizing. Our ability to pass along labor and other related costs to our customers is constrained by our everyday low price model, and we may not be able to offset such increased costs elsewhere in our business.

Our success depends on our executive officers and other key personnel. If we lose key personnel or are unable to hire additional qualified personnel, our business may be harmed.

Our future success depends to a significant degree on the skills, experience and efforts of our executive officers and other key personnel. The unexpected loss of the services of any of such persons could adversely affect our operations. There can be no assurance that our executive succession planning, retention or hiring efforts will be successful. Competition for skilled and experienced management personnel is intense, and a failure to attract and retain new qualified personnel could adversely affect our operations.

Our private brands may not be successful in improving our gross profit rate and may increase certain of the risks we face.

The sale of private brand items is an important component of our sales growth and gross profit rate enhancement plans. Broad market acceptance of our private brands depends on many factors, including pricing, quality, customer perception, and timely development and introduction of new products. We cannot give assurance

that we will achieve or maintain our expected level of private brand sales. The sale and expansion of these offerings also subjects us to or increases certain risks, such as: product liability claims and product recalls; disruptions in raw material and finished product supply and distribution chains; inability to successfully protect our proprietary rights; claims related to the proprietary rights of third parties; supplier labor and human rights issues, and other risks generally encountered by entities that source, sell and market exclusive branded offerings for retail. Failure to appropriately address these risks could materially and adversely affect our private brand initiatives, reputation, results of operations and financial condition.

Because our business is somewhat seasonal, adverse events during the fourth quarter could materially affect our financial statements as a whole.

Primarily because of sales of Christmas-related merchandise, our most profitable sales mix generally occurs in the fourth quarter. In anticipation of this holiday, we purchase substantial amounts of seasonal inventory, and if sales fall below seasonal norms or our expectations it could result in unanticipated markdowns. Adverse events, such as deteriorating economic conditions, high unemployment rates, high gas prices, transportation disruptions, or unusual or unanticipated adverse weather could result in lower-than-planned sales during the Christmas selling season, which in turn could reduce our profitability and otherwise adversely affect our financial performance and operating results.

Failure to protect our reputation could adversely affect our business.

Our success depends in part on the protection of the reputation of Dollar General and the products and services we sell, including our private brands. Failure to comply or accusation of failure to comply with ethical, social, product, labor, data privacy, consumer protection, safety, environmental and other applicable standards could jeopardize our reputation and potentially lead to various adverse consumer, shareholder or non-governmental organization (NGO) actions, litigation and governmental investigations. In addition, our position or perceived lack of position on certain issues (e.g., public policy, social, or environmental issues), and any perceived lack of transparency about such matters, could harm our reputation and potentially lead to adverse consumer, shareholder or NGO actions, including negative public statements. Similar incidents or factors involving vendors and other third parties with whom we conduct business also may affect our reputation. Public comments on social media, whether or not they are accurate, have the potential to quickly influence negative perceptions of Dollar General or our goods and services, including our private brands. Negative reputational incidents could adversely affect our business through lost sales, loss of new store and development opportunities, or employee retention and recruiting difficulties.

Regulatory, Legal, Compliance and Accounting Risks

A significant change in governmental regulations and requirements could materially increase our cost of doing business, and noncompliance with governmental regulations could materially and adversely affect our financial performance.

We routinely incur significant costs in complying with numerous and frequently changing laws and regulations. The complexity of this regulatory environment and related compliance costs continue to increase due to additional legal and regulatory requirements, our expanding operations, and increased regulatory scrutiny and enforcement efforts. New or revised laws, regulations, policies and related interpretations and enforcement practices, particularly those dealing with the sale of products, including without limitation, product and food safety, marketing or labeling; information security and privacy; labor and employment; employee wages and benefits; health and safety; imports and customs; taxes; bribery; climate change; and environmental compliance, may significantly increase our expenses or require extensive system and operating changes that could materially increase our cost of doing business. Violations of applicable laws and regulations or untimely or incomplete execution of a required product recall can result in significant penalties (including loss of licenses, eligibility to accept certain government benefits such as SNAP or significant fines), class action or other litigation, governmental investigation or action and reputational damage. Additionally, changes in tax laws (including those related to the federal, state or foreign corporate tax rate), the interpretation of existing laws, or our failure to sustain our reporting positions on examination could adversely affect our overall effective tax rate. Furthermore, significant and/or rapid increases to

federal, state and/or local minimum wage rates/salary levels could adversely affect our earnings if we are not able to otherwise offset these increased labor costs elsewhere in our business. Moreover, the adoption of new environmental laws and regulations in connection with climate change and the transition to a low carbon economy, including any federal or state laws enacted to regulate greenhouse gas emissions, could significantly increase our operating or merchandise costs or reduce the demand for our products. These laws and regulations may include, but are not limited to, requirements relating to hazardous waste materials, recycling, single-use plastics, extended producer responsibility, use of refrigerants, carbon pricing or carbon taxes, product energy efficiency standards and product labeling. If carbon pricing or carbon taxes are adopted, there is a significant risk that the cost of merchandise from our suppliers will increase and adversely affect our business and results of operations.

Legal proceedings may adversely affect our reputation, business, results of operations and financial condition.

Our business is subject to the risk of litigation or other legal proceedings by employees, consumers, suppliers, competitors, shareholders, government agencies and others through private actions, class actions, multi-district litigation, arbitrations, derivative actions, administrative proceedings, regulatory actions or other litigation. For example, we are involved in certain legal proceedings as discussed in Note 7 to the consolidated financial statements. The outcome of legal proceedings, particularly class action or multi-district litigation or mass arbitrations and regulatory actions, can be difficult to assess or quantify. Plaintiffs in these types of lawsuits may seek recovery of very large or indeterminate amounts, and the magnitude of the potential loss may remain unknown for lengthy periods. In addition, certain of these matters, if decided adversely to us or settled by us, may result in liability material to our financial statements as a whole or may negatively affect our operating results if changes to our business operations are required, and sometimes these developments are unanticipated. Legal proceedings in general, and class actions, multi-district litigation, governmental investigations and actions and derivative actions in particular, can be expensive and disruptive, and adverse publicity could harm our reputation, regardless of the validity of the allegations. As a result, legal proceedings may adversely affect our business, results of operations and financial condition. See also Note 7 to the consolidated financial statements.

New accounting guidance or changes in the interpretation or application of existing accounting guidance could adversely affect our financial performance.

The implementation of new accounting standards could require certain systems, internal process and controls and other changes that could increase our operating costs and result in changes to our financial statements.

U.S. generally accepted accounting principles and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to our business involve many subjective assumptions, estimates and judgments by our management. Changes in these rules or their interpretation or in underlying management assumptions, estimates or judgments could significantly change our reported or expected financial performance. The outcome of such changes could include litigation or regulatory actions which could adversely affect our financial condition and results of operations.

Financial and Capital Market Risks

Deterioration in market conditions or changes in our credit profile could adversely affect our business operations and financial condition.

We rely on the positive cash flow we generate from our operating activities and our access to the credit and capital markets to fund our operations, growth strategy, and return of cash to our shareholders through share repurchases and dividends. Changes in the credit and capital markets, including market disruptions, limited liquidity and interest rate fluctuations, may increase the cost of financing or restrict our access to these potential sources of future liquidity. Our continued access to liquidity sources on favorable terms depends on multiple factors, including our operating performance and credit ratings. Our debt securities currently are rated investment grade, and a downgrade of this rating likely would negatively impact our access to the debt capital markets and increase our cost of borrowing. As a result, disruptions in the debt markets or any downgrade of our credit ratings could adversely affect our business operations and financial condition and our ability to return cash to our shareholders. We can

make no assurances that our ability to obtain additional financing through the debt markets will not be adversely affected by economic conditions or that we will be able to maintain or improve our current credit ratings.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

As of February 25, 2022, we operated 18,190 retail stores located in 47 states as follows:

<u>State</u>	<u>Number of Stores</u>	<u>State</u>	<u>Number of Stores</u>
Alabama	869	Nevada	21
Arizona	130	New Hampshire	43
Arkansas	502	New Jersey	175
California	246	New Mexico	111
Colorado	66	New York	555
Connecticut	76	North Carolina	977
Delaware	50	North Dakota	59
Florida	992	Ohio	943
Georgia	1,017	Oklahoma	503
Idaho	1	Oregon	77
Illinois	637	Pennsylvania	866
Indiana	641	Rhode Island	20
Iowa	297	South Carolina	614
Kansas	261	South Dakota	71
Kentucky	655	Tennessee	897
Louisiana	615	Texas	1,709
Maine	63	Utah	11
Maryland	156	Vermont	39
Massachusetts	55	Virginia	456
Michigan	653	Washington	25
Minnesota	192	West Virginia	271
Mississippi	587	Wisconsin	236
Missouri	600	Wyoming	9
Nebraska	141		

Most of our stores are located in leased premises. Individual store leases vary as to their terms, rental provisions and expiration dates. Many stores, including a significant portion of our new stores, are subject to build-to-suit arrangements with landlords, which typically carry a primary lease term of up to 15 years with multiple renewal options. We also have stores subject to shorter-term leases, and many of these leases have renewal options.

As of February 25, 2022, we operated 16 distribution centers for non-refrigerated products, 10 cold storage distribution centers, and two combination distribution centers which have both refrigerated and non-refrigerated products. We lease 12 of these facilities and the remainder are owned. We have a total of 17.5 million square feet of non-refrigerated space and a total of 2.6 million square feet of cold storage space. Approximately 7.25 acres of the land for one of the distribution centers is subject to a ground lease. We also leased approximately 2.0 million square feet of additional warehouse space in support of our distribution network for non-refrigerated merchandise.

Our executive offices are located in approximately 302,000 square feet of owned buildings and approximately 42,000 square feet of leased office space in Goodlettsville, Tennessee.

ITEM 3. LEGAL PROCEEDINGS

The information contained in Note 7 to the consolidated financial statements under the heading “Legal proceedings” contained in Part II, Item 8 of this report is incorporated herein by this reference.

ITEM 4. MINE SAFETY DISCLOSURES

None.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Information regarding our current executive officers as of March 18, 2022 is set forth below. Each of our executive officers serves at the discretion of our Board of Directors and is elected annually by the Board to serve until a successor is duly elected. There are no familial relationships between any of our directors or executive officers.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Todd J. Vasos	60	Chief Executive Officer and Director
John W. Garratt	53	Executive Vice President and Chief Financial Officer
Jeffery C. Owen	52	Chief Operating Officer
Kathleen A. Reardon	50	Executive Vice President and Chief People Officer
Steven G. Sunderland	58	Executive Vice President, Store Operations
Emily C. Taylor	45	Executive Vice President and Chief Merchandising Officer
Rhonda M. Taylor	54	Executive Vice President and General Counsel
Carman R. Wenkoff	54	Executive Vice President and Chief Information Officer
Antonio Zuazo	50	Executive Vice President, Global Supply Chain
Anita C. Elliott	57	Senior Vice President and Chief Accounting Officer

Mr. Vasos has served as Chief Executive Officer and a member of our Board since June 2015. He joined Dollar General in December 2008 as Executive Vice President, Division President and Chief Merchandising Officer and was promoted to Chief Operating Officer in November 2013. Prior to joining Dollar General, Mr. Vasos served in executive positions with Longs Drug Stores Corporation for seven years, including Executive Vice President and Chief Operating Officer (February 2008 to November 2008) and Senior Vice President and Chief Merchandising Officer (2001 to 2008), where he was responsible for all pharmacy and front-end marketing, merchandising, procurement, supply chain, advertising, store development, store layout and space allocation, and the operation of three distribution centers. He also previously served in leadership positions at Phar-Mor Food and Drug Inc. and Eckerd Corporation. Mr. Vasos has served as a director of KeyCorp since July 2020.

Mr. Garratt has served as Executive Vice President and Chief Financial Officer since December 2015. He joined Dollar General in October 2014 as Senior Vice President, Finance & Strategy and subsequently served as Interim Chief Financial Officer from July 2015 to December 2015. Mr. Garratt previously held various positions of increasing responsibility in corporate strategy and financial planning with Yum! Brands, Inc., one of the world’s largest restaurant companies, between May 2004 and October 2014, including Vice President, Finance and Division Controller for the KFC division and earlier for the Pizza Hut division and for Yum Restaurants International (October 2013 to October 2014); Senior Director, Yum Corporate Strategy (March 2010 to October 2013), reporting directly to the corporate Chief Financial Officer and leading corporate strategy as well as driving key cross-divisional initiatives; and various other financial positions. He previously held financial management positions at Alcoa Inc. (April 2002 to May 2004) and General Electric (March 1999 to April 2002), after beginning his career with Alcoa in May 1990. Mr. Garratt has served as a director of Humana Inc. since February 2020.

Mr. Owen has served as Chief Operating Officer since August 2019. He returned to Dollar General in June 2015 as Executive Vice President of Store Operations, with over 21 years of previous employment experience with the Company. Prior to his departure from Dollar General in July 2014, he was Senior Vice President, Store Operations. Prior to August 2011, Mr. Owen served as Vice President, Division Manager, and from November 2006 to March 2007 he served as Retail Division Manager. Prior to November 2006, he was Senior Director,

Operations Process Improvement. Mr. Owen also served the Company in various operations roles of increasing importance and responsibility from December 1992 to September 2004. Mr. Owen has served as a director of Kirkland's Inc. since March 2015.

Ms. Reardon has served as Executive Vice President and Chief People Officer since August 2020. She joined Dollar General as Director, Human Resources in September 2009 and was promoted to Vice President, Talent Management in October 2012. She became Vice President, Retail Human Resources in October 2014 and was promoted to Senior Vice President, Human Resources in March 2019 and to Senior Vice President and Chief People Officer in May 2019. Prior to joining Dollar General, Ms. Reardon held several positions of increasing responsibility at Centex from August 2005 until September 2009, serving as Director of Human Resources from October 2007 until September 2009. Since beginning her career in May 1998, Ms. Reardon also held various roles with Carrier Corporation, including Manager of Human Resources from August 2003 until August 2005, and was also a Career Consultant at the Darden Graduate School of Business Administration, University of Virginia, from August 2001 until August 2003.

Mr. Sunderland has served as Executive Vice President, Store Operations, since August 2019. He joined Dollar General as Senior Vice President, Store Operations, in September 2014. Mr. Sunderland previously served as Senior Vice President, Retail Operations, of Office Depot, Inc. (November 2013 to January 2014); Senior Vice President, Retail Operations, of OfficeMax Incorporated (May 2012 to November 2013); Chief Operating Officer of Bally Total Fitness Holding Corporation (2011 to April 2012); and World Kitchen, LLC's President of Retail (2009 to 2011). Mr. Sunderland began his career with Sears in 1987, holding various positions of increasing responsibility, including Vice President of Strategic Operations for Sears Holdings Corporation from 2007 until 2009.

Ms. E. Taylor has served as Executive Vice President and Chief Merchandising Officer since September 2020. She joined Dollar General in 1998 and held roles of increasing responsibility in investor relations, financial planning and analysis, merchandise planning, pricing and merchandising operations prior to her promotion to Vice President, Pricing & Merchandise Data Optimization in March 2011. She served as Vice President, Merchandising Operations (March 2012 to April 2014) and was subsequently promoted to Senior Vice President, General Merchandise Manager in April 2014. She most recently served as Senior Vice President, Channel Innovation (September 2019 to September 2020).

Ms. R. Taylor has served as Executive Vice President and General Counsel since March 2015. She joined Dollar General as an Employment Attorney in March 2000 and was subsequently promoted to Senior Employment Attorney in 2001, Deputy General Counsel in 2004, Vice President and Assistant General Counsel in March 2010, and Senior Vice President and General Counsel in June 2013. Prior to joining Dollar General, she practiced law with Ogletree, Deakins, Nash, Smoak & Stewart, P.C., where her practice was focused on labor law and employment litigation. She has also held attorney positions with Ford & Harrison LLP.

Mr. Wenkoff has served as Executive Vice President and Chief Information Officer since July 2017. He previously served as the Chief Information Officer (May 2012 to June 2017) and Chief Digital Officer (June 2016 to June 2017) of Franchise World Headquarters, LLC ("Subway"), a restaurant chain, where he was responsible for global technology and digital strategy, execution and operations for the Subway brand and all of its restaurants. He owned a Subway franchise from July 2015 until October 2017. He also previously served as Chairman of the Board and Co-President of Retail Gift Card Association (February 2008 to May 2012); Deputy Chief Information Officer for Independent Purchase Cooperative, Inc. (May 2005 to May 2012) and President of its subsidiary, Value Pay Services LLC (May 2005 to February 2011); founder and President of Stored Value Management, Inc. (January 2004 to May 2005); and Vice President, Operations and Finance, and General Counsel of Ontain Corporation (January 2000 to December 2004). Mr. Wenkoff began his career in 1993 as an articulated student, and then attorney with Douglas Symes & Brissenden and served in various legal positions, including General Counsel, with Pivotal Corporation from 1997 to 2000.

Mr. Zuazo has served as Executive Vice President, Global Supply Chain since April 16, 2021. He joined Dollar General as Senior Director, Inventory and Planning Systems in May 2010, became Vice President, Inventory and Demand Management in February 2013, and was promoted to Senior Vice President, Inventory and Transportation in August 2018. Prior to joining Dollar General, Mr. Zuazo served as Director of Pricing Strategy

for Dreyer's Grand Ice Cream from January 2009 to May 2010 and Director of Procurement for Longs Drug Stores Corporation from January 2006 to December 2008, and prior thereto, held various roles of increasing responsibility with Safeway Inc., primarily in its corporate business processes department, from August 1998 to December 2005. Mr. Zuazo began his career in January 1988 with Lucky Stores and served as a pricing analyst for its Northern California division from October 1995 to August 1998.

Ms. Elliott has served as Senior Vice President and Chief Accounting Officer since December 2015. She joined Dollar General as Senior Vice President and Controller in August 2005. Prior to joining Dollar General, she served as Vice President and Controller of Big Lots, Inc. from May 2001 to August 2005, where she was responsible for accounting operations, financial reporting and internal audit. Prior to serving at Big Lots, she served as Vice President and Controller for Jitney-Jungle Stores of America, Inc. from April 1998 to March 2001, where she was responsible for the accounting operations and the internal and external financial reporting functions. Prior to serving at Jitney-Jungle, she practiced public accounting for 12 years, 6 of which were with Ernst & Young LLP.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is traded on the New York Stock Exchange under the symbol "DG." On March 11, 2022, there were approximately 2,784 shareholders of record of our common stock.

Dividends

We have paid quarterly cash dividends since 2015. Our Board of Directors most recently increased the amount of the quarterly cash dividend from \$0.42 to \$0.55 beginning with the dividend payable on April 19, 2022. While our Board of Directors currently expects to continue regular quarterly cash dividends, the declaration and amount of future cash dividends are subject to the Board's sole discretion and will depend upon, among other things, our results of operations, cash requirements, financial condition, contractual restrictions and other factors that the Board may deem relevant in its sole discretion.

Issuer Purchases of Equity Securities

The following table contains information regarding purchases of our common stock made during the quarter ended January 28, 2022 by or on behalf of Dollar General or any "affiliated purchaser," as defined by Rule 10b-18(a)(3) of the Securities Exchange Act of 1934:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(a)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs(a)
10/30/21-11/30/21	—	\$ —	—	\$ 619,407,000
12/01/21-12/31/21	1,742,979	\$ 225.05	1,742,979	\$ 2,227,145,000
01/01/22-01/28/22	414,427	\$ 235.26	414,427	\$ 2,129,645,000
Total	2,157,406	\$ 227.01	2,157,406	\$ 2,129,645,000

- (a) On September 5, 2012, the Company announced a program permitting the Company to repurchase a portion of its outstanding shares not to exceed a dollar maximum established by the Company's Board of Directors. The program was most recently amended on December 1, 2021 to increase the repurchase authorization by \$2.0 billion, bringing the cumulative total value of authorized share repurchases under the program since its inception to \$14.0 billion. Under the authorization, repurchases may be made from time to time in open market transactions, including pursuant to trading plans adopted in accordance with Rule 10b5-1 of the Exchange Act, or in privately negotiated transactions. The timing, manner and number of shares repurchased will depend on a variety of factors, including price, market conditions, compliance with the covenants and restrictions under the Company's debt agreements and other factors. This repurchase authorization has no expiration date.

ITEM 6. RESERVED

Not applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion and analysis should be read with, and is qualified in its entirety by, the Consolidated Financial Statements and the notes thereto. It also should be read in conjunction with the Cautionary Disclosure Regarding Forward-Looking Statements and the Risk Factors disclosures set forth in the Introduction and in Item 1A of this report, respectively.

Impact of COVID-19

The COVID-19 (coronavirus) pandemic continues to have a widespread impact on the global economy as well as our business, customers, suppliers, and other business partners. As an essential business in all locations where we operate, our stores have generally remained open to serve our customers. In responding to the pandemic and its effects, the health and safety of our employees and customers remains a priority.

We expect to continue to be affected, although the extent and duration is unknown, by the COVID-19 pandemic and its effects on the economy in a variety of ways, including changes in consumer demand (whether higher or lower) in certain product categories (or overall), supply chain interruptions or disruptions, increased distribution and transportation costs, increased product costs and increased payroll expenses. We also may experience adverse effects on our business, results of operations and cash flows from a recessionary economic environment that may occur after the COVID-19 pandemic and government response thereto and their effects on the economy has moderated. As a result, the quarterly cadence of our results of operations, which has varied from historical patterns during the pandemic, may continue to do so in fiscal 2022.

Due to the significant uncertainty surrounding the COVID-19 pandemic and its effects, there may be consequences that we do not anticipate at this time or that develop in unexpected ways. We will continue to monitor the evolving situation and take actions as necessary to serve our employees, customers, communities and shareholders.

Executive Overview

We are the largest discount retailer in the United States by number of stores, with 18,190 stores located in 47 states as of February 25, 2022, with the greatest concentration of stores in the southern, southwestern, midwestern and eastern United States. We offer a broad selection of merchandise, including consumable products such as food, paper and cleaning products, health and beauty products and pet supplies, and non-consumable products such as seasonal merchandise, home decor and domestics, and basic apparel. Our merchandise includes national brands from leading manufacturers, as well as our own private brand selections with prices at substantial discounts to national brands. We offer our customers these national brand and private brand products at everyday low prices (typically \$10 or less) in our convenient small-box locations.

We believe our convenient store formats, locations, and broad selection of high-quality products at compelling values have driven our substantial growth and financial success over the years and through a variety of economic cycles. We are mindful that the majority of our customers are value-conscious, and many have low and/or fixed incomes. As a result, we are intensely focused on helping our customers make the most of their spending dollars. Our core customers are often among the first to be affected by negative or uncertain economic conditions and among the last to feel the effects of improving economic conditions, particularly when trends are inconsistent and of an uncertain duration. The primary macroeconomic factors that affect our core customers include unemployment and underemployment rates, wage growth, changes in U.S. and global trade policy, and changes to certain government assistance programs, such as the Supplemental Nutrition Assistance Program ("SNAP"), unemployment benefits, economic stimulus payments, and the child tax credit. In fiscal 2020 and 2021, our customers were affected both positively and negatively by many of these factors in connection with the pandemic and its associated impacts. We continue to monitor the potential impact of reductions in SNAP benefits and unemployment benefit programs, as well as changes in the payments of the child tax credit, although these programs did not result in a material impact on our business or financial results in fiscal 2021. Additionally, our customers are impacted by increases in those expenses that generally comprise a large portion of their household budgets, such as

rent, healthcare, and fuel prices; as well as cost inflation in frequently purchased household products, such as that which we experienced in 2021 and continue to experience as further discussed below. Finally, significant unseasonable or unusual weather patterns can impact customer shopping behaviors.

We remain committed to our long-term operating priorities as we consistently strive to improve our performance while retaining our customer-centric focus. These priorities include: 1) driving profitable sales growth, 2) capturing growth opportunities, 3) enhancing our position as a low-cost operator, and 4) investing in our diverse teams through development, empowerment and inclusion.

We seek to drive profitable sales growth through initiatives aimed at increasing customer traffic and average transaction amount. As we work to provide everyday low prices and meet our customers' affordability needs, we remain focused on enhancing our margins through effective category management, inventory shrink reduction initiatives, private brands penetration, distribution and transportation efficiencies, global sourcing, and pricing and markdown optimization. Several of our strategic and other sales-driving initiatives are also designed to capture growth opportunities and are discussed in more detail below.

Historically, our sales in our consumables category, which tend to have lower gross margins, have been the key drivers of net sales and customer traffic, while sales in our non-consumables categories, which tend to have higher gross margins, have contributed to more profitable sales growth and an increase in average transaction amount. Prior to 2020, our sales mix had continued to shift toward consumables, and, within consumables, toward lower margin departments such as perishables. This trend did not occur in fiscal 2020 or the first quarter of fiscal 2021, as we saw a significant increase in demand in many non-consumable products, including home, seasonal and apparel, resulting in an overall significant mix shift into non-consumable categories during those periods. Beginning in the second quarter of fiscal 2021 and continuing thereafter, we began to see some reversion toward the prior mix trends. We continue to expect some sales mix challenges to persist and that the mix trend reversion toward consumables will continue. Several of our initiatives, including certain of those discussed below, are intended to address these mix challenges; however, there can be no assurances that these efforts will be successful.

We have also experienced a shift in customer behavior toward trip consolidation, as customers shopped our stores less frequently in fiscal 2020 and 2021 than in fiscal 2019 but had a larger average transaction amount. We have seen a continuation of these general trends toward trip consolidation and larger transaction amount, and there can be no assurance that our sales growth initiatives will be effective at reversing them. In addition, we believe our sales have been negatively impacted as a result of supply chain disruptions, primarily due to lower merchandise in-stock levels in our stores.

We continue to implement and invest in certain strategic initiatives that we believe will help drive profitable sales growth, both with new and existing customers, and capture long-term growth opportunities. Such opportunities include providing our customers with additional shopping access points and even greater convenience by leveraging and developing digital tools and technology, such as our Dollar General app, which contains a variety of tools to enhance the in-store shopping experience. Additionally, we launched a partnership with a third party delivery service during 2021, which is now available in more than 10,700 stores, and we also continue to grow our DG Media Network, which is our platform for connecting brand partners with our customers to drive even greater value for each.

Further, our non-consumables initiative, which offers a new, differentiated and limited assortment that will change throughout the year, continues to contribute to improved overall sales and gross margin performance in stores where it has been deployed. We significantly expanded the number of stores with either the full or the "lite" version of our non-consumables initiative offering in 2021 and plan to complete the rollout in the vast majority of our Dollar General stores by the end of fiscal 2022.

Additionally, in 2020, we introduced pOpshelf, a unique retail concept that incorporates certain of the lessons learned from the non-consumables initiative in a differentiated format that is focused on categories such as seasonal and home décor, health and beauty, home cleaning supplies, and party and entertainment goods. At the end of fiscal 2021, we operated 55 standalone pOpshelf locations and 25 pOpshelf store-within-a-store concepts within existing Dollar General Market stores. Our goal is to operate approximately 155 pOpshelf locations, as well as

approximately 50 pOpshelf store-within-a-store concepts, by the end of fiscal 2022. We believe this concept represents a significant growth opportunity, and are targeting approximately 1,000 stores by the end of fiscal 2025.

In the second quarter of fiscal 2021, we completed our rollout of the “DG Fresh” initiative, a self-distribution model for frozen and refrigerated products that is designed to reduce product costs, enhance item assortment, improve our in-stock position, and enhance sales. DG Fresh contributed to our strong sales performance in 2021, driven by higher in-stock levels and the introduction of new products in select stores. In addition, DG Fresh benefitted gross profit in 2021 through improved initial markups on inventory purchases, which were partially offset by increased distribution and transportation costs. DG Fresh now wholly or partially serves essentially all stores across the chain, and we expect the overall net benefit to our financial results to continue throughout 2022. Moving forward, we plan to focus on additional optimization of the distribution footprint and product assortment within DG Fresh to further drive profitable sales growth.

To support our other operating priorities, we remain focused on capturing growth opportunities. In 2021, we opened 1,050 new stores, remodeled 1,752 stores, and relocated 100 stores. In 2022, we plan to open approximately 1,110 new stores (including planned pOpshelf stores and up to ten stores in Mexico), remodel approximately 1,750 stores, and relocate approximately 120 stores, for a total of 2,980 real estate projects. We expect stores in Mexico, which will represent our first store locations outside the United States, to open in the second half of 2022.

We continue to innovate within our channel and are able to utilize the most productive of our various Dollar General store formats based on the specific market opportunity. We expect store format innovation to allow us to capture additional growth opportunities within our existing markets. We recently introduced two new larger format stores (approximately 8,500 square feet and 9,500 square feet, respectively), and expect the 8,500 square foot format, along with our existing Dollar General Plus format of a similar size, to become our base prototypes for the majority of new stores, replacing our traditional 7,300 square foot format and higher-cooler count Dollar General Traditional Plus format. The larger formats allow for expanded high-capacity-cooler counts; an extended queue line; and a broader product assortment, including the non-consumable initiative, a larger health and beauty section, and produce in select stores. We continue to incorporate lessons learned from our various store formats and layouts into our existing store base. These lessons contribute to innovation in developing new formats, with a goal of driving increased customer traffic, average transaction amount, same-store sales and overall store productivity.

We have established a position as a low-cost operator, always seeking ways to reduce or control costs that do not affect our customers’ shopping experiences. We plan to continue enhancing this position over time while employing ongoing cost discipline to reduce certain expenses as a percentage of sales. Nonetheless, we seek to maintain flexibility to invest in the business as necessary to enhance our long-term competitiveness and profitability.

We are also deploying “Fast Track”, an initiative aimed at further enhancing our convenience proposition and in-stock position as well as increasing labor efficiencies within our stores. The completed first phase of Fast Track involved sorting process optimization within our non-refrigerated distribution centers, as well as increased shelf-ready packaging, to allow for greater store-level stocking efficiencies, while the ongoing second phase involves adding a self-checkout option, which we plan to have in up to 11,000 stores by the end of fiscal 2022. These and the other strategic initiatives discussed above have required and will require us to incur upfront expenses for which there may not be an immediate return in terms of sales or enhanced profitability.

Certain of our operating expenses, such as wage rates and occupancy costs, have continued to increase in recent years, due primarily to market forces, including labor availability, increases in minimum wage rates and increases in property rents. Further federal, state and/or local minimum wage increases could have a material negative impact on our operating expenses, although the magnitude and timing of such impact is uncertain. We have experienced incremental payroll, distribution and transportation costs related to the COVID-19 pandemic and its associated impacts. We continue to experience materially higher supply chain costs and, in some instances, shipping delays, as a result of shipping capacity shortages, port congestion and labor shortages. We expect continued inflationary pressures due to higher input costs and higher fuel prices will continue to affect us as well as our vendors and customers, including higher commodity, transportation and other costs, all of which may result in continued pressure to our operating results, and their duration is unknown. While we expect these challenges to

persist, certain of our initiatives and plans are intended to help offset these challenges; however, they are somewhat dependent on the scale and timing of the increased costs, among other factors. There can be no assurance that our mitigation efforts will be successful.

Our diverse teams are a competitive advantage, and we proactively seek ways to continue investing in their development. Our goal is to create an environment that attracts, develops, and retains talented personnel, particularly at the store manager level, because employees who are promoted from within our company generally have longer tenures and are greater contributors to improvements in our financial performance.

To further enhance shareholder returns, we repurchased shares of our common stock and paid quarterly cash dividends in 2021. We expect to continue our share repurchase activity and to pay quarterly cash dividends for the foreseeable future, subject to Board discretion and approval.

We utilize key performance indicators (“KPIs”) in the management of our business. Our KPIs include same-store sales, average sales per square foot, and inventory turnover. Same-store sales are calculated based upon stores that were open at least 13 full fiscal months and remain open at the end of the reporting period. We include stores that have been remodeled, expanded or relocated in our same-store sales calculation. Changes in same-store sales are calculated based on the comparable 52 calendar weeks in the current and prior years. The method of calculating same-store sales varies across the retail industry. As a result, our calculation of same-store sales is not necessarily comparable to similarly titled measures reported by other companies. Average sales per square foot is calculated based on total sales for the preceding 12 months as of the ending date of the reporting period divided by the average selling square footage during the period, including the end of the fiscal year, the beginning of the fiscal year, and the end of each of our three interim fiscal quarters. Inventory turnover is calculated based on total cost of goods sold for the preceding four quarters divided by the average inventory balance as of the ending date of the reporting period, including the end of the fiscal year, the beginning of the fiscal year, and the end of each of our three interim fiscal quarters. Each of these measures is commonly used by investors in retail companies to measure the health of the business. We use these measures to maximize profitability and for decisions about the allocation of resources.

A continued focus on our four operating priorities as discussed above, coupled with pandemic-related sales and other impacts (additional discussion below) and strong cash flow management resulted in strong overall operating and financial performance in 2021 as compared to 2020, as set forth below. Basis points, as referred to below, are equal to 0.01% as a percentage of net sales.

- Net sales in 2021 increased 1.4% over 2020. Sales in same-stores decreased 2.8%, primarily due to a decrease in customer traffic. Average sales per square foot in 2021 were \$262.
- Our gross profit rate decreased by 16 basis points due primarily to higher transportation costs and a greater LIFO provision.
- SG&A as a percentage of sales increased by 96 basis points primarily due to increases in retail labor and store occupancy costs.
- Operating profit decreased 9.4% to \$3.22 billion in 2021 compared to \$3.55 billion in 2020.
- Interest expense increased by \$7.1 million in 2021 primarily due to higher average outstanding debt balances.
- The decrease in the effective income tax rate to 21.7% in 2021 from 22.0% in 2020 was due primarily to increased income tax benefits associated with federal tax credits.
- We reported net income of \$2.40 billion, or \$10.17 per diluted share, for 2021 compared to net income of \$2.66 billion, or \$10.62 per diluted share, for 2020.

- We generated approximately \$2.87 billion of cash flows from operating activities in 2021, a decrease of 26.1% compared to 2020.
- Inventory turnover was 4.4 times, and inventories increased 1.4% on a per store basis compared to 2020.
- We repurchased approximately 12.1 million shares of our outstanding common stock for \$2.5 billion.

Readers should refer to the detailed discussion of our operating results below for additional comments on financial performance in the current year as compared with the prior years presented.

Results of Operations

Accounting Periods. The following text contains references to years 2021, 2020, and 2019, which represent fiscal years ended January 28, 2022, January 29, 2021, and January 31, 2020, respectively. Our fiscal year ends on the Friday closest to January 31. Fiscal years 2021, 2020 and 2019 were each 52-week accounting periods.

Seasonality. The nature of our business is somewhat seasonal. Primarily because of sales of Christmas-related merchandise, operating profit in our fourth quarter (November, December and January) has historically been higher than operating profit achieved in each of the first three quarters of the fiscal year. Expenses, and to a greater extent operating profit, vary by quarter. Results of a period shorter than a full year may not be indicative of results expected for the entire year. Furthermore, the seasonal nature of our business may affect comparisons between periods. Consumer behavior driven by the COVID-19 pandemic has resulted in a departure from seasonal norms we have experienced in recent years and may continue to disrupt the historical quarterly cadence of our results of operations for an unknown period of time.

The following table contains results of operations data for fiscal years 2021, 2020 and 2019, and the dollar and percentage variances among those years.

(amounts in millions, except per share amounts)	2021	2020	2019	2021 vs. 2020		2020 vs. 2019	
				Amount Change	% Change	Amount Change	% Change
Net sales by category:							
Consumables	\$ 26,258.6	\$ 25,906.7	\$ 21,635.9	\$ 351.9	1.4 %	\$ 4,270.8	19.7 %
% of net sales	76.73 %	76.77 %	77.96 %				
Seasonal	4,182.2	4,083.7	3,258.9	98.5	2.4	824.8	25.3
% of net sales	12.22 %	12.10 %	11.74 %				
Home products	2,322.4	2,210.0	1,611.9	112.4	5.1	598.1	37.1
% of net sales	6.79 %	6.55 %	5.81 %				
Apparel	1,457.3	1,546.6	1,247.3	(89.2)	(5.8)	299.2	24.0
% of net sales	4.26 %	4.58 %	4.49 %				
Net sales	\$ 34,220.4	\$ 33,746.8	\$ 27,754.0	\$ 473.6	1.4 %	\$ 5,992.9	21.6 %
Cost of goods sold	23,407.4	23,028.0	19,264.9	379.5	1.6	3,763.1	19.5
% of net sales	68.40 %	68.24 %	69.41 %				
Gross profit	10,813.0	10,718.9	8,489.1	94.1	0.9	2,229.8	26.3
% of net sales	31.60 %	31.76 %	30.59 %				
Selling, general and administrative expenses	7,592.3	7,164.1	6,186.8	428.2	6.0	977.3	15.8
% of net sales	22.19 %	21.23 %	22.29 %				
Operating profit	3,220.7	3,554.8	2,302.3	(334.1)	(9.4)	1,252.5	54.4
% of net sales	9.41 %	10.53 %	8.30 %				
Interest expense	157.5	150.4	100.6	7.1	4.7	49.8	49.5
% of net sales	0.46 %	0.45 %	0.36 %				
Income before income taxes	3,063.1	3,404.4	2,201.7	(341.2)	(10.0)	1,202.7	54.6
% of net sales	8.95 %	10.09 %	7.93 %				
Income tax expense	663.9	749.3	489.2	(85.4)	(11.4)	260.2	53.2
% of net sales	1.94 %	2.22 %	1.76 %				
Net income	\$ 2,399.2	\$ 2,655.1	\$ 1,712.6	\$ (255.8)	(9.6)%	\$ 942.5	55.0 %
% of net sales	7.01 %	7.87 %	6.17 %				
Diluted earnings per share	\$ 10.17	\$ 10.62	\$ 6.64	\$ (0.45)	(4.2)%	\$ 3.98	59.9 %

Net Sales. The net sales increase in 2021 was primarily due to sales from new stores, partially offset by a decrease in same-store sales of 2.8% compared to 2020 as well as the impact of store closures. In 2021, our 16,954 same-stores accounted for sales of \$32.4 billion. The decrease in same-store sales reflects a decline in customer traffic partially offset by an increase in average transaction amount which was driven by higher average item retail prices. Same-store sales decreased in each of our product categories, with the largest percentage decrease in the apparel category.

The net sales increase in 2020 reflects a same-store sales increase of 16.3% compared to 2019. In 2020, our 16,050 same-stores accounted for sales of \$31.9 billion. The increase in same-store sales reflects an increase in average transaction amount driven by a significant increase in items per transaction and, to a lesser degree, higher average item retail prices, which were offset in part by a decline in customer traffic. Same-store sales increased in each of the consumables, seasonal, home products and apparel categories, with the largest percentage increase in the home products category. The 2020 net sales increase was positively affected by new stores, modestly offset by sales from closed stores.

Gross Profit. In 2021, gross profit increased by 0.9%, and as a percentage of net sales decreased by 16 basis points to 31.6% compared to 2020. Increased transportation costs, a greater LIFO provision which was driven by higher product costs, increased inventory damages and higher distribution costs each contributed to the decrease in the gross profit rate. These factors were partially offset by higher inventory markups, a reduction in markdowns as a percentage of net sales, and a lower inventory shrink rate. In 2021, consumables and non-consumables sales increased at approximately the same rate when compared to 2020.

In 2020, gross profit increased by 26.3%, and as a percentage of net sales increased by 117 basis points to 31.8%, compared to 2019. A reduction in markdowns as a percentage of net sales and higher initial markups on inventory purchases each contributed to the increase in the gross profit rate. In addition, non-consumables sales increased at a higher rate than consumables sales in 2020, which contributed to the increase in the gross profit rate. We also experienced a lower rate of inventory shrink in 2020 compared to 2019. These factors were partially offset by increased distribution and transportation costs which were impacted by increased volume, some of which was attributable to the COVID-19 pandemic, and discretionary employee bonus expense. We believe the effect of the COVID-19 pandemic on consumer behavior had a significant positive effect on net sales, and also had a positive effect on our gross profit in 2020.

SG&A. SG&A as a percentage of net sales was 22.2% in 2021 compared to 21.2% in 2020, an increase of 96 basis points. The primary expenses that were higher as a percentage of net sales in 2021 were retail labor, store occupancy costs, depreciation and amortization, employee benefits, utilities, and workers' compensation and general liability expenses, partially offset by reductions in discretionary employee bonus and other miscellaneous COVID-related expenses and incentive compensation expenses.

SG&A as a percentage of net sales was 21.2% in 2020 compared to 22.3% in 2019, a decrease of 106 basis points. Although we incurred certain incremental costs associated with the COVID-19 pandemic, including discretionary employee bonus expense, they were more than offset by the significant increase in net sales during the period as discussed above. Among the expenses that were a lower percentage of net sales in 2020 were retail labor, store occupancy costs, utilities, and depreciation and amortization. In addition, we recorded expenses of \$31.0 million in 2019 reflecting our estimate for the settlement of significant legal matters. These items were partially offset by 2020 increases in incentive compensation and hurricane-related expenses.

Interest Expense. Interest expense increased \$7.1 million to \$157.5 million in 2021 compared to 2020, and increased \$49.8 million to \$150.4 million in 2020 compared to 2019 primarily due to higher average outstanding debt balances in connection with the issuance of debt in the first quarter of 2020. The majority of our debt is fixed rate debt. See the detailed discussion under "Liquidity and Capital Resources" regarding the financing of various long-term obligations.

Income Taxes. The effective income tax rate for 2021 was 21.7% compared to a rate of 22.0% for 2020 which represents a net decrease of 0.3 percentage points. The effective income tax rate was lower in 2021 primarily due to increased income tax benefits associated with federal tax credits partially offset by a higher state effective tax rate compared to 2020.

The effective income tax rate for 2020 was 22.0% compared to a rate of 22.2% for 2019 which represents a net decrease of 0.2 percentage points. The effective income tax rate was lower in 2020 primarily due to increased tax benefits associated with share-based compensation and a larger income tax rate benefit from state taxes offset by a lower income tax rate benefit from federal income tax credits due primarily to higher pre-tax earnings in 2020 compared to 2019.

Effects of Inflation

In 2021, 2020 and 2019, we experienced increases in product costs due in part to the COVID-19 pandemic and its effect on the global economy, particularly to the global supply chain, and tariffs on certain items imported from China.

Liquidity and Capital Resources

Current Financial Condition and Recent Developments

During the past three years, we have generated an aggregate of approximately \$9.0 billion in cash flows from operating activities and incurred approximately \$2.9 billion in capital expenditures. During that period, we expanded the number of stores we operate by 2,760, representing growth of approximately 18%, and we remodeled

or relocated 4,756 stores, or approximately 31% of the stores we operated as of the beginning of the three-year period. In 2022, we intend to continue our current strategy of pursuing store growth, remodels and relocations.

At January 28, 2022, we had a \$2.0 billion unsecured revolving credit agreement (the “Revolving Facility”), \$4.0 billion aggregate principal amount of senior notes, and a commercial paper program that may provide borrowing availability of up to \$2.0 billion. At January 28, 2022, we had total consolidated outstanding debt (including the current portion of long-term obligations) of \$4.2 billion, most of which was in the form of senior notes. All of our material borrowing arrangements are described in greater detail below. Our borrowing availability under the Revolving Facility may be effectively limited by our commercial paper notes (“CP Notes”) as further described below. The information contained in Note 5 to the consolidated financial statements contained in Part II, Item 8 of this report is incorporated herein by reference.

We believe our cash flow from operations, and our existing cash balances, combined with availability under the Revolving Facility, CP Notes and access to the debt markets, will provide sufficient liquidity to fund our current obligations, projected working capital requirements, capital spending and anticipated dividend payments for a period that includes the next twelve months as well as the next several years. However, our ability to maintain sufficient liquidity may be affected by numerous factors, many of which are outside of our control. Depending on our liquidity levels, conditions in the capital markets and other factors, we may from time to time consider the issuance of debt, equity or other securities, the proceeds of which could provide additional liquidity for our operations.

For fiscal 2022, we anticipate potential combined borrowings under the Revolving Facility and CP Notes to be a maximum of approximately \$1.5 billion outstanding at any one time, including any anticipated borrowings to fund repurchases of common stock.

Revolving Credit Facility

Effective December 2, 2021, we amended and extended our Revolving Facility, which consists of a \$2.0 billion senior unsecured revolving credit facility of which up to \$100.0 million is available for the issuance of letters of credit and which is scheduled to mature on December 2, 2026.

Borrowings under the Revolving Facility bear interest at a rate equal to an applicable interest rate margin plus, at our option, either (a) LIBOR or (b) a base rate (which is usually equal to the prime rate). The Revolving Facility includes customary LIBOR replacement provisions. The applicable interest rate margin for borrowings as of January 28, 2022 was 1.015% for LIBOR borrowings and 0.015% for base-rate borrowings. We must also pay a facility fee, payable on any used and unused commitment amounts of the Revolving Facility, and customary fees on letters of credit issued under the Revolving Facility. As of January 28, 2022, the facility fee rate was 0.11%. The applicable interest rate margins for borrowings, the facility fees and the letter of credit fees under the Revolving Facility are subject to adjustment from time to time based on our long-term senior unsecured debt ratings.

The Revolving Facility contains a number of customary affirmative and negative covenants that, among other things, restrict, subject to certain exceptions, our (including our subsidiaries’) ability to: incur additional liens; sell all or substantially all of our assets; consummate certain fundamental changes or change in our lines of business; and incur additional subsidiary indebtedness. The Revolving Facility also contains financial covenants that require the maintenance of a minimum fixed charge coverage ratio and a maximum leverage ratio. As of January 28, 2022, we were in compliance with all such covenants. The Revolving Facility also contains customary events of default.

As of January 28, 2022, under the Revolving Facility, we had no outstanding borrowings, outstanding letters of credit of \$1.9 million, and borrowing availability of \$2.0 billion that, due to our intention to maintain borrowing availability related to the commercial paper program described below, could contribute incremental liquidity of \$1.76 billion at January 28, 2022. In addition, as of January 28, 2022 we had outstanding letters of credit of \$48.6 million which were issued pursuant to separate agreements.

Commercial Paper

We may issue the CP Notes from time to time in an aggregate amount not to exceed \$2.0 billion outstanding at any time. The CP Notes may have maturities of up to 364 days from the date of issue and rank equal in right of payment with all of our other unsecured and unsubordinated indebtedness. We intend to maintain available commitments under the Revolving Facility in an amount at least equal to the amount of CP Notes outstanding at any time. As of January 28, 2022, our consolidated balance sheet reflected outstanding unsecured CP Notes of \$54.3 million. CP Notes totaling \$181.0 million were held by a wholly-owned subsidiary and therefore are not reflected in the consolidated balance sheets.

Senior Notes

In April 2013 we issued \$900.0 million aggregate principal amount of 3.25% senior notes due 2023 (the “2023 Senior Notes”) at a discount of \$2.4 million, which are scheduled to mature on April 15, 2023. In October 2015 we issued \$500.0 million aggregate principal amount of 4.150% senior notes due 2025 (the “2025 Senior Notes”) at a discount of \$0.8 million, which are scheduled to mature on November 1, 2025. In April 2017 we issued \$600.0 million aggregate principal amount of 3.875% senior notes due 2027 (the “2027 Senior Notes”) at a discount of \$0.4 million, which are scheduled to mature on April 15, 2027. In April 2018 we issued \$500.0 million aggregate principal amount of 4.125% senior notes due 2028 (the “2028 Senior Notes”) at a discount of \$0.5 million, which are scheduled to mature on May 1, 2028. In April 2020 we issued \$1.0 billion aggregate principal amount of 3.5% senior notes due 2030 (the “2030 Senior Notes”) at a discount of \$0.7 million, which are scheduled to mature on April 3, 2030, and \$500.0 million aggregate principal amount of 4.125% senior notes due 2050 (the “2050 Senior Notes”) at a discount of \$5.0 million, which are scheduled to mature on April 3, 2050. Collectively, the 2023 Senior Notes, 2025 Senior Notes, 2027 Senior Notes, 2028 Senior Notes, 2030 Senior Notes and 2050 Senior Notes comprise the “Senior Notes”, each of which were issued pursuant to an indenture as supplemented and amended by supplemental indentures relating to each series of Senior Notes (as so supplemented and amended, the “Senior Indenture”). Interest on the 2023 Senior Notes and the 2027 Senior Notes is payable in cash on April 15 and October 15 of each year. Interest on the 2025 and 2028 Senior Notes is payable in cash on May 1 and November 1 of each year. Interest on the 2030 and 2050 Senior Notes is payable in cash on April 3 and October 3 of each year.

We may redeem some or all of the Senior Notes at any time at redemption prices set forth in the Senior Indenture. Upon the occurrence of a change of control triggering event, which is defined in the Senior Indenture, each holder of our Senior Notes has the right to require us to repurchase some or all of such holder’s Senior Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the repurchase date.

The Senior Indenture contains covenants limiting, among other things, our ability (subject to certain exceptions) to consolidate, merge, or sell or otherwise dispose of all or substantially all of our assets; and our ability and the ability of our subsidiaries to incur or guarantee indebtedness secured by liens on any shares of voting stock of significant subsidiaries.

The Senior Indenture also provides for events of default which, if any of them occurs, would permit or require the principal of and accrued interest on our Senior Notes to become or to be declared due and payable, as applicable.

Rating Agencies

Our senior unsecured debt is rated “Baa2,” by Moody’s with a stable outlook and “BBB” by Standard & Poor’s with a stable outlook, and our commercial paper program is rated “P-2” by Moody’s and “A-2” by Standard and Poor’s. Our current credit ratings, as well as future rating agency actions, could (i) impact our ability to finance our operations on satisfactory terms; (ii) affect our financing costs; and (iii) affect our insurance premiums and collateral requirements necessary for our self-insured programs. There can be no assurance that we will maintain or improve our current credit ratings.

Future Cash Requirements

The following table summarizes significant estimated future cash requirements under our various contractual obligations and other commitments at January 28, 2022, in total and disaggregated into current (<1 year) and long-term (1 or more years) obligations (in thousands):

Contractual obligations	Payments Due by Period				
	Total	< 1 year	1 - 3 years	3 - 5 years	5+ years
Long-term debt obligations	\$ 4,213,826	\$ 61,774	\$ 913,278	\$ 512,700	\$ 2,726,074
Interest(a)	1,241,977	149,460	245,855	213,147	633,515
Self-insurance liabilities(b)	257,411	127,719	91,420	30,890	7,382
Operating lease obligations	11,941,185	1,529,978	2,885,518	2,462,492	5,063,197
Subtotal	<u>\$ 17,654,399</u>	<u>\$ 1,868,931</u>	<u>\$ 4,136,071</u>	<u>\$ 3,219,229</u>	<u>\$ 8,430,168</u>

Commercial commitments(c)	Commitments Expiring by Period				
	Total	< 1 year	1 - 3 years	3 - 5 years	5+ years
Letters of credit	\$ 15,476	\$ 15,476	\$ —	\$ —	\$ —
Purchase obligations(d)	2,124,249	2,120,271	3,978	—	—
Subtotal	<u>\$ 2,139,725</u>	<u>\$ 2,135,747</u>	<u>\$ 3,978</u>	<u>\$ —</u>	<u>\$ —</u>
Total contractual obligations and commercial commitments	<u>\$ 19,794,124</u>	<u>\$ 4,004,678</u>	<u>\$ 4,140,049</u>	<u>\$ 3,219,229</u>	<u>\$ 8,430,168</u>

- (a) Represents obligations for interest payments on long-term debt and includes projected interest on variable rate long-term debt using 2021 year end rates and balances. Variable rate long-term debt includes the Revolving Facility (although such facility had a balance of zero as of January 28, 2022), the CP Notes (which had a balance of \$54.3 million as of January 28, 2022, and which amount is net of \$181 million held by a wholly-owned subsidiary), interest rate swaps being accounted for as fair value hedges, and the balance of an outstanding tax increment financing of \$1.9 million.
- (b) We retain a significant portion of the risk for our workers' compensation, employee health, general liability, property loss, automobile, and certain third-party landlord claims exposures. As these obligations do not have scheduled maturities, these amounts represent undiscounted estimates based upon actuarial assumptions. Substantially all amounts are reflected on an undiscounted basis in our consolidated balance sheets.
- (c) Commercial commitments include information technology license and support agreements, supplies, fixtures, letters of credit for import merchandise, and other inventory purchase obligations.
- (d) Purchase obligations include legally binding agreements for software licenses and support, supplies, fixtures, and merchandise purchases (excluding such purchases subject to letters of credit).

Share Repurchase Program

Our common stock repurchase program had a total remaining authorization of approximately \$2.13 billion at January 28, 2022. The authorization allows repurchases from time to time in open market transactions, including pursuant to trading plans adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934, as amended, or in privately negotiated transactions. The timing, manner and number of shares repurchased will depend on a variety of factors, including price, market conditions, compliance with the covenants and restrictions under our debt agreements and other factors. The repurchase program has no expiration date and may be modified or terminated from time to time at the discretion of our Board of Directors. For more detail about our share repurchase program, see Part II, Item 5 of this report and Note 11 to the consolidated financial statements contained in Part II, Item 8 of this report.

Other Considerations

On March 16, 2022, the Board of Directors declared a quarterly cash dividend of \$0.55 per share which is payable on or before April 19, 2022 to shareholders of record of our common stock on April 5, 2022. We paid

quarterly cash dividends of \$0.42 per share in 2021. Although the Board currently expects to continue regular quarterly cash dividends, the declaration and amount of future cash dividends are subject to the Board's sole discretion and will depend upon, among other factors, our results of operations, cash requirements, financial condition, contractual restrictions and other factors that our Board may deem relevant in its sole discretion.

Our inventory balance represented approximately 52% of our total assets exclusive of goodwill, operating lease assets, and other intangible assets as of January 28, 2022. Our ability to effectively manage our inventory balances can have a significant impact on our cash flows from operations during a given fiscal year. Inventory purchases are often somewhat seasonal in nature, such as the purchase of warm-weather or Christmas-related merchandise. Efficient management of our inventory has been and continues to be an area of focus for us.

We utilize supply chain finance programs whereby qualifying suppliers may elect at their sole discretion to sell our payment obligations to designated third party financial institutions. While the terms of these agreements are between the supplier and the financial institution, the supply chain finance financial institutions allow the participating suppliers to utilize our creditworthiness in establishing credit spreads and associated costs. As of January 28, 2022, the amount due to suppliers participating in these supply chain finance programs was \$328.2 million.

As described in Note 7 to the consolidated financial statements, we are involved in a number of legal actions and claims, some of which could potentially result in material cash payments. Adverse developments in those actions could materially and adversely affect our liquidity.

Cash Flows

Cash flows from operating activities. Cash flows from operating activities were \$2.87 billion in 2021, which represents a \$1.01 billion decrease compared to 2020. As noted above, the COVID-19 pandemic resulted in significantly increased sales, gross profit, and operating income in 2020, and our net income decreased \$255.8 million in 2021 compared to 2020. Changes in accounts payable resulted in a \$98.7 million increase in our working capital in 2021 compared to a \$745.6 million increase in 2020, due primarily to the timing of receipts and payments. Changes in accrued expenses resulted in a \$37.3 million decrease in our working capital in 2021 compared to a \$388.6 million increase in 2020, due primarily to the timing of accruals and payments for payroll taxes and incentive compensation. Changes in merchandise inventories resulted in a \$550.1 million decrease in our working capital in 2021 which was similar to the decrease of \$575.8 million in 2020 as described in greater detail below. Changes in income taxes in 2021 compared to 2020 are primarily due to the timing of payments for income taxes.

Cash flows from operating activities were \$3.88 billion in 2020, which represents a \$1.64 billion increase compared to 2019. The increased sales, gross profit, and operating income driven by the COVID-19 pandemic contributed to the increase in net income of \$942.5 million in 2020 over 2019. Changes in accounts payable resulted in a \$745.6 million increase in our working capital in 2020 compared to a \$428.6 million increase in 2019, due primarily to the timing of receipts and payments. Changes in accrued expenses resulted in a \$388.6 million increase in our working capital in 2020 compared to a \$100.3 million increase in 2019, due primarily to increased accruals for incentive compensation and non-income taxes. Changes in merchandise inventories resulted in a \$575.8 million decrease in our working capital in 2020 which was similar to the decrease of \$578.8 million in 2019 as described in greater detail below. Changes in income taxes including an increase in cash paid for income taxes in 2020 compared to 2019 are primarily due to the increase in pre-tax earnings in 2020.

On an ongoing basis, we closely monitor and manage our inventory balances, and they may fluctuate from period to period based on new store openings, the timing of purchases, and other factors. Merchandise inventories increased by 7% in 2021, by 12% in 2020 and by 14% in 2019. Inventory levels in the consumables category decreased by \$1.8 million, or 0%, in 2021, increased by \$455.6 million, or 15%, in 2020, and increased by \$371.9 million, or 14% in 2019. The seasonal category increased by \$177.8 million, or 20%, in 2021, by \$35.7 million, or 4%, in 2020, and by \$127.3 million, or 17%, in 2019. The home products category increased by \$230.0 million, or 45%, in 2021, by \$66.3 million, or 15%, in 2020, and by \$82.8 million, or 23%, in 2019. The apparel category decreased by \$39.2 million, or 10%, in 2021, increased by \$12.9 million, or 3%, in 2020, and decreased by \$2.1 million, or 1%, in 2019.

Cash flows from investing activities. Significant components of property and equipment purchases in 2021 included the following approximate amounts: \$510 million for improvements, upgrades, remodels and relocations of existing stores; \$268 million for distribution and transportation-related capital expenditures; \$244 million related to store facilities, primarily for leasehold improvements, fixtures and equipment in new stores; and \$44 million for information systems upgrades and technology-related projects. The timing of new, remodeled and relocated store openings along with other factors may affect the relationship between such openings and the related property and equipment purchases in any given period. During 2021, we opened 1,050 new stores and remodeled or relocated 1,852 stores.

Significant components of property and equipment purchases in 2020 included the following approximate amounts: \$447 million for improvements, upgrades, remodels and relocations of existing stores; \$271 million for distribution and transportation-related capital expenditures; \$250 million related to store facilities, primarily for leasehold improvements, fixtures and equipment in new stores; and \$50 million for information systems upgrades and technology-related projects. During 2020, we opened 1,000 new stores and remodeled or relocated 1,780 stores.

Significant components of property and equipment purchases in 2019 included the following approximate amounts: \$338 million for improvements, upgrades, remodels and relocations of existing stores; \$217 million for distribution and transportation-related projects; \$149 million for new leased stores, primarily for leasehold improvements, fixtures and equipment; and \$59 million for information systems upgrades and technology-related projects. During 2019, we opened 975 new stores and remodeled or relocated 1,124 stores.

Capital expenditures during 2022 are projected to be in the range of \$1.4 billion to \$1.5 billion. We anticipate funding 2022 capital requirements with a combination of some or all of the following: existing cash balances, cash flows from operations, availability under our Revolving Facility and/or the issuance of additional senior notes and CP Notes. We plan to continue to invest in store growth and development of approximately 1,110 new stores and approximately 1,870 stores to be remodeled or relocated. Capital expenditures in 2022 are anticipated to support our store growth as well as our remodel and relocation initiatives, including capital outlays for leasehold improvements, fixtures and equipment; the construction of new stores; costs to support and enhance our supply chain initiatives including new and existing distribution center facilities and our private fleet; technology initiatives; as well as routine and ongoing capital requirements.

Cash flows from financing activities. In 2021, net commercial paper borrowings increased by \$54.3 million, and we had no borrowings or repayments under the Revolving Facility. We repurchased 12.1 million shares of our common stock at a total cost of \$2.5 billion and paid cash dividends of \$392.2 million.

In 2020, net proceeds from the issuance of the 2030 Senior Notes and 2050 Senior Notes totaled \$1.5 billion, net commercial paper borrowings decreased by \$425.2 million, and borrowings and repayments under the Revolving Facility were \$300.0 million each. We repurchased 12.3 million shares of our common stock at a total cost of \$2.5 billion and paid cash dividends of \$355.9 million.

In 2019, we had a net increase in consolidated commercial paper borrowings of \$58.3 million and had no borrowings or repayments under the Revolving Facility. We repurchased 8.3 million outstanding shares of our common stock in 2019 at a total cost of \$1.2 billion and paid cash dividends of \$327.6 million.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”) requires management to make estimates and assumptions that affect reported amounts and related disclosures. In addition to the estimates presented below, there are other items within our financial statements that require estimation, but are not deemed critical as defined below. We believe these estimates are reasonable and appropriate. However, if actual experience differs from the assumptions and other considerations used, the resulting changes could have a material effect on the financial statements taken as a whole.

Management believes the following policies and estimates are critical because they involve significant judgments, assumptions, and estimates. Management has discussed the development and selection of the critical accounting estimates with the Audit Committee of our Board of Directors, and the Audit Committee has reviewed the disclosures presented below relating to those policies and estimates. See Note 1 to the consolidated financial statements for a detailed discussion of our principal accounting policies.

Merchandise Inventories. Merchandise inventories are stated at the lower of cost or market (“LCM”) with cost determined using the retail last in, first out (“LIFO”) method. We use the retail inventory method (“RIM”) to calculate gross profit and the resulting valuation of inventories at cost, which are computed utilizing a calculated cost-to-retail inventory ratio to the retail value of sales at an inventory department level. We apply the RIM to these departments, which are groups of products that are fairly uniform in terms of cost, selling price relationship and turnover. The RIM will result in valuing inventories at LCM if permanent markdowns are currently taken as a reduction of the retail value of inventories. Inherent in the RIM calculation are certain management judgments and estimates that may impact the ending inventory valuation at cost, as well as the gross profit recognized. These judgments include ensuring departments consist of similar products, recording estimated shrinkage between physical inventories, and timely recording of markdowns needed to sell inventory.

We perform an annual LIFO analysis whereby all merchandise units are considered for inclusion in the index formulation. An actual valuation of inventory under the LIFO method is made at the end of each year based on the inventory levels and costs at that time. In contrast, interim LIFO calculations are based on management’s annual estimates of sales, the rate of inflation or deflation, and year-end inventory levels. We also perform analyses for determining obsolete inventory, adjusting inventory on a quarterly basis to an LCM value based on various management assumptions including estimated below cost markdowns not yet recorded, but required to liquidate such inventory in future periods.

Factors considered in the determination of markdowns include current and anticipated demand based on changes in competitors’ practices, consumer preferences, consumer spending, significant weather events and unseasonable weather patterns. Certain of these factors are outside of our control and may result in greater than estimated markdowns to entice consumer purchases of excess inventory. The amount and timing of markdowns may vary significantly from year to year.

We perform physical inventories in virtually all of our stores on an annual basis. We calculate our shrink provision based on actual physical inventory results during the fiscal period and an accrual for estimated shrink occurring subsequent to a physical inventory through the end of the fiscal reporting period. This accrual is calculated as a percentage of sales at each retail store, at a department level, based on the store’s most recent historical shrink rate. To the extent that subsequent physical inventories yield different results than the estimated accrual, our effective shrink rate for a given reporting period will include the impact of adjusting to the actual results.

We believe our estimates and assumptions related to the application of the RIM results in a merchandise inventory valuation that reasonably approximates cost on a consistent basis.

Impairment of Long-lived Assets. Impairment of long-lived assets results when the carrying value of the assets exceeds the estimated undiscounted future cash flows generated by the assets. Our estimate of undiscounted future store cash flows is based upon historical operations of the stores and estimates of future profitability which encompasses many factors that are subject to variability and are difficult to predict. If our estimates of future cash flows are not materially accurate, our impairment analysis could be impacted accordingly. If a long-lived asset is found to be impaired, the amount recognized for impairment is equal to the difference between the carrying value and the asset’s estimated fair value. The fair value is estimated based primarily upon projected future cash flows (discounted at our credit adjusted risk-free rate) or other reasonable estimates of fair market value. Although not currently anticipated, changes in these estimates, assumptions or projections could materially affect the determination of fair value or impairment.

Insurance Liabilities. We retain a significant portion of the risk for our workers’ compensation, employee health, general liability, property loss, automobile and certain third-party landlord claim exposures. These represent significant costs primarily due to our large employee base and number of stores. Provisions are made for these

liabilities on an undiscounted basis. Certain of these liabilities are based on actual claim data and estimates of incurred but not reported claims developed using actuarial methodologies based on historical claim trends, which have been and are anticipated to continue to be materially accurate. If future claim trends deviate from recent historical patterns, or other unanticipated events affect the number and significance of future claims, we may be required to record additional expenses or expense reductions, which could be material to our future financial results.

Contingent Liabilities – Income Taxes. Income tax reserves are determined using the methodology established by accounting standards relating to uncertainty in income taxes. These standards require companies to assess each income tax position taken using a two-step process. A determination is first made as to whether it is more likely than not that the position will be sustained, based upon the technical merits, upon examination by the taxing authorities. If the tax position is expected to meet the more likely than not criteria, the benefit recorded for the tax position equals the largest amount that is greater than 50% likely to be realized upon ultimate settlement of the respective tax position. Uncertain tax positions require determinations and liabilities to be estimated based on provisions of the tax law which may be subject to change or varying interpretation. If our determinations and estimates prove to be inaccurate, the resulting adjustments could be material to our future financial results.

Lease Accounting. Lease liabilities are recorded at a discount based upon our estimated collateralized incremental borrowing rate which involves significant judgments and estimates. Factors incorporated into the calculation of lease discount rates include the valuations and yields of our senior notes, their credit spread over comparable U.S. Treasury rates, and an index of the credit spreads for all North American investment grade companies by rating. To determine an indicative secured rate, we use the estimated credit spread improvement that would result from an upgrade of one ratings classification by tenor. Many of our stores are subject to build-to-suit arrangements with landlords, which typically carry a primary lease term of up to 15 years with multiple renewal options. We also have stores subject to shorter-term leases and many of these leases have renewal options. We record single lease expense on a straight-line basis over the lease term including any option periods that are reasonably certain to be renewed, commencing on the date that we take physical possession of the property from the landlord. Tenant allowances, to the extent received, are recorded as a reduction of the right of use asset. Improvements of leased properties are amortized over the shorter of the life of the applicable lease term or the estimated useful life of the asset.

Share-Based Payments. Our stock option awards are valued on an individual grant basis using the Black-Scholes-Merton closed form option pricing model. We believe that this model fairly estimates the value of our stock option awards. The application of this valuation model involves assumptions that are judgmental in the valuation of stock options, which affects compensation expense related to these options. These assumptions include the term that the options are expected to be outstanding, the historical volatility of our stock price, applicable interest rates and the dividend yield of our stock. Other factors involving judgments that affect the expensing of share-based payments include estimated forfeiture rates of share-based awards. Historically, these estimates have been materially accurate; however, if our estimates differ materially from actual experience, we may be required to record additional expense or reductions of expense, which could be material to our future financial results.

Fair Value Measurements. Accounting standards for the measurement of fair value of assets and liabilities establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy). Therefore, Level 3 inputs are typically based on an entity's own assumptions, as there is little, if any, related market activity, and thus require the use of significant judgment and estimates. Currently, we have no assets or liabilities that are valued based solely on Level 3 inputs. Our fair value measurements are primarily associated with our outstanding debt instruments. We use various valuation models in determining the values of these liabilities. We believe that in recent years these methodologies have produced materially accurate valuations.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Financial Risk Management

We are exposed to market risk primarily from adverse changes in interest rates, and to a lesser degree commodity prices. To minimize this risk, we may periodically use financial instruments, including derivatives. All derivative financial instrument transactions must be authorized and executed pursuant to approval by the Board of Directors. As a matter of policy, we do not buy or sell financial instruments for speculative or trading purposes, and any such derivative financial instruments are intended to be used to reduce risk by hedging an underlying economic exposure. Our objective is to correlate derivative financial instruments and the underlying exposure being hedged, so that fluctuations in the value of the financial instruments are generally offset by reciprocal changes in the value of the underlying economic exposure.

Interest Rate Risk

We are exposed to changes in interest rates as a result of our short-term borrowings and long-term debt. We manage our interest rate risk through the strategic use of fixed and variable interest rate debt and, from time to time, derivative financial instruments. Currently, we are counterparty to certain interest rate swaps with a total notional amount of \$350.0 million entered into in May 2021. These swaps are scheduled to mature in April 2030. Under the terms of these agreements, we swapped fixed interest rates on a portion of our 2030 Senior Notes for three-month LIBOR rates. In recent years, our principal interest rate exposure has been from outstanding borrowings under our Revolving Facility as well as our commercial paper program. As of January 28, 2022, we had \$54.3 million of consolidated commercial paper borrowings and no borrowings outstanding under our Revolving Facility. For a detailed discussion of our Revolving Facility and our commercial paper program, see Note 5 to the consolidated financial statements.

A change in interest rates on variable rate debt impacts our pre-tax earnings and cash flows; whereas a change in interest rates on fixed rate debt impacts the economic fair value of debt but not our pre-tax earnings and cash flows. At January 28, 2022, our primary interest rate exposure was from changes in interest rates which affect our variable rate debt. Based on our outstanding variable rate debt as of January 28, 2022, after giving consideration to our interest rate swap agreements, the annualized effect of a one percentage point increase in variable interest rates would have resulted in a pretax reduction of our earnings and cash flows of approximately \$4.1 million in 2021.

At January 29, 2021, our primary interest rate exposure was from changes in interest rates on our variable rate investment holdings, which were classified as cash and cash equivalents in our consolidated financial statements. The increase in cash and cash equivalents was driven primarily by our issuance of \$1.5 billion of senior unsecured notes during the first quarter of 2020 as we sought to strengthen liquidity as a result of the uncertainty caused by the COVID-19 pandemic. Based on our variable rate cash investment balance of \$1.1 billion at January 29, 2021, the annualized effect of a 0.1 percentage point decrease in interest rates would have resulted in a pre-tax reduction of our earnings and cash flows of approximately \$1.1 million in 2020.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of
Dollar General Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Dollar General Corporation and subsidiaries (the Company) as of January 28, 2022 and January 29, 2021, the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended January 28, 2022, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at January 28, 2022 and January 29, 2021, and the results of its operations and its cash flows for each of the three years in the period ended January 28, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of January 28, 2022, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated March 18, 2022, expressed an unqualified opinion thereon.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical

audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosure to which it relates.

Estimate of Workers' Compensation and General Liability Reserves

Description of the Matter

The Company records expenses and reserves for workers' compensation matters related to alleged work-related employee accidents and injuries, as well as general liability matters related to alleged non-employee incidents and injuries. At January 28, 2022, the Company's reserves for self-insurance risks were \$257.4 million, which includes workers' compensation and general liability reserves. As discussed in Note 1 of the consolidated financial statements, the Company retains a significant portion of risk related to its workers' compensation and general liability exposures. Accordingly, provisions are recorded for the Company's estimates of such losses. The undiscounted future claim costs for the workers' compensation and general liability exposures are estimated using actuarial methods.

Auditing management's assessment of the recorded workers' compensation and general liability self-insurance exposure reserves was complex and judgmental due to the significant assumptions required in projecting the exposure on incurred claims (including those which have not been reported to the Company). In particular, the estimate was sensitive to significant assumptions such as loss development factors, trend factors, pure loss rates, and projected claim counts.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's accounting for these self-insurance exposures. For example, we tested controls over the appropriateness of the assumptions management used in the calculation and the completeness and accuracy of the data underlying the reserves.

To test the Company's determination of the estimated required workers' compensation and general liability self-insurance reserves, we performed audit procedures that included, among others, assessing the actuarial valuation methodologies utilized by management, testing the significant assumptions discussed above, testing the completeness and accuracy of the underlying data used by the Company in its evaluation, and testing the mathematical accuracy of the calculations. We also compared the significant assumptions used by management to industry accepted actuarial assumptions, reassessed the accuracy of management's historical estimates utilized in prior period evaluations, and utilized an actuarial valuation specialist to assist in assessing the valuation methodologies and significant assumptions used in the valuation analysis, as well as to compare the Company's recorded reserve to an independently developed range of actuarial reserves.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2001.

Nashville, Tennessee
March 18, 2022

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In thousands, except per share amounts)

	<u>January 28, 2022</u>	<u>January 29, 2021</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 344,829	\$ 1,376,577
Merchandise inventories	5,614,325	5,247,477
Income taxes receivable	97,394	90,760
Prepaid expenses and other current assets	247,295	199,405
Total current assets	<u>6,303,843</u>	<u>6,914,219</u>
Net property and equipment	<u>4,346,127</u>	<u>3,899,997</u>
Operating lease assets	<u>10,092,930</u>	<u>9,473,330</u>
Goodwill	<u>4,338,589</u>	<u>4,338,589</u>
Other intangible assets, net	<u>1,199,750</u>	<u>1,199,870</u>
Other assets, net	<u>46,132</u>	<u>36,619</u>
Total assets	<u>\$ 26,327,371</u>	<u>\$ 25,862,624</u>
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of operating lease liabilities	\$ 1,183,559	\$ 1,074,079
Accounts payable	3,738,604	3,614,089
Accrued expenses and other	1,049,139	1,006,552
Income taxes payable	8,055	16,063
Total current liabilities	<u>5,979,357</u>	<u>5,710,783</u>
Long-term obligations	<u>4,172,068</u>	<u>4,130,975</u>
Long-term operating lease liabilities	<u>8,890,709</u>	<u>8,385,388</u>
Deferred income taxes	<u>825,254</u>	<u>710,549</u>
Other liabilities	<u>197,997</u>	<u>263,691</u>
Commitments and contingencies		
Shareholders' equity:		
Preferred stock	—	—
Common stock; \$0.875 par value, 1,000,000 shares authorized, 230,016 and 240,785 shares issued and outstanding at January 28, 2022 and January 29, 2021, respectively	201,265	210,687
Additional paid-in capital	3,587,914	3,446,612
Retained earnings	2,473,999	3,006,102
Accumulated other comprehensive loss	(1,192)	(2,163)
Total shareholders' equity	<u>6,261,986</u>	<u>6,661,238</u>
Total liabilities and shareholders' equity	<u>\$ 26,327,371</u>	<u>\$ 25,862,624</u>

The accompanying notes are an integral part of the consolidated financial statements.

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share amounts)

	For the Year Ended		
	January 28, 2022	January 29, 2021	January 31, 2020
Net sales	\$ 34,220,449	\$ 33,746,839	\$ 27,753,973
Cost of goods sold	23,407,443	23,027,977	19,264,912
Gross profit	10,813,006	10,718,862	8,489,061
Selling, general and administrative expenses	7,592,331	7,164,097	6,186,757
Operating profit	3,220,675	3,554,765	2,302,304
Interest expense	157,526	150,385	100,574
Income before income taxes	3,063,149	3,404,380	2,201,730
Income tax expense	663,917	749,330	489,175
Net income	<u>\$ 2,399,232</u>	<u>\$ 2,655,050</u>	<u>\$ 1,712,555</u>
Earnings per share:			
Basic	\$ 10.24	\$ 10.70	\$ 6.68
Diluted	\$ 10.17	\$ 10.62	\$ 6.64
Weighted average shares outstanding:			
Basic	234,261	248,171	256,553
Diluted	235,812	250,076	258,053
Dividends per share	\$ 1.68	\$ 1.44	\$ 1.28

The accompanying notes are an integral part of the consolidated financial statements.

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

	For the Year Ended		
	January 28, 2022	January 29, 2021	January 31, 2020
Net income	\$ 2,399,232	\$ 2,655,050	\$ 1,712,555
Unrealized net gain (loss) on hedged transactions, net of related income tax expense (benefit) of \$346, \$346, and \$345, respectively ..	971	972	973
Comprehensive income	<u>\$ 2,400,203</u>	<u>\$ 2,656,022</u>	<u>\$ 1,713,528</u>

The accompanying notes are an integral part of the consolidated financial statements.

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(In thousands except per share amounts)

	Common Stock Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balances, February 1, 2019	259,511	\$ 227,072	\$ 3,252,421	\$ 2,941,107	\$ (3,207)	\$ 6,417,393
Net income	—	—	—	1,712,555	—	1,712,555
Dividends paid, \$1.28 per common share	—	—	—	(327,578)	—	(327,578)
Unrealized net gain (loss) on hedged transactions	—	—	—	—	973	973
Share-based compensation expense	—	—	48,589	—	—	48,589
Repurchases of common stock	(8,252)	(7,221)	—	(1,193,155)	—	(1,200,376)
Transition adjustment upon adoption of accounting standard (see Note 1)	—	—	—	28,830	—	28,830
Other equity and related transactions	677	593	21,521	901	(901)	22,114
Balances, January 31, 2020	251,936	\$ 220,444	\$ 3,322,531	\$ 3,162,660	\$ (3,135)	\$ 6,702,500
Net income	—	—	—	2,655,050	—	2,655,050
Dividends paid, \$1.44 per common share	—	—	—	(355,934)	—	(355,934)
Unrealized net gain (loss) on hedged transactions	—	—	—	—	972	972
Share-based compensation expense	—	—	68,609	—	—	68,609
Repurchases of common stock	(12,297)	(10,760)	—	(2,455,674)	—	(2,466,434)
Other equity and related transactions	1,146	1,003	55,472	—	—	56,475
Balances, January 29, 2021	240,785	\$ 210,687	\$ 3,446,612	\$ 3,006,102	\$ (2,163)	\$ 6,661,238
Net income	—	—	—	2,399,232	—	2,399,232
Dividends paid, \$1.68 per common share	—	—	—	(392,217)	—	(392,217)
Unrealized net gain (loss) on hedged transactions	—	—	—	—	971	971
Share-based compensation expense	—	—	78,178	—	—	78,178
Repurchases of common stock	(12,058)	(10,551)	—	(2,539,118)	—	(2,549,669)
Other equity and related transactions	1,289	1,129	63,124	—	—	64,253
Balances, January 28, 2022	230,016	\$ 201,265	\$ 3,587,914	\$ 2,473,999	\$ (1,192)	\$ 6,261,986

The accompanying notes are an integral part of the consolidated financial statements.

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	For the Year Ended		
	January 28, 2022	January 29, 2021	January 31, 2020
<i>Cash flows from operating activities:</i>			
Net income	\$ 2,399,232	\$ 2,655,050	\$ 1,712,555
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation and amortization	641,316	574,237	504,804
Deferred income taxes	114,359	34,976	55,407
Noncash share-based compensation	78,178	68,609	48,589
Other noncash (gains) and losses	191,040	11,570	8,293
Change in operating assets and liabilities:			
Merchandise inventories	(550,114)	(575,827)	(578,783)
Prepaid expenses and other current assets	(47,471)	(16,516)	(14,453)
Accounts payable	98,735	745,596	428,627
Accrued expenses and other liabilities	(37,328)	388,597	100,322
Income taxes	(14,642)	(6,522)	(20,404)
Other	(7,494)	(3,611)	(6,959)
Net cash provided by (used in) operating activities	<u>2,865,811</u>	<u>3,876,159</u>	<u>2,237,998</u>
<i>Cash flows from investing activities:</i>			
Purchases of property and equipment	(1,070,460)	(1,027,963)	(784,843)
Proceeds from sales of property and equipment	4,903	3,053	2,358
Net cash provided by (used in) investing activities	<u>(1,065,557)</u>	<u>(1,024,910)</u>	<u>(782,485)</u>
<i>Cash flows from financing activities:</i>			
Issuance of long-term obligations	—	1,494,315	—
Repayments of long-term obligations	(6,402)	(4,640)	(1,465)
Net increase (decrease) in commercial paper outstanding	54,300	(425,200)	58,300
Borrowings under revolving credit facilities	—	300,000	—
Repayments of borrowings under revolving credit facilities	—	(300,000)	—
Costs associated with issuance of debt	(2,268)	(13,574)	(1,675)
Repurchases of common stock	(2,549,669)	(2,466,434)	(1,200,376)
Payments of cash dividends	(392,188)	(355,926)	(327,568)
Other equity and related transactions	64,225	56,467	22,104
Net cash provided by (used in) financing activities	<u>(2,832,002)</u>	<u>(1,714,992)</u>	<u>(1,450,680)</u>
Net increase (decrease) in cash and cash equivalents	(1,031,748)	1,136,257	4,833
Cash and cash equivalents, beginning of period	1,376,577	240,320	235,487
Cash and cash equivalents, end of period	<u>\$ 344,829</u>	<u>\$ 1,376,577</u>	<u>\$ 240,320</u>
<i>Supplemental cash flow information:</i>			
Cash paid for:			
Interest	\$ 159,803	\$ 128,211	\$ 100,033
Income taxes	\$ 568,267	\$ 721,570	\$ 457,119
<i>Supplemental noncash investing and financing activities:</i>			
Right of use assets obtained in exchange for new operating lease liabilities	\$ 1,778,564	\$ 1,721,530	\$ 1,705,988
Purchases of property and equipment awaiting processing for payment, included in Accounts payable	\$ 143,589	\$ 118,059	\$ 110,248

The accompanying notes are an integral part of the consolidated financial statements.

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of presentation and accounting policies

Basis of presentation

These notes contain references to the years 2021, 2020, and 2019, which represent fiscal years ended January 28, 2022, January 29, 2021, and January 31, 2020, respectively. The Company's 2021, 2020 and 2019 accounting periods were each comprised of 52 weeks. The Company's fiscal year ends on the Friday closest to January 31. The consolidated financial statements include all subsidiaries of the Company, except for its not-for-profit subsidiary which the Company does not control. Intercompany transactions have been eliminated.

The Company sells general merchandise on a retail basis through 18,130 stores (as of January 28, 2022) in 46 states with the greatest concentration of stores in the southern, southwestern, midwestern and eastern United States. As of January 28, 2022, the Company operated 16 distribution centers for non-refrigerated products, ten cold storage distribution centers, and two combination distribution centers which have both refrigerated and non-refrigerated products. The Company leases 12 of these facilities and the remainder are owned.

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with insignificant interest rate risk and original maturities of three months or less when purchased. Such investments primarily consist of money market funds, bank deposits, certificates of deposit, and commercial paper. The carrying amounts of these items are a reasonable estimate of their fair value due to the short maturity of these investments.

Payments due from processors for electronic tender transactions classified as cash and cash equivalents totaled approximately \$133.9 million and \$125.3 million at January 28, 2022 and January 29, 2021, respectively.

Investments in debt and equity securities

The Company accounts for investments in debt and marketable equity securities as held-to-maturity, available-for-sale, or trading, depending on their classification. Debt securities categorized as held-to-maturity are stated at amortized cost. Debt and equity securities categorized as available-for-sale are stated at fair value, with any unrealized gains and losses, net of deferred income taxes, reported as a component of Accumulated other comprehensive loss. Trading securities are stated at fair value, with changes in fair value recorded as a component of Selling, general and administrative ("SG&A") expense. The cost of securities sold is based upon the specific identification method.

Merchandise inventories

Inventories are stated at the lower of cost or market ("LCM") with cost determined using the retail last-in, first-out ("LIFO") method as this method results in a better matching of costs and revenues. Under the Company's retail inventory method ("RIM"), the calculation of gross profit and the resulting valuation of inventories at cost are computed by applying a calculated cost-to-retail inventory ratio to the retail value of sales at a department level. The use of the RIM will result in valuing inventories at LCM if markdowns are currently taken as a reduction of the retail value of inventories. Costs directly associated with warehousing and distribution are capitalized into inventory.

The excess of current cost over LIFO cost was approximately \$296.3 million and \$115.9 million at January 28, 2022 and January 29, 2021, respectively. Current cost is determined using the RIM on a first-in, first-out basis. Under the LIFO inventory method, the impacts of rising or falling market price changes increase or decrease cost of sales (the LIFO provision or benefit). The Company recorded a LIFO provision of \$180.4 million in 2021, \$5.1 million in 2020, and \$7.0 million in 2019, which is included in cost of goods sold in the consolidated statements of income.

The Company purchases its merchandise from a wide variety of suppliers. The Company's two largest suppliers accounted for approximately 9% and 8%, respectively, of the Company's purchases in 2021.

Vendor rebates

The Company accounts for all cash consideration received from vendors in accordance with applicable accounting standards pertaining to such arrangements. Cash consideration received from a vendor is generally presumed to be a rebate or an allowance and is accounted for as a reduction of merchandise purchase costs as earned. However, certain specific, incremental and otherwise qualifying SG&A expenses related to the promotion or sale of vendor products may be offset by cash consideration received from vendors, in accordance with arrangements such as cooperative advertising, when earned for dollar amounts up to but not exceeding actual incremental costs.

Prepaid expenses and other current assets

Prepaid expenses and other current assets include prepaid amounts for maintenance, business licenses, advertising, and insurance, and amounts receivable for certain vendor rebates (primarily those expected to be collected in cash) and coupons.

Property and equipment

Property and equipment acquired is recorded at cost. The Company records depreciation and amortization on a straight-line basis over the assets' estimated useful lives. Amounts included in the Company's property and equipment balances and their estimated lives are summarized as follows:

<u>(In thousands)</u>	<u>Life</u>	<u>January 28, 2022</u>	<u>January 29, 2021</u>
Land	Indefinite	\$ 227,085	\$ 224,628
Land improvements	20	96,402	93,169
Buildings	39 - 40	1,446,126	1,329,309
Leasehold improvements	(a)	889,782	782,858
Furniture, fixtures and equipment	3 - 10	4,984,534	4,487,665
Construction in progress		131,073	183,593
Right of use assets - finance leases	Various	162,772	163,108
		<u>7,937,774</u>	<u>7,264,330</u>
Less accumulated depreciation and amortization		<u>(3,591,647)</u>	<u>(3,364,333)</u>
Net property and equipment		<u>\$ 4,346,127</u>	<u>\$ 3,899,997</u>

(a) Depreciated over the lesser of the life of the applicable lease term or the estimated useful life of the asset.

Depreciation and amortization expense related to property and equipment was approximately \$635.9 million, \$569.3 million and \$500.4 million for 2021, 2020 and 2019, respectively. Interest on borrowed funds during the construction of property and equipment is capitalized where applicable. Interest costs of \$1.2 million, less than \$0.1 million, and \$2.7 million were capitalized in 2021, 2020 and 2019, respectively.

Impairment of long-lived assets

When indicators of impairment are present, the Company evaluates the carrying value of long-lived assets, excluding goodwill and other indefinite-lived intangible assets, in relation to the operating performance and future cash flows or the appraised values of the underlying assets. Generally, the Company's policy is to review for impairment stores open more than three years for which current cash flows from operations are negative. Impairment results when the carrying value of the assets exceeds the undiscounted future cash flows expected to be generated by the assets. The Company's estimate of undiscounted future cash flows is based upon historical operations of the stores and estimates of future store profitability which encompasses many factors that are subject

to variability and difficult to predict. If a long-lived asset is found to be impaired, the amount recognized for impairment is equal to the difference between the carrying value and the asset's estimated fair value. The fair value is estimated based primarily upon estimated future cash flows over the asset's remaining useful life (discounted at the Company's credit adjusted risk-free rate) or other reasonable estimates of fair market value. Assets to be disposed of are adjusted to the fair value less the cost to sell if less than the book value.

The Company recorded impairment charges included in SG&A expense of approximately \$2.6 million in 2021, \$2.7 million in 2020 and \$3.6 million in 2019, to reduce the carrying value of certain of its stores' assets. Such action was deemed necessary based on the Company's evaluation that such amounts would not be recoverable primarily due to insufficient sales or excessive costs resulting in the carrying value of the assets exceeding the estimated undiscounted future cash flows generated by the assets at these locations.

Goodwill and other intangible assets

If not deemed indefinite, the Company amortizes intangible assets over their estimated useful lives. Goodwill and intangible assets with indefinite lives are tested for impairment annually or more frequently if indicators of impairment are present. Definite lived intangible assets are tested for impairment if indicators of impairment are present. Impaired assets are written down to fair value as required. No impairment of intangible assets has been identified during any of the periods presented.

In accordance with accounting standards for goodwill and indefinite-lived intangible assets, an entity has the option first to assess qualitative factors to determine whether events and circumstances indicate that it is more likely than not that goodwill or an indefinite-lived intangible asset is impaired. If after such assessment an entity concludes that the asset is not impaired, then the entity is not required to take further action. However, if an entity concludes otherwise, then it is required to determine the fair value of the asset using a quantitative impairment test. If the results of such test indicate impairment, the associated assets must be written down to fair value as described in further detail below.

The quantitative goodwill impairment test requires management to make judgments in determining what assumptions to use in the calculation. The process consists of comparing the fair value of the reporting unit to its carrying amount, including goodwill. If the fair value of the reporting unit is less than its carrying amount, management would then determine if the difference between the carrying amount and fair value is greater than the carrying amount of goodwill allocated to the reporting unit. If it is, the impairment recognized would be equal to the total carrying amount of goodwill allocated to the reporting unit, and if not, impairment would be recognized equal to the difference between the carrying amount of the reporting unit and its fair value.

The quantitative impairment test for intangible assets compares the fair value of the intangible asset with its carrying amount. If the carrying amount of an intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess.

The Company's goodwill balance has an indefinite life and is not expected to be deductible for income tax purposes. Substantially all of the Company's other intangible assets are its trade names and trademarks which have an indefinite life.

Other assets

Noncurrent Other assets consist primarily of qualifying prepaid expenses for maintenance, beer and wine licenses, and utility, security and other deposits.

Accrued expenses and other liabilities

Accrued expenses and other consist of the following:

<u>(In thousands)</u>	<u>January 28, 2022</u>	<u>January 29, 2021</u>
Compensation and benefits	\$ 215,355	\$ 269,032
Self-insurance reserves	127,719	110,321
Taxes (other than taxes on income)	324,438	318,552
Other	381,627	308,647
	<u>\$ 1,049,139</u>	<u>\$ 1,006,552</u>

Included in other accrued expenses are liabilities for freight expense, interest, utilities, maintenance and legal settlements.

Insurance liabilities

The Company retains a significant portion of risk for its workers' compensation, employee health, general liability, property, automobile, and certain third-party landlord general liability claim exposures. Accordingly, provisions are made for the Company's estimates of such risks which are recorded as self-insurance reserves pursuant to Company policy. The undiscounted future claim costs for the workers' compensation, general liability, landlord liability, and health claim risks are derived using actuarial methods which are sensitive to significant assumptions such as loss development factors, trend factors, pure loss rates, and projected claim counts. To the extent that subsequent claim costs vary from the Company's estimates, future results of operations will be affected as the reserves are adjusted.

Ashley River Insurance Company ("ARIC"), a Tennessee-based wholly owned captive insurance subsidiary of the Company, charges the operating subsidiary companies premiums to insure the retained workers' compensation, medical stop-loss, and non-property general liability exposures. Pursuant to Tennessee insurance regulations, ARIC maintains certain levels of cash and cash equivalents related to its self-insured exposures.

Leases

The Company records operating lease right of use assets and liabilities on its balance sheet. Lease liabilities are recorded at a discount based upon the Company's estimated collateralized incremental borrowing rate. Factors incorporated into the calculation of lease discount rates include the valuations and yields of the Company's senior notes, their credit spread over comparable U.S. Treasury rates, and an index of the credit spreads for all North American investment grade companies by rating. To determine an indicative secured rate, the Company uses the estimated credit spread improvement that would result from an upgrade of one ratings classification by tenor.

The Company records single lease cost on a straight-line basis over the base, non-cancelable lease term commencing on the date that the Company takes physical possession of the property from the landlord, which may include a period prior to the opening of a store or other facility to make any necessary leasehold improvements and install fixtures. Any tenant allowances received are recorded as a reduction of the right of use asset. Leases with an initial term of 12 months or less are not recorded on the balance sheet and lease expense for such leases is recognized on a straight-line basis over the lease term. The Company combines lease and nonlease components. Many leases include one or more options to renew, and the exercise of lease renewal options is at the Company's sole discretion. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Other liabilities

<u>(In thousands)</u>	<u>January 28,</u> <u>2022</u>	<u>January 29,</u> <u>2021</u>
Self-insurance reserves	\$ 129,692	\$ 134,765
Payroll tax liabilities	—	81,488
Other	68,305	47,438
	<u>\$ 197,997</u>	<u>\$ 263,691</u>

Fair value accounting

The Company utilizes accounting standards for fair value, which include the definition of fair value, the framework for measuring fair value, and disclosures about fair value measurements. Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, fair value accounting standards establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access. Level 2 inputs are inputs other than quoted prices included in Level 1 that are directly or indirectly observable for the asset or liability. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability, which are based on an entity's own assumptions, as there is little, if any, observable market activity. In instances where the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Other comprehensive income

The Company previously recorded a loss on the settlement of derivatives associated with the issuance of long-term debt in 2013 which was deferred to other comprehensive income and is being amortized as an increase to interest expense over the 10-year period of the debt's maturity.

Revenue recognition

The Company recognizes retail sales in its stores at the time the customer takes possession of merchandise. All sales are net of discounts and are presented net of taxes assessed by governmental authorities that are imposed concurrent with those sales.

The Company recognizes gift card sales revenue at the time of redemption. The liability for gift cards is established for the cash value at the time of purchase of the gift card. The liability for outstanding gift cards was approximately \$9.7 million and \$8.2 million at January 28, 2022 and January 29, 2021, respectively, and is recorded in Accrued expenses and other liabilities. Estimated breakage revenue, a percentage of gift cards that will never be redeemed based on historical redemption rates, is recognized over time in proportion to actual gift card redemptions. The Company recorded breakage revenue of \$1.7 million, \$1.3 million and \$1.0 million in 2021, 2020 and 2019, respectively.

Advertising costs

Advertising costs are expensed upon performance, “first showing” or distribution, and are reflected in SG&A expenses net of earned cooperative advertising amounts provided by vendors which are specific, incremental and otherwise qualifying expenses related to the promotion or sale of vendor products for dollar amounts up to but not exceeding actual incremental costs. Advertising costs were \$117.2 million, \$107.4 million and \$91.0 million in 2021, 2020 and 2019, respectively. These costs primarily include promotional circulars, targeted circulars supporting new stores, television and radio advertising, and in-store signage. Vendor funding for cooperative advertising offset reported expenses by \$34.3 million, \$33.4 million and \$34.7 million in 2021, 2020 and 2019, respectively.

Share-based payments

The Company recognizes compensation expense for share-based compensation based on the fair value of the awards on the grant date. Forfeitures are estimated at the time of valuation and reduce expense ratably over the vesting period. This estimate may be adjusted periodically based on the extent to which actual forfeitures differ, or are expected to differ, from the prior estimate. The forfeiture rate is the estimated percentage of share-based awards granted that are expected to be forfeited or canceled before becoming fully vested. The Company bases this estimate on historical experience or estimates of future trends, as applicable. An increase in the forfeiture rate will decrease compensation expense.

The fair value of each option grant is separately estimated and amortized into compensation expense on a straight-line basis between the applicable grant date and each vesting date. The Company has estimated the fair value of all stock option awards as of the grant date by applying the Black-Scholes-Merton option pricing valuation model. The application of this valuation model involves assumptions that are judgmental and highly sensitive to variation in the determination of compensation expense.

The Company calculates compensation expense for restricted stock, share units and similar awards as the difference between the market price of the underlying stock or similar award on the grant date and the purchase price, if any. Such expense is recognized on a straight-line basis for time-based awards and on an accelerated or straight-line basis for performance awards depending on the period over which the recipient earns the awards.

Store pre-opening costs

Pre-opening costs related to new store openings and the related construction periods are expensed as incurred.

Income taxes

Under the accounting standards for income taxes, the asset and liability method is used for computing the future income tax consequences of events that have been recognized in the Company’s consolidated financial statements or income tax returns. Deferred income tax expense or benefit is the net change during the year in the Company’s deferred income tax assets and liabilities.

The Company includes income tax related interest and penalties as a component of the provision for income tax expense.

Income tax reserves are determined using a methodology which requires companies to assess each income tax position taken using a two-step process. A determination is first made as to whether it is more likely than not that the position will be sustained, based upon the technical merits, upon examination by the taxing authorities. If the tax position is expected to meet the more likely than not criteria, the benefit recorded for the tax position equals the largest amount that is greater than 50% likely to be realized upon ultimate settlement of the respective tax position. Uncertain tax positions require determinations and estimated liabilities to be made based on provisions of the tax law which may be subject to change or varying interpretation. If the Company’s determinations and estimates prove to be inaccurate, the resulting adjustments could be material to the Company’s future financial results.

Management estimates

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Accounting standards

In March 2020 and January 2021, the Financial Accounting Standards Board (“FASB”) issued accounting standards updates pertaining to reference rate reform. This collective guidance is in response to accounting concerns regarding contract modifications and hedge accounting because of impending rate reform associated with structural risks of interbank offered rates (IBORs), and, particularly, the risk of cessation of LIBOR, related to regulators in several jurisdictions around the world having undertaken reference rate reform initiatives to identify alternative reference rates. The guidance provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The adoption of this guidance is effective for all entities as of March 12, 2020 through December 31, 2022. The Company does not expect the adoption of this guidance to have a material impact on its consolidated results of operations, financial position or cash flows.

2. Earnings per share

Earnings per share is computed as follows (in thousands except per share data):

	2021		
	Net Income	Weighted Average Shares	Per Share Amount
Basic earnings per share	\$ 2,399,232	234,261	\$ 10.24
Effect of dilutive share-based awards		1,551	
Diluted earnings per share	<u>\$ 2,399,232</u>	<u>235,812</u>	<u>\$ 10.17</u>
	2020		
	Net Income	Weighted Average Shares	Per Share Amount
Basic earnings per share	\$ 2,655,050	248,171	\$ 10.70
Effect of dilutive share-based awards		1,905	
Diluted earnings per share	<u>\$ 2,655,050</u>	<u>250,076</u>	<u>\$ 10.62</u>
	2019		
	Net Income	Weighted Average Shares	Per Share Amount
Basic earnings per share	\$ 1,712,555	256,553	\$ 6.68
Effect of dilutive share-based awards		1,500	
Diluted earnings per share	<u>\$ 1,712,555</u>	<u>258,053</u>	<u>\$ 6.64</u>

Basic earnings per share is computed by dividing net income by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per share is determined based on the dilutive effect of share-based awards using the treasury stock method.

Share-based awards that were outstanding at the end of the respective periods, but were not included in the computation of diluted earnings per share because the effect of exercising such options would be antidilutive, were less than 0.1 million, 0.2 million and 0.3 million in 2021, 2020 and 2019, respectively.

3. Income taxes

The provision (benefit) for income taxes consists of the following:

<u>(In thousands)</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Current:			
Federal	\$ 472,913	\$ 614,207	\$ 368,451
Foreign	384	127	102
State	76,261	100,002	65,215
	<u>549,558</u>	<u>714,336</u>	<u>433,768</u>
Deferred:			
Federal	93,114	32,433	45,966
Foreign	(38)	(104)	(15)
State	21,283	2,665	9,456
	<u>114,359</u>	<u>34,994</u>	<u>55,407</u>
	<u>\$ 663,917</u>	<u>\$ 749,330</u>	<u>\$ 489,175</u>

A reconciliation between actual income taxes and amounts computed by applying the federal statutory rate to income before income taxes is summarized as follows:

<u>(Dollars in thousands)</u>	<u>2021</u>		<u>2020</u>		<u>2019</u>	
U.S. federal statutory rate on earnings before						
income taxes	\$ 643,262	21.0 %	\$ 714,920	21.0 %	\$ 462,364	21.0 %
State income taxes, net of federal income tax						
benefit	77,086	2.5	81,117	2.4	60,936	2.8
Jobs credits, net of federal income taxes	(39,936)	(1.3)	(27,479)	(0.8)	(27,768)	(1.3)
Other, net	(16,495)	(0.5)	(19,228)	(0.6)	(6,357)	(0.3)
	<u>\$ 663,917</u>	<u>21.7 %</u>	<u>\$ 749,330</u>	<u>22.0 %</u>	<u>\$ 489,175</u>	<u>22.2 %</u>

The effective income tax rate for 2021 was 21.7% compared to a rate of 22.0% for 2020 which represents a net decrease of 0.3 percentage points. The effective income tax rate was lower in 2021 primarily due to increased income tax benefits associated with federal tax credits partially offset by a higher state effective tax rate compared to 2020.

The effective income tax rate for 2020 was 22.0% compared to a rate of 22.2% for 2019 which represents a net decrease of 0.2 percentage points. The effective income tax rate was lower in 2020 primarily due to increased tax benefits associated with share-based compensation and a larger income tax rate benefit from state taxes offset by a lower income tax rate benefit from federal income tax credits due primarily to higher pre-tax earnings in 2020 compared to 2019.

Deferred taxes reflect the effects of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

<u>(In thousands)</u>	<u>January 28, 2022</u>	<u>January 29, 2021</u>
Deferred tax assets:		
Deferred compensation expense	\$ 11,563	\$ 9,161
Accrued expenses	26,984	52,195
Accrued rent	552	650
Lease liabilities	2,617,954	2,459,976
Accrued insurance	6,971	6,550
Accrued incentive compensation	30,716	46,083
Share based compensation	16,605	19,495
Interest rate hedges	383	730
Tax benefit of income tax and interest reserves related to uncertain tax positions	79	189
State and foreign tax net operating loss carry forwards, net of federal tax	903	804
State tax credit carry forwards, net of federal tax	6,973	6,619
Other	16,715	6,823
	<u>2,736,398</u>	<u>2,609,275</u>
Less valuation allowances, net of federal income taxes	(5,235)	(4,077)
Total deferred tax assets	<u>2,731,163</u>	<u>2,605,198</u>
Deferred tax liabilities:		
Property and equipment	(572,286)	(481,279)
Lease assets	(2,588,709)	(2,433,195)
Inventories	(68,780)	(74,985)
Trademarks	(310,011)	(312,258)
Prepaid insurance	(15,278)	(13,532)
Other	(1,353)	(498)
Total deferred tax liabilities	<u>(3,556,417)</u>	<u>(3,315,747)</u>
Net deferred tax liabilities	<u>\$ (825,254)</u>	<u>\$ (710,549)</u>

The Company has state tax credit carryforwards of approximately \$7.0 million (net of federal benefit) that will expire beginning in 2022 through 2026 and the Company has approximately \$18.1 million of state apportioned net operating loss carryforwards, which will begin to expire in 2032 and will continue through 2041.

The Company has a valuation allowance for certain state tax credit carryforwards and foreign net operating loss carryforwards, in the amount of \$5.2 million and \$4.1 million (net of federal benefit) which increased income tax expense by \$1.1 million and \$0.0 million in 2021 and 2020, respectively. Management believes that the results from operations will not generate sufficient taxable income to realize these deferred tax assets in the near future.

Management believes that it is more likely than not that the Company's results of operations and its existing deferred tax liabilities will generate sufficient taxable income to realize the remaining deferred tax assets.

The Company's 2017 and earlier tax years are not open for further examination by the Internal Revenue Service ("IRS"). The IRS, at its discretion, may choose to examine the Company's 2018 through 2020 fiscal year income tax filings. The Company has various state income tax examinations that are currently in progress. Generally, with few exceptions, the Company's 2018 and later tax years remain open for examination by the various state taxing authorities.

As of January 28, 2022, accruals for uncertain tax benefits, interest expense related to income taxes and potential income tax penalties were \$6.2 million, \$0.2 million and \$0.0 million, respectively, for a total of \$6.4 million. As of January 29, 2021, accruals for uncertain tax benefits, interest expense related to income taxes and potential income tax penalties were \$7.5 million, \$0.5 million and \$0.0 million, respectively, for a total of \$8.0 million. These totals are reflected in noncurrent Other liabilities in the consolidated balance sheets.

The Company's reserve for uncertain tax positions is expected to be reduced by \$1.7 million in the coming twelve months as a result of expiring statutes of limitations. As of January 28, 2022 and January 29, 2021, approximately \$6.2 million and \$7.5 million, respectively, of the uncertain tax positions would impact the Company's effective income tax rate if the Company were to recognize the tax benefit for these positions.

The amounts associated with uncertain tax positions included in income tax expense consists of the following:

<u>(In thousands)</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Income tax expense (benefit)	\$ (1,311)	\$ 2,411	\$ 130
Income tax related interest expense (benefit)	(281)	104	(406)
Income tax related penalty expense (benefit)	—	—	(882)

A reconciliation of the uncertain income tax positions from February 2, 2019 through January 28, 2022 is as follows:

<u>(In thousands)</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Beginning balance	\$ 7,502	\$ 5,090	\$ 4,960
Increases—tax positions taken in the current year	—	—	—
Increases—tax positions taken in prior years	2,803	3,857	1,239
Decreases—tax positions taken in prior years	—	(1,445)	(1,109)
Statute expirations	(1,456)	—	—
Settlements	(2,658)	—	—
Ending balance	<u>\$ 6,191</u>	<u>\$ 7,502</u>	<u>\$ 5,090</u>

4. Leases

As of January 28, 2022, the Company's primary leasing activities were real estate leases for most of its retail store locations and certain of its distribution facilities. Many of the Company's store locations are subject to build-to-suit arrangements with landlords which typically carry a primary lease term of up to 15 years. The Company does not control build-to-suit properties during the construction period. Store locations not subject to build-to-suit arrangements are typically shorter-term leases. Certain of the Company's leased store locations have variable payments based upon actual costs of common area maintenance, real estate taxes and property and liability insurance. In addition, some of the Company's leased store locations have provisions for variable payments based upon a specified percentage of defined sales volume. The Company's lease agreements generally do not contain material restrictive covenants.

Most of the Company's leases include one or more options to renew and extend the lease term. The exercise of lease renewal options is at the Company's sole discretion. Generally, a renewal option is not deemed to be reasonably certain to be exercised until such option is legally executed. The Company's leases do not include purchase options or residual value guarantees on the leased property. The depreciable life of leasehold improvements is limited by the expected lease term.

Substantially all of the Company's leases are classified as operating leases and the associated assets and liabilities are presented as separate captions in the consolidated balance sheets. Finance lease assets are included in net property and equipment, and finance lease liabilities are included in long-term obligations, in the consolidated balance sheets. At January 28, 2022, the weighted-average remaining lease term for the Company's leases was 9.7 years, and the weighted average discount rate was 3.7%. For 2021, 2020 and 2019, operating lease cost of \$1.49 billion, \$1.38 billion and \$1.27 billion, respectively, and variable lease cost of \$0.28 billion, \$0.26 billion and \$0.23 billion, respectively, were reflected as selling, general and administrative expenses in the consolidated statements of income. Cash paid for amounts included in the measurement of operating lease liabilities of \$1.50 billion, \$1.39 billion and \$1.28 billion, respectively, were reflected in cash flows from operating activities in the consolidated statements of cash flows for 2021, 2020 and 2019.

The scheduled maturity of the Company's operating lease liabilities is as follows:

<u>(In thousands)</u>	
2022	\$ 1,529,978
2023	1,477,694
2024	1,407,824
2025	1,295,775
2026	1,166,717
Thereafter	<u>5,063,197</u>
Total lease payments (a)	11,941,185
Less imputed interest	<u>(1,866,917)</u>
Present value of lease liabilities	<u>\$ 10,074,268</u>

a) Excludes approximately \$0.7 billion of legally binding minimum lease payments for leases signed which have not yet commenced.

5. Current and long-term obligations

Consolidated current and long-term obligations consist of the following:

<u>(In thousands)</u>	<u>January 28, 2022</u>	<u>January 29, 2021</u>
Revolving Facility	\$ —	\$ —
3.250% Senior Notes due April 15, 2023 (net of discount of \$319 and \$583)	899,681	899,417
4.150% Senior Notes due November 1, 2025 (net of discount of \$332 and \$412)	499,668	499,588
3.875% Senior Notes due April 15, 2027 (net of discount of \$251 and \$294)	599,749	599,706
4.125% Senior Notes due May 1, 2028 (net of discount of \$336 and \$383)	499,664	499,617
3.500% Senior Notes due April 3, 2030 (net of discount of \$564 and \$623)	988,990	999,377
4.125% Senior Notes due April 3, 2050 (net of discount of \$4,857 and \$4,945)	495,143	495,055
Unsecured commercial paper notes	54,300	—
Other	159,525	164,365
Debt issuance costs, net	<u>(24,652)</u>	<u>(26,150)</u>
	<u>\$ 4,172,068</u>	<u>\$ 4,130,975</u>

The Company amended and extended its existing senior unsecured revolving credit facility (the "Revolving Facility") on December 2, 2021. At January 28, 2022, the Revolving Facility had a commitment of \$2.0 billion that provides for the issuance of letters of credit up to \$100.0 million and is scheduled to mature on December 2, 2026.

Borrowings under the Revolving Facility bear interest at a rate equal to an applicable interest rate margin plus, at the Company's option, either (a) LIBOR or (b) a base rate (which is usually equal to the prime rate). The Revolving Facility includes customary LIBOR replacement provisions. The applicable interest rate margin for borrowings as of January 28, 2022 was 1.015% for LIBOR borrowings and 0.015% for base-rate borrowings. The Company is also required to pay a facility fee, payable on any used and unused commitment amounts of the Revolving Facility, and customary fees on letters of credit issued under the Revolving Facility. As of January 28, 2022, the facility fee rate was 0.11%. The applicable interest rate margins for borrowings, the facility fees and the letter of credit fees under the Revolving Facility are subject to adjustment from time to time based on the Company's long-term senior unsecured debt ratings.

The Revolving Facility contains a number of customary affirmative and negative covenants that, among other things, restrict, subject to certain exceptions, the Company's ability to: incur additional liens; sell all or substantially all of the Company's assets; consummate certain fundamental changes or change in the Company's lines of business; and incur additional subsidiary indebtedness. The Revolving Facility also contains financial covenants which require the maintenance of a minimum fixed charge coverage ratio and a maximum leverage ratio. As of January 28, 2022, the Company was in compliance with all such covenants. The Revolving Facility also contains customary events of default.

As of January 28, 2022, the Company had no outstanding borrowings, outstanding letters of credit of \$1.9 million, and borrowing availability of \$2.0 billion under the Revolving Facility that, due to its intention to maintain borrowing availability related to the commercial paper program described below, could contribute incremental liquidity of \$1.76 billion. In addition, the Company had outstanding letters of credit of \$48.6 million which were issued pursuant to separate agreements.

As of January 28, 2022, the Company had a commercial paper program under which the Company may issue unsecured commercial paper notes (the “CP Notes”) from time to time in an aggregate amount not to exceed \$2.0 billion outstanding at any time. The CP Notes may have maturities of up to 364 days from the date of issue and rank equal in right of payment with all of the Company’s other unsecured and unsubordinated indebtedness. The Company intends to maintain available commitments under the Revolving Facility in an amount at least equal to the amount of CP Notes outstanding at any time. As of January 28, 2022, the Company’s consolidated balance sheet reflected outstanding CP Notes of \$54.3 million. CP Notes totaling \$181.0 million were held by a wholly-owned subsidiary of the Company and are therefore not reflected on the consolidated balance sheets.

On April 3, 2020, the Company issued \$1.0 billion aggregate principal amount of 3.5% senior notes due 2030 (the “2030 Senior Notes”), net of discount of \$0.7 million, and \$500.0 million aggregate principal amount of 4.125% senior notes due 2050 (the “2050 Senior Notes”), net of discount of \$5.0 million. The 2030 Senior Notes are scheduled to mature on April 3, 2030 and the 2050 Senior Notes are scheduled to mature on April 3, 2050. Interest on the 2030 Senior Notes and the 2050 Senior Notes is payable in cash on April 3 and October 3 of each year. The Company incurred \$13.6 million of debt issuance costs associated with the issuance of the 2030 Senior Notes and the 2050 Senior Notes.

Collectively, the Company’s Senior Notes due 2023, 2025, 2027, 2028, 2030 and 2050 comprise the “Senior Notes”, each of which were issued pursuant to an indenture as supplemented and amended by supplemental indentures relating to each series of Senior Notes (as so supplemented and amended, the “Senior Indenture”). The Company may redeem some or all of its Senior Notes at any time at redemption prices set forth in the Senior Indenture. Upon the occurrence of a change of control triggering event, which is defined in the Senior Indenture, each holder of the Senior Notes has the right to require the Company to repurchase some or all of such holder’s Senior Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the repurchase date.

The Senior Indenture contains covenants limiting, among other things, the ability of the Company and its subsidiaries to (subject to certain exceptions): consolidate, merge, sell or otherwise dispose of all or substantially all of the Company’s assets; and to incur or guarantee indebtedness secured by liens on any shares of voting stock of significant subsidiaries.

The Senior Indenture also provides for events of default which, if any of them occurs, would permit or require the principal of and accrued interest on the Senior Notes to become or to be declared due and payable, as applicable.

During the second quarter of 2021, the Company entered into interest rate swaps on a portion of the 2030 Senior Notes. These interest rate swaps are being accounted for as fair value hedges, with the derivative asset or liability offset by a corresponding adjustment to the carrying value of the 2030 Senior Notes. Such arrangements are not material to the Company’s consolidated financial statements.

Scheduled debt maturities at January 28, 2022 for the Company’s fiscal years listed below are as follows (in thousands): 2022 - \$61,774; 2023 - \$906,564; 2024 - \$6,714; 2025 - \$506,263; 2026 - \$6,437; thereafter - \$2,726,074.

6. Assets and liabilities measured at fair value

The following table presents the Company's assets and liabilities required to be measured at fair value as of January 28, 2022, aggregated by the level in the fair value hierarchy within which those measurements are classified.

(In thousands)	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value at January 28, 2022
Liabilities:				
Long-term obligations (a)	\$ 4,229,161	\$ 213,825	\$ —	\$ 4,442,986
Deferred compensation (b)	44,009	—	—	44,009

(a) Included in the consolidated balance sheet at book value as Long-term obligations of \$4,172,068.

(b) Reflected at fair value in the consolidated balance sheet as a component of Accrued expenses and other current liabilities of \$2,435 and a component of noncurrent Other liabilities of \$41,574.

The carrying amounts reflected in the consolidated balance sheets for cash, cash equivalents, short-term investments, receivables and payables approximate their respective fair values. The Company does not have any recurring fair value measurements using significant unobservable inputs (Level 3) as of January 28, 2022.

7. Commitments and contingencies

Legal proceedings

From time to time, the Company is a party to various legal matters in the ordinary course of its business, including actions by employees, consumers, suppliers, government agencies, or others. The Company has recorded accruals with respect to these matters, where appropriate, which are reflected in the Company's consolidated financial statements. For some matters, a liability is not probable or the amount cannot be reasonably estimated and therefore an accrual has not been made. In 2019, the Company recorded an accrual of \$31.0 million, an amount that is immaterial to the Company's consolidated financial statements, for probable and reasonably estimable losses relating to certain significant legal matters, including certified class action and associated matters. The majority of the legal matters related to the 2019 accrual have been resolved, and the Company does not believe that any remaining related matters will result in liability that is material to the Company's annual consolidated financial statements.

Based on information currently available, the Company believes that its pending legal matters, both individually and in the aggregate, will be resolved without a material adverse effect on the Company's consolidated financial statements as a whole. However, litigation and other legal matters involve an element of uncertainty. Adverse decisions and settlements, including any required changes to the Company's business, or other developments in such matters could affect the consolidated operating results in future periods or result in liability or other amounts material to the Company's annual consolidated financial statements.

8. Benefit plans

The Dollar General Corporation 401(k) Savings and Retirement Plan, which became effective on January 1, 1998, is a safe harbor defined contribution plan and is subject to the Employee Retirement and Income Security Act ("ERISA").

A participant's right to claim a distribution of his or her account balance is dependent on the plan, ERISA guidelines and Internal Revenue Service regulations. All active participants are fully vested in all contributions to the 401(k) plan. During 2021, 2020 and 2019, the Company expensed approximately \$34.0 million, \$30.1 million and \$25.0 million, respectively, for matching contributions.

The Company also has a compensation deferral plan (“CDP”) and a nonqualified supplemental retirement plan (“SERP”), known as the Dollar General Corporation CDP/SERP Plan, for a select group of management and other key employees. The Company incurred compensation expense for these plans of approximately \$1.3 million in 2021, \$0.9 million in 2020 and \$0.8 million in 2019.

The deferred compensation liability associated with the CDP/SERP Plan is reflected in the consolidated balance sheets as further disclosed in Note 6.

9. Share-based payments

The Company accounts for share-based payments in accordance with applicable accounting standards, under which the fair value of each award is separately estimated and amortized into compensation expense over the service period. The fair value of the Company’s stock option grants are estimated on the grant date using the Black-Scholes-Merton valuation model. The application of this valuation model involves assumptions that are judgmental and highly sensitive in the determination of compensation expense. The fair value of the Company’s other share-based awards discussed below are estimated using the Company’s closing stock price on the grant date. Forfeitures are estimated at the time of valuation and reduce expense ratably over the vesting period.

On May 26, 2021, the Company’s shareholders approved the Dollar General Corporation 2021 Stock Incentive Plan (“2021 Plan”), which replaced the Company’s 2007 Stock Incentive Plan (“2007 Plan”). The Plans allow the granting of stock options, stock appreciation rights, and other stock-based awards or dividend equivalent rights to key employees, directors, consultants or other persons having a service relationship with the Company, its subsidiaries and certain of its affiliates. Upon the effective date of the 2021 Plan, no new awards may be granted under the 2007 Plan. Awards previously granted under the 2007 Plan remain outstanding in accordance with their terms. The number of shares of Company common stock authorized for grant under the 2021 Plan is 11,838,143.

Generally, share-based awards issued by the Company are in the form of stock options, restricted stock units and performance share units, and unless noted otherwise, the disclosures that follow refer to such awards. With limited exceptions, stock options and restricted stock units granted to employees generally vest ratably on an annual basis over four-year and three-year periods, respectively. Awards granted to board members generally vest over a one-year period. The number of performance share units earned are based on performance criteria measured over a period of one to three years, and such awards generally vest over a three-year period. With limited exceptions, the performance share unit and restricted stock unit awards are payable in shares of common stock on the vesting date.

The weighted average for key assumptions used in determining the fair value of all stock options granted in the years ended January 28, 2022, January 29, 2021, and January 31, 2020, and a summary of the methodology applied to develop each assumption, are as follows:

	January 28, 2022	January 29, 2021	January 31, 2020
Expected dividend yield	0.9 %	0.9 %	1.1 %
Expected stock price volatility	26.5 %	26.4 %	25.3 %
Weighted average risk-free interest rate . . .	0.8 %	0.7 %	2.3 %
Expected term of options (years)	4.9	5.2	6.2

Expected dividend yield - This is an estimate of the expected dividend yield on the Company’s stock. An increase in the dividend yield will decrease compensation expense.

Expected stock price volatility - This is a measure of the amount by which the price of the Company’s common stock has fluctuated or is expected to fluctuate, calculated based upon historical volatility. An increase in the expected volatility will increase compensation expense.

Weighted average risk-free interest rate - This is the U.S. Treasury rate for the week of the grant having a term approximating the expected life of the option. An increase in the risk-free interest rate will increase compensation expense.

Expected term of options - This is the period of time over which the options granted are expected to remain outstanding. An increase in the expected term will increase compensation expense.

A summary of the Company's stock option activity during the year ended January 28, 2022 is as follows:

<u>(Intrinsic value amounts reflected in thousands)</u>	<u>Options Issued</u>	<u>Average Exercise Price</u>	<u>Remaining Contractual Term in Years</u>	<u>Intrinsic Value</u>
Balance, January 29, 2021	2,911,540	\$ 104.69		
Granted	607,213	195.34		
Exercised	(1,042,403)	86.81		
Canceled or expired	(128,840)	149.42		
Balance, January 28, 2022	<u>2,347,510</u>	<u>\$ 133.62</u>	<u>7.1</u>	<u>\$ 166,856</u>
Exercisable at January 28, 2022	<u>942,531</u>	<u>\$ 95.10</u>	<u>5.4</u>	<u>\$ 102,992</u>

The weighted average grant date fair value per share of options granted was \$42.89, \$34.60 and \$30.67 during 2021, 2020 and 2019, respectively. The intrinsic value of options exercised during 2021, 2020 and 2019, was \$132.3 million, \$116.1 million and \$26.6 million, respectively.

The number of performance share unit awards earned is based upon the Company's financial performance as specified in the award agreement. A summary of performance share unit award activity during the year ended January 28, 2022 is as follows:

<u>(Intrinsic value amounts reflected in thousands)</u>	<u>Units Issued</u>	<u>Intrinsic Value</u>
Balance, January 29, 2021	367,053	
Granted	183,355	
Converted to common stock	(199,309)	
Canceled	(13,856)	
Balance, January 28, 2022	<u>337,243</u>	<u>\$ 68,909</u>

All performance share unit awards at January 28, 2022 are unvested, and the number of such awards which will ultimately vest will be based in part on the Company's financial performance in future years. The weighted average grant date fair value per share of performance share units granted was \$193.55, \$154.53 and \$117.13 during 2021, 2020 and 2019, respectively.

A summary of restricted stock unit award activity during the year ended January 28, 2022 is as follows:

<u>(Intrinsic value amounts reflected in thousands)</u>	<u>Units Issued</u>	<u>Intrinsic Value</u>
Balance, January 29, 2021	369,871	
Granted	165,701	
Converted to common stock	(177,277)	
Canceled	(51,177)	
Balance, January 28, 2022	<u>307,118</u>	<u>\$ 62,753</u>

The weighted average grant date fair value per share of restricted stock units granted was \$193.76, \$155.73 and \$117.20 during 2021, 2020 and 2019, respectively.

At January 28, 2022, the total unrecognized compensation cost related to unvested stock-based awards was \$87.4 million with an expected weighted average expense recognition period of 1.8 years.

The fair value method of accounting for share-based awards resulted in share-based compensation expense (a component of SG&A expenses) and a corresponding reduction in income before and net of income taxes as follows:

(In thousands)	Stock Options	Performance Share Units	Restricted Stock Units	Total
Year ended January 28, 2022				
Pre-tax	\$ 21,452	\$ 33,234	\$ 23,492	\$ 78,178
Net of tax	\$ 15,853	\$ 24,560	\$ 17,361	\$ 57,774
Year ended January 29, 2021				
Pre-tax	\$ 19,933	\$ 27,388	\$ 21,288	\$ 68,609
Net of tax	\$ 14,730	\$ 20,240	\$ 15,732	\$ 50,702
Year ended January 31, 2020				
Pre-tax	\$ 16,128	\$ 13,343	\$ 19,118	\$ 48,589
Net of tax	\$ 12,080	\$ 9,994	\$ 14,319	\$ 36,393

10. Segment reporting

The Company manages its business on the basis of one reportable operating segment. See Note 1 for a brief description of the Company's business. As of January 28, 2022, all of the Company's retail store operations were located within the United States. Certain product sourcing and other operations are located outside the United States, which collectively are not material with regard to assets, results of operations or otherwise to the consolidated financial statements. The following net sales data is presented in accordance with accounting standards related to disclosures about segments of an enterprise.

(in thousands)	2021	2020	2019
Classes of similar products:			
Consumables	\$ 26,258,605	\$ 25,906,685	\$ 21,635,890
Seasonal	4,182,165	4,083,650	3,258,874
Home products	2,322,367	2,209,950	1,611,899
Apparel	1,457,312	1,546,554	1,247,310
Net sales	\$ 34,220,449	\$ 33,746,839	\$ 27,753,973

11. Common stock transactions

On August 29, 2012, the Company's Board of Directors authorized a common stock repurchase program, which the Board has since increased on several occasions. On December 1, 2021, the Company's Board of Directors authorized a \$2.0 billion increase to the existing common stock repurchase program, bringing the cumulative total authorized under the program since its inception to \$14.0 billion. The repurchase authorization has no expiration date and allows repurchases from time to time in open market transactions, including pursuant to trading plans adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934, as amended, or in privately negotiated transactions. The timing, manner and number of shares repurchased will depend on a variety of factors, including price, market conditions, compliance with the covenants and restrictions under the Company's debt agreements and other factors. Repurchases under the program may be funded from available cash or borrowings including under the Company's Revolving Facility and issuance of CP Notes discussed in further detail in Note 5.

During the years ended January 28, 2022, January 29, 2021, and January 31, 2020, the Company repurchased approximately 12.1 million shares of its common stock at a total cost of \$2.5 billion, approximately 12.3 million shares of its common stock at a total cost of \$2.5 billion, and approximately 8.3 million shares of its common stock at a total cost of \$1.2 billion, respectively, pursuant to its common stock repurchase program.

The Company paid quarterly cash dividends of \$0.42 per share in 2021. On March 16, 2022, the Company's Board of Directors declared a quarterly cash dividend of \$0.55 per share, which is payable on or before April 19, 2022 to shareholders of record on April 5, 2022. The amount and declaration of future cash dividends is subject to the sole discretion of the Company's Board of Directors and will depend upon, among other things, the Company's results of operations, cash requirements, financial condition, contractual restrictions and other factors that the Board may deem relevant in its sole discretion.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

(a) *Disclosure Controls and Procedures.* Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) or 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

(b) *Management’s Annual Report on Internal Control Over Financial Reporting.* Our management prepared and is responsible for the consolidated financial statements and all related financial information contained in this report. This responsibility includes establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) or 15d-15(f) under the Exchange Act. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with United States generally accepted accounting principles.

To comply with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, management designed and implemented a structured and comprehensive assessment process to evaluate the effectiveness of its internal control over financial reporting. Such assessment was based on criteria established in *Internal Control—Integrated Framework* (2013 Framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Management regularly monitors our internal control over financial reporting, and actions are taken to correct any deficiencies as they are identified. Based on its assessment, management has concluded that our internal control over financial reporting is effective as of January 28, 2022.

Ernst & Young LLP, the independent registered public accounting firm that audited our consolidated financial statements, has issued an attestation report on our internal control over financial reporting. Such attestation report is contained below.

(c) Attestation Report of Independent Registered Public Accounting Firm.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of
Dollar General Corporation

Opinion on Internal Control over Financial Reporting

We have audited Dollar General Corporation and subsidiaries' internal control over financial reporting as of January 28, 2022, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Dollar General Corporation and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of January 28, 2022, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the 2021 consolidated financial statements of the Company and our report dated March 18, 2022, expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that

controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Nashville, Tennessee
March 18, 2022

(d) *Changes in Internal Control Over Financial Reporting.* There have been no changes during the quarter ended January 28, 2022 in our internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) or Rule 15d-15(f)) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Not applicable.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTORS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

(a) *Information Regarding Directors and Executive Officers.* The information required by this Item 10 regarding our directors and director nominees is contained under the captions “Who are the nominees this year” and “Are there any family relationships between any of the directors, executive officers or nominees,” in each case under the heading “Proposal 1: Election of Directors” in our definitive Proxy Statement to be filed for our Annual Meeting of Shareholders to be held on May 25, 2022 (the “2022 Proxy Statement”), which information under such captions is incorporated herein by reference. Information required by this Item 10 regarding our executive officers is contained in Part I of this Form 10-K under the caption “Information About Our Executive Officers,” which information under such caption is incorporated herein by reference.

(b) *Compliance with Section 16(a) of the Exchange Act.* Information required by this Item 10 regarding compliance with Section 16(a) of the Exchange Act is contained under the caption “Delinquent Section 16(a) Reports” under the heading “Security Ownership” in the 2022 Proxy Statement, which information under such caption is incorporated herein by reference.

(c) *Code of Business Conduct and Ethics.* We have adopted a Code of Business Conduct and Ethics that applies to all of our employees, officers and Board members. This Code is posted on our Internet website at <https://investor.dollargeneral.com>. If we choose to no longer post such Code, we will provide a free copy to any person upon written request to Dollar General Corporation, c/o Investor Relations Department, 100 Mission Ridge, Goodlettsville, TN 37072. We intend to provide any required disclosure of an amendment to or waiver from such Code that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, on our Internet website located at <https://investor.dollargeneral.com> promptly following the amendment or waiver. We may elect to disclose any such amendment or waiver in a report on Form 8-K filed with the SEC either in addition to or in lieu of the website disclosure. The information contained on or connected to our Internet website is not incorporated by reference into this Form 10-K and should not be considered part of this or any other report that we file with or furnish to the SEC.

(d) *Procedures for Shareholders to Recommend Director Nominees.* There have been no material changes to the procedures by which security holders may recommend nominees to the registrant’s Board of Directors.

(e) *Audit Committee Information.* Information required by this Item 10 regarding our audit committee and our audit committee financial experts is contained under the captions “What other functions are performed by the Board’s Committees” and “Does an audit committee financial expert serve on the Audit Committee,” in each case under the heading “Corporate Governance” in the 2022 Proxy Statement, which information pertaining to the audit committee and its membership and audit committee financial experts under such captions is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item 11 regarding director and executive officer compensation, the Compensation Committee Report, the risks arising from our compensation policies and practices for employees, pay ratio disclosure, and compensation committee interlocks and insider participation is contained under the captions “Director Compensation” and “Executive Compensation” in the 2022 Proxy Statement, which information under such captions is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

(a) *Equity Compensation Plan Information.* The following table sets forth information about securities authorized for issuance under our compensation plans (including individual compensation arrangements) as of January 28, 2022:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders(1)	3,116,065	\$ 133.62	11,808,906
Equity compensation plans not approved by security holders	—	—	—
Total(1)	3,116,065	\$ 133.62	11,808,906

(1) Column (a) consists of shares of common stock issuable upon exercise of outstanding options and upon vesting and payment of outstanding restricted stock units, performance share units and deferred shares, including any dividend equivalents accrued thereon, under the 2021 Stock Incentive Plan and the Amended and Restated 2007 Stock Incentive Plan. Restricted stock units, performance share units, deferred shares and dividend equivalents are settled for shares of common stock on a one-for-one basis and have no exercise price. Accordingly, they have been excluded for purposes of computing the weighted-average exercise price in column (b). Column (c) consists of shares remaining available for future grants pursuant to the 2021 Stock Incentive Plan, whether in the form of options, stock appreciation rights, stock, restricted stock, restricted stock units, performance share units or other stock-based awards.

(b) *Other Information.* The information required by this Item 12 regarding security ownership of certain beneficial owners and our management is contained under the caption “Security Ownership” in the 2022 Proxy Statement, which information under such caption is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item 13 regarding certain relationships and related transactions is contained under the caption “Transactions with Management and Others” in the 2022 Proxy Statement, which information under such caption is incorporated herein by reference.

The information required by this Item 13 regarding director independence is contained under the caption “Director Independence” in the 2022 Proxy Statement, which information under such caption is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item 14 regarding fees we paid to our principal accountant and the pre-approval policies and procedures established by the Audit Committee of our Board of Directors is contained under the caption “Fees Paid to Auditors” in the 2022 Proxy Statement, which information under such caption is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

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|---|----|
| (a) Report of Independent Registered Public Accounting Firm | 41 |
| Consolidated Balance Sheets | 43 |
| Consolidated Statements of Income | 44 |
| Consolidated Statements of Comprehensive Income | 45 |
| Consolidated Statements of Shareholders' Equity | 46 |
| Consolidated Statements of Cash Flows | 47 |
| Notes to Consolidated Financial Statements | 48 |
- (b) All schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions, are inapplicable or the information is included in the Consolidated Financial Statements and, therefore, have been omitted.
- (c) Exhibits:

EXHIBIT INDEX

- 3.1 Amended and Restated Charter of Dollar General Corporation (effective May 28, 2021) (incorporated by reference to Exhibit 3.1 to Dollar General Corporation's Current Report on Form 8-K dated May 26, 2021, filed with the SEC on June 1, 2021 (file no. 001-11421))
- 3.2 Amended and Restated Bylaws of Dollar General Corporation (effective May 28, 2021) (incorporated by reference to Exhibit 3.2 to Dollar General Corporation's Current Report on Form 8-K dated May 26, 2021, filed with the SEC on June 1, 2021 (file no. 001-11421))
- 4.1 Form of 3.250% Senior Notes due 2023 (included in Exhibit 4.8) (incorporated by reference to Exhibit 4.2 to Dollar General Corporation's Current Report on Form 8-K dated April 8, 2013, filed with the SEC on April 11, 2013 (file no. 001-11421))
- 4.2 Form of 4.150% Senior Notes due 2025 (included in Exhibit 4.9) (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated October 15, 2015, filed with the SEC on October 20, 2015 (file no. 001-11421))
- 4.3 Form of 3.875% Senior Notes due 2027 (included in Exhibit 4.10) (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated April 11, 2017, filed with the SEC on April 11, 2017 (file no. 001-11421))
- 4.4 Form of 4.125% Senior Notes due 2028 (included in Exhibit 4.11) (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated April 10, 2018, filed with the SEC on April 10, 2018 (file no. 001-11421))
- 4.5 Form of 3.500% Senior Notes due 2030 (included in Exhibit 4.12) (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated April 3, 2020, filed with the SEC on April 3, 2020 (file no. 001-11421))
- 4.6 Form of 4.125% Senior Notes due 2050 (included in Exhibit 4.13) (incorporated by reference to Exhibit 4.3 to Dollar General Corporation's Current Report on Form 8-K dated April 3, 2020, filed with the SEC on April 3, 2020 (file no. 001-11421))
- 4.7 Indenture, dated as of July 12, 2012, between Dollar General Corporation, as issuer, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated July 12, 2012, filed with the SEC on July 17, 2012 (file no. 001-11421))

- 4.8 Fourth Supplemental Indenture, dated as of April 11, 2013, between Dollar General Corporation, as issuer, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.2 to Dollar General Corporation's Current Report on Form 8-K dated April 8, 2013, filed with the SEC on April 11, 2013 (file no. 001-11421))
- 4.9 Fifth Supplemental Indenture, dated as of October 20, 2015, between Dollar General Corporation, as issuer, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated October 15, 2015, filed with the SEC on October 20, 2015 (file no. 001-11421))
- 4.10 Sixth Supplemental Indenture, dated as of April 11, 2017, between Dollar General Corporation and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated April 11, 2017, filed with the SEC on April 11, 2017 (file no. 001-11421))
- 4.11 Seventh Supplemental Indenture, dated as of April 10, 2018, between Dollar General Corporation and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated April 10, 2018, filed with the SEC on April 10, 2018 (file no. 001-11421))
- 4.12 Eighth Supplemental Indenture, dated as of April 3, 2020, between Dollar General Corporation and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated April 3, 2020, filed with the SEC on April 3, 2020 (file no. 001-11421))
- 4.13 Ninth Supplemental Indenture, dated as of April 3, 2020, between Dollar General Corporation and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.3 to Dollar General Corporation's Current Report on Form 8-K dated April 3, 2020, filed with the SEC on April 3, 2020 (file no. 001-11421))
- 4.14 Amended and Restated Credit Agreement, dated as of December 2, 2021, among Dollar General Corporation, as borrower, Citibank, N.A., as administrative agent, and the other credit parties and lenders party thereto (incorporated by reference to Exhibit 4.1 to Dollar General Corporation's Current Report on Form 8-K dated December 2, 2021, filed with the SEC on December 3, 2021 (file no. 001-11421))
- 4.15 Material terms of outstanding securities registered under Section 12 of the Securities Exchange Act of 1934, as amended, as required by Item 202(a)-(d) and (f) of Regulation S-K
- 10.1 Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (adopted November 30, 2016 and approved by shareholders on May 31, 2017) (incorporated by reference to Exhibit 10.2 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended October 28, 2016, filed with the SEC on December 1, 2016 (file no. 001-11421))*
- 10.2 Dollar General Corporation 2021 Stock Incentive Plan (incorporated by reference to Appendix A to Dollar General Corporation's 2021 Definitive Proxy Statement, filed with the SEC on April 1, 2021 (file no.001-11421))*
- 10.3 Form of Stock Option Award Agreement (approved March 20, 2012) for annual awards beginning March 2012 and prior to March 2015 to certain employees of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to Dollar General Corporation's Current Report on Form 8-K dated March 20, 2012, filed with the SEC on March 26, 2012 (file no. 001-11421))*

- 10.4 Form of Stock Option Award Agreement (approved August 26, 2014) for annual awards beginning March 2015 and prior to March 2016 to certain employees of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 2014, filed with the SEC on December 4, 2014 (file no. 001-11421))*
- 10.5 Form of Stock Option Award Agreement (approved March 16, 2016) for annual awards beginning March 2016 and prior to March 2017 to certain employees of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.5 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 29, 2016, filed with the SEC on March 22, 2016 (file no. 001-11421))*
- 10.6 Form of Stock Option Award Agreement (approved March 22, 2017) for annual awards beginning March 2017 and prior to March 2018 to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.7 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended February 3, 2017, filed with the SEC on March 24, 2017 (file no. 001-11421))*
- 10.7 Form of Stock Option Award Agreement (approved March 21, 2018) for annual awards beginning March 2018 and prior to March 2021 to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.7 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended February 2, 2018, filed with the SEC on March 23, 2018 (file no. 001-11421))*
- 10.8 Form of Stock Option Award Agreement (approved March 16, 2021) for annual awards beginning March 2021 and prior to March 2022 to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.7 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 29, 2021, filed with the SEC on March 19, 2021 (file no. 001-11421))*
- 10.9 Form of Stock Option Award Agreement (approved March 15, 2022) for annual awards beginning March 2022 to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation 2021 Stock Incentive Plan*
- 10.10 Form of Stock Option Award Agreement (approved August 26, 2014) for awards beginning December 2014 and prior to May 2016 to certain newly hired and promoted employees of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.3 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 2014, filed with the SEC on December 4, 2014 (file no. 001-11421))*
- 10.11 Form of Stock Option Award Agreement (approved May 24, 2016) for awards beginning May 2016 and prior to March 2017 to certain newly hired and promoted employees of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.3 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended April 29, 2016, filed with the SEC on May 26, 2016 (file no. 001-11421))*
- 10.12 Form of Stock Option Award Agreement (approved March 22, 2017) for awards beginning March 2017 and prior to December 2017 to certain newly hired and promoted employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.10 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended February 3, 2017, filed with the SEC on March 24, 2017 (file no. 001-11421))*

- 10.13 Form of Stock Option Award Agreement (approved December 5, 2017) for awards beginning December 2017 and prior to March 2021 to certain newly hired and promoted employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended November 3, 2017, filed with the SEC on December 7, 2017 (file no. 001-11421))*
- 10.14 Form of Stock Option Award Agreement (approved March 16, 2021) for awards beginning March 2021 and prior to August 2021 to certain newly hired and promoted employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.12 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 29, 2021, filed with the SEC on March 19, 2021 (file no. 001-11421))*
- 10.15 Form of Stock Option Award Agreement (approved August 24, 2021) for awards beginning August 2021 to certain newly hired and promoted employees of Dollar General Corporation pursuant to the Dollar General Corporation 2021 Stock Incentive Plan (incorporated by reference to Exhibit 10.3 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended July 30, 2021, filed with the SEC on August 26, 2021 (file no. 001-11421))*
- 10.16 Form of Performance Share Unit Award Agreement (approved March 20, 2019) for 2019 awards to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.15 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended February 1, 2019, filed with the SEC on March 22, 2019 (file no. 001-11421))*
- 10.17 Form of Performance Share Unit Award Agreement (approved March 17, 2020) for 2020 awards to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.14 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 31, 2020, filed with the SEC on March 19, 2020 (file no. 001-11421))*
- 10.18 Form of Performance Share Unit Award Agreement (approved March 16, 2021) for 2021 awards to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.16 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 29, 2021, filed with the SEC on March 19, 2021 (file no. 001-11421))*
- 10.19 Form of Performance Share Unit Award Agreement (approved March 15, 2022) for awards beginning March 2022 to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation 2021 Stock Incentive Plan*
- 10.20 Form of Restricted Stock Unit Award Agreement (approved March 21, 2018) for awards beginning March 2018 and prior to March 2021 to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.19 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended February 2, 2018, filed with the SEC on March 23, 2018 (file no. 001-11421))*
- 10.21 Form of Restricted Stock Unit Award Agreement (approved March 16, 2021) for 2021 awards to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.18 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 29, 2021, filed with the SEC on March 19, 2021 (file no. 001-11421))*
- 10.22 Form of Restricted Stock Unit Award Agreement (approved March 15, 2022) for awards beginning March 2022 to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation 2021 Stock Incentive Plan *

- 10.23 Form of Restricted Stock Unit Award Agreement for awards prior to May 2011 to non-employee directors of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.15 to Dollar General Corporation's Registration Statement on Form S-1 (file no. 333-161464))
- 10.24 Form of Restricted Stock Unit Award Agreement (approved May 24, 2011) for awards beginning May 2011 and prior to May 2014 to non-employee directors of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.3 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended April 29, 2011, filed with the SEC on June 1, 2011 (file no. 001-11421))
- 10.25 Form of Restricted Stock Unit Award Agreement (approved May 28, 2014) for awards beginning May 2014 and prior to February 2015 to non-employee directors of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.4 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended May 2, 2014, filed with the SEC on June 3, 2014 (file no. 001-11421))
- 10.26 Form of Restricted Stock Unit Award Agreement (approved December 3, 2014) for awards beginning February 2015 and prior to May 2016 to non-employee directors of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.7 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 2014, filed with the SEC on December 4, 2014 (file no. 001-11421))
- 10.27 Form of Restricted Stock Unit Award Agreement (approved May 24, 2016) for awards beginning May 2016 and prior to May 2017 to non-employee directors of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended April 29, 2016, filed with the SEC on May 26, 2016 (file no. 001-11421))
- 10.28 Form of Restricted Stock Unit Award Agreement (approved May 30, 2017) for awards beginning May 2017 and prior to May 2021 to non-employee directors of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended May 5, 2017, filed with the SEC on June 1, 2017 (file no. 001-11421))
- 10.29 Form of Restricted Stock Unit Award Agreement (approved May 25, 2021) for May 2021 awards to non-employee directors of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.3 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2021, filed with the SEC on May 27, 2021 (file no. 001-11421))
- 10.30 Form of Restricted Stock Unit Award Agreement (approved January 26, 2016) for awards beginning February 1, 2016 and prior to November 28, 2018 to non-executive Chairmen of the Board of Directors of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.20 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 29, 2016, filed with the SEC on March 22, 2016 (file no. 001-11421))
- 10.31 Form of Restricted Stock Unit Award Agreement (approved November 28, 2018) for awards beginning after November 28, 2018 and prior to January 31, 2022 to non-executive Chairmen of the Board of Directors of Dollar General Corporation pursuant to the Dollar General Corporation Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.3 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended November 2, 2018, filed with the SEC on December 4, 2018 (file no. 001-11421))

- 10.32 Form of Restricted Stock Unit Award Agreement (approved January 20, 2022) for awards beginning January 31, 2022 to non-executive Chairmen of the Board of Directors of Dollar General Corporation pursuant to the Dollar General Corporation 2021 Stock Incentive Plan
- 10.33 Form of Stock Option Award Agreement for awards to non-employee directors of Dollar General Corporation pursuant to the Amended and Restated 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.16 to Dollar General Corporation's Registration Statement on Form S-1 (file no. 333-161464))
- 10.34 Dollar General Corporation CDP/SERP Plan (as amended and restated effective December 31, 2007) (incorporated by reference to Exhibit 10.10 to Dollar General Corporation's Registration Statement on Form S-4 (file no. 333-148320))*
- 10.35 First Amendment to the Dollar General Corporation CDP/SERP Plan (as amended and restated effective December 31, 2007) (incorporated by reference to Exhibit 10.11 to Dollar General Corporation's Registration Statement on Form S-4 (file no. 333-148320))*
- 10.36 Second Amendment to the Dollar General Corporation CDP/SERP Plan (as amended and restated effective December 31, 2007), dated as of June 3, 2008 (incorporated by reference to Exhibit 10.6 to Dollar General Corporation's Quarterly Report on Form 10-Q for the quarter ended August 1, 2008, filed with the SEC on September 3, 2008 (file no. 001-11421))*
- 10.37 Dollar General Corporation Non-Employee Director Deferred Compensation Plan (approved December 3, 2014) (incorporated by reference to Exhibit 10.6 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 2014, filed with the SEC on December 4, 2014 (file no. 001-11421))
- 10.38 Dollar General Corporation 2021 Teamshare Incentive Program for Named Executive Officers (incorporated by reference to Exhibit 10.33 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 29, 2021, filed with the SEC on March 19, 2021 (file no. 001-11421))*
- 10.39 Form of Dollar General Corporation Teamshare Incentive Program for Named Executive Officers for use beginning fiscal year 2022*
- 10.40 Summary of Dollar General Corporation Life Insurance Program as Applicable to Executive Officers (incorporated by reference to Exhibit 10.36 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended February 2, 2018, filed with the SEC on March 23, 2018 (file no. 001-11421))*
- 10.41 Dollar General Corporation Executive Relocation Policy, as amended (effective August 27, 2019) (incorporated by reference to Exhibit 10.1 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended August 2, 2019, filed with the SEC on August 29, 2019) (file no. 001-11421))*
- 10.42 Summary of Non-Employee Director Compensation effective January 29, 2022 (incorporated by reference to Exhibit 10.2 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended October 29, 2021, filed with the SEC on December 2, 2021 (file no. 001-11421))
- 10.43 Employment Agreement, effective June 3, 2021, between Dollar General Corporation and Todd J. Vasos (incorporated by reference to Exhibit 99.2 to Dollar General Corporation's Current Report on Form 8-K dated May 26, 2021, filed with the SEC on June 1, 2021 (file no. 001-11421))*
- 10.44 Form of Stock Option Award Agreement between Dollar General Corporation and Todd J. Vasos (approved March 17, 2020) for March 17, 2020 award (incorporated by reference to Exhibit 10.38 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 31, 2020, filed with the SEC on March 19, 2020 (file no. 001-11421))*

- 10.45 Form of Performance Share Unit Award Agreement between Dollar General Corporation and Todd J. Vasos (approved March 17, 2020) for March 17, 2020 award (incorporated by reference to Exhibit 10.39 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 31, 2020, filed with the SEC on March 19, 2020 (file no. 001-11421))*
- 10.46 Form of Stock Option Award Agreement between Dollar General Corporation and Todd J. Vasos (approved March 16, 2021) for March 16, 2021 award (incorporated by reference to Exhibit 10.42 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 29, 2021, filed with the SEC on March 19, 2021 (file no. 001-11421))*
- 10.47 Form of Performance Share Unit Award Agreement between Dollar General Corporation and Todd J. Vasos (approved March 16, 2021) for March 16, 2021 award (incorporated by reference to Exhibit 10.43 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 29, 2021, filed with the SEC on March 19, 2021 (file no. 001-11421))*
- 10.48 Form of COO/Executive Vice President Employment Agreement with attached Schedule of Executive Officers who have executed an employment agreement in the form of COO/Executive Vice President Employment Agreement (incorporated by reference to Exhibit 99 to Dollar General Corporation's Current Report on Form 8-K dated April 5, 2021, filed with the SEC on April 8, 2021 (file no. 001-11421))*
- 10.49 Form of Senior Vice President Employment Agreement with attached Schedule of Senior Vice President-level Executive Officers who have executed an employment agreement in the form of Senior Vice President Employment Agreement (incorporated by reference to Exhibit 10.2 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2021, filed with the SEC on May 27, 2021 (file no. 001-11421))*
- 10.50 Form of Executive Vice President Employment Agreement with attached Schedule of Executive Vice Presidents who have executed the Executive Vice President Employment Agreement (incorporated by reference to Exhibit 99 to Dollar General Corporation's Current Report on Form 8-K dated April 5, 2018, filed with the SEC on April 11, 2018 (file no. 001-11421))*
- 10.51 Amended Schedule of Executive Officers who have executed an employment agreement in the form of Executive Vice President Employment Agreement filed as Exhibit 10.50 (incorporated by reference to Exhibit 10.1 to Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended October 30, 2020, filed with the SEC on December 3, 2020 (file no. 001-11421))*
- 10.52 Amendment to Employment Agreement by and between Dollar General Corporation and Jason S. Reiser, effective September 24, 2020 (incorporated by reference to Exhibit 99.2 to Dollar General Corporation's Current Report on Form 8-K dated September 24, 2020, filed with the SEC on September 30, 2020 (file no. 001-11421))*
- 21 List of Subsidiaries of Dollar General Corporation
- 23 Consent of Independent Registered Public Accounting Firm
- 24 Powers of Attorney (included as part of the signature pages hereto)
- 31 Certifications of CEO and CFO under Exchange Act Rule 13a-14(a)
- 32 Certifications of CEO and CFO under 18 U.S.C. 1350
- 101 Interactive data files for Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 28, 2022, formatted in Inline XBRL: (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Income; (iii) the Consolidated Statements of Comprehensive Income; (iv) the Consolidated Statements of Shareholders' Equity; (v) the Consolidated Statements of Cash Flows; and (vi) the Notes to Consolidated Financial Statements

104 The cover page from Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended January 28, 2022 (formatted in Inline XBRL and contained in Exhibit 101)

* Management Contract or Compensatory Plan

ITEM 16. FORM 10-K SUMMARY

None

DIRECTORS

DOLLAR GENERAL

Michael M. Calbert (1)(4)*
Retired Member
KKR & Co. L.P.

Warren F. Bryant (2)(3)
Retired Chairman, President &
Chief Executive Officer
Longs Drug Stores Corporation

Patricia D. Fili-Krushel (3)*(4)
Chairperson
Coqual

Timothy I. McGuire (3)
Chief Executive Officer
Mobile Service Center Canada, Ltd.
(d/b/a Mobile Klinik)

William C. Rhodes, III (2)*
Chairman, President &
Chief Executive Officer
AutoZone, Inc.

Debra A. Sandler (2)(4)
President & Chief Executive Officer La
Grenade Group, LLC
Founder & Chief Executive Officer
Mavis Foods, LLC

Ralph E. Santana (4)
Executive Vice President &
Chief Marketing Officer
Harman International Industries

Todd J. Vasos[†]
Chief Executive Officer
Dollar General Corporation

(1) Chairman of the Board
(2) Audit Committee
(3) Compensation Committee
(4) Nominating & Governance Committee
(*) Committee Chairperson

SENIOR OFFICERS

Todd J. Vasos[†]
Chief Executive Officer

Jeffery C. Owen[†]
Chief Operating Officer

EXECUTIVE VICE PRESIDENTS

John W. Garratt[†]
Chief Financial Officer

Emily C. Taylor[†]
Chief Merchandising Officer

Antonio Zuazo[†]
Global Supply Chain

Kathleen A. Reardon[†]
Chief People Officer

Rhonda M. Taylor[†]
General Counsel

Steven G. Sunderland[†]
Store Operations

Carman R. Wenkoff[†]
Chief Information Officer

SENIOR VICE PRESIDENTS

Johanna M. Blankush
General Merchandise Manager

Brian T. Hartshorn
General Merchandise Manager

Jackie Li
Private Brands & Global Sourcing

Steven R. Deckard
Emerging Markets

Tracey N. Herrmann
Channel Innovation

Daniel J. Nieser
Real Estate & Store Development

Kelly M. Dilts
Finance

Adam D. Janatsch
Distribution

Matthew F. Simonsen
Real Estate & Store Development

Connie V. Droge
Store Operations

Michael S. Joyce
Supply Chain Strategy, Inventory
& Demand Management

Roderick J. West
Distribution

Anita C. Elliott[†]
Chief Accounting Officer

Sanja Krajinovic
Store Operations

Bryan D. Wheeler
General Merchandise Manager

[†] Indicates persons designated as the Company's executive officers

CORPORATE INFORMATION

TRANSFER AGENT

EQ Shareowner Services
PO Box 64854,
St. Paul, MN 55164-0854
www.shareowneronline.com

Inquiries regarding stock transfers, lost certificates or address changes should be directed to the transfer agent at the address or website noted above or by calling (866) 927-3314.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP, Nashville, Tennessee

FORM 10-K

A copy of the Form 10-K filed by the Company with the Securities and Exchange Commission (the "SEC") for the fiscal year ended January 28, 2022, is available on our website at www.dollargeneral.com in the Investor Information section or on the SEC's website.

A printed copy of the Form 10-K, and a list of all its exhibits, will be supplied without charge to any shareholder upon written request. Exhibits to the Form 10-K are available for a reasonable fee. For a printed copy of the Form 10-K, please contact:

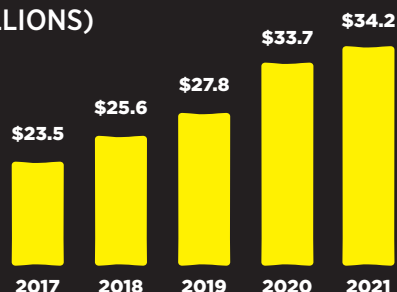
DOLLAR GENERAL CORPORATION INVESTOR RELATIONS

100 Mission Ridge, Goodlettsville, TN 37072, (615) 855-4000

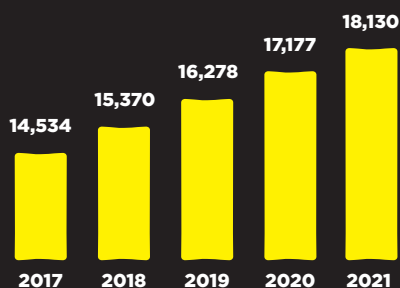
DOLLAR GENERAL®

NET SALES

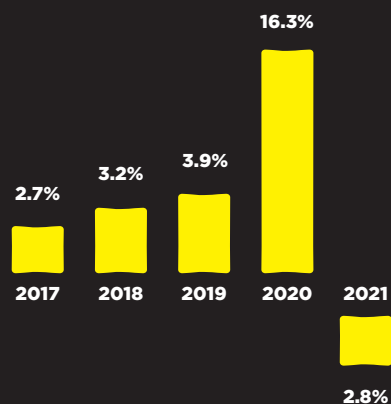
(IN BILLIONS)



ENDING STORE COUNT

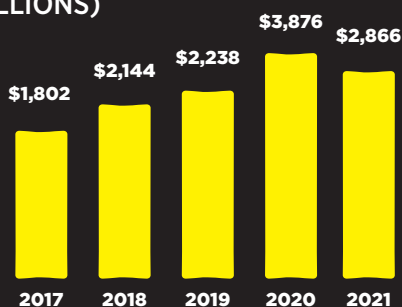


SAME STORE SALES



CASH FROM OPERATIONS

(IN MILLIONS)



ANNUAL MEETING

Dollar General Corporation's annual meeting of shareholders is scheduled for 9 a.m. Central Time on Wednesday, May 25, 2022, at:

Goodlettsville City Hall Auditorium
105 South Main Street, Goodlettsville, TN 37072

The record date for the determination of shareholders entitled to vote at the meeting is March 16, 2022.

NYSE: DG

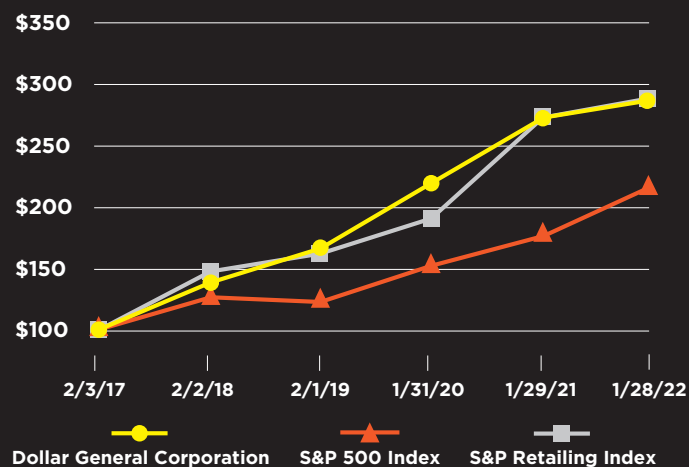
The common stock of Dollar General Corporation is traded on the New York Stock Exchange under the trading symbol "DG."

The number of shareholders of record as of March 16, 2022 was 2,778.

STOCK PERFORMANCE GRAPH

The graph below compares Dollar General Corporation's cumulative total shareholder return on common stock with the cumulative total returns of the S&P 500 index and the S&P Retailing index. The graph tracks the performance of a \$100 investment in our common stock and in each index (with the reinvestment of all dividends) from February 3, 2017 to January 28, 2022.

COMPARISON OF CUMULATIVE TOTAL RETURN



	2/3/17	2/2/18	2/1/19	1/31/20	1/29/21	1/28/22
Dollar General	\$100	\$137.80	\$161.23	\$216.95	\$277.27	\$293.38
S&P 500 Index	\$100	\$126.41	\$123.48	\$150.26	\$176.18	\$217.21
S&P Retailing Index	\$100	\$148.34	\$159.89	\$190.43	\$278.09	\$296.49

The stock price performance included in this graph is not necessarily indicative of future stock price performance.

DRIVING

PROFITABLE SALES GROWTH

CAPTURING

GROWTH OPPORTUNITIES

ENHANCING

OUR POSITION AS A LOW COST OPERATOR

INVESTING

IN OUR DIVERSE TEAMS THROUGH DEVELOPMENT,
EMPOWERMENT & INCLUSION

DOLLAR GENERAL®

100 MISSION RIDGE
GOODLETTSVILLE, TENNESSEE 37072

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WWW.DOLLARGENERAL.COM