

Dollar General

ESTIMATED CUMULATIVE RESULTS (2008-2013)

Dollar General is a leading small box, convenient discount retailer offering a broad selection of merchandise, including consumable, seasonal, apparel, and home products, with more than 11,300 stores in 40 states.

In 2013, KKR exited its investment in Dollar General and 2013 will be its final year reporting into the Green Portfolio Program. During the company's participation in 2013, it achieved the results described below. KKR appreciates Dollar General's contributions to the program and applauds the company's efforts to date.

\$420M

IN AVOIDED FUEL COSTS

1.4M

METRIC TONS OF GHG EMISSIONS AVOIDED

\$219M

IN AVOIDED WASTE COSTS AND RECYCLING REVENUE

838,000

TONS OF WASTE RECYCLED

Key Environmental Performance Area: GREENHOUSE GAS EMISSIONS (FACILITIES)

RESULTS

In 2013, as part of the Green Portfolio Program, Dollar General continued measuring energy consumption in its stores, Store Support Center, and distribution centers.

In absolute terms, GHG emissions from these sources have increased 39%, compared to a 2007 baseline, primarily due to an expansion in store operations and a substantial increase in refrigerated and frozen products. Over the same time period, efficiency has improved by 21% (GHGs/carton shipped) at distribution centers, 7% (GHGs/\$1000 revenue) at stores, and 36% (GHGs/headcount) at its Store Support Center. These improvements in efficiency have helped Dollar General to avoid more than \$133 million in energy costs and approximately 836,000 metric tons of GHG emissions since 2007.

Dollar General: Facility GHG Efficiency (2007 Baseline)

Estimated Results	2008	2009	2010	2011	2012	2013	Total
Avoided GHGs (metric tons)	29,000	129,000	111,000	212,000	227,000	128,000	836,000
Avoided costs	\$4,200,000	\$18,400,000	\$16,300,000	\$31,100,000	\$31,500,000	\$32,000,000	\$133,400,000
Change in absolute GHGs	6%	2%	14%	5%	8%	19%	39%

Notes:

- See [methodology section](#) for description of avoided and efficiency calculations.
- The total % change is aggregate change between the baseline year and the most recent year of data. All other % changes are expressed as year-over-year.
- Reported numbers are rounded and may not produce the same results when used to analyze percent changes or total impact.

Changes in Intensity	2008	2009	2010	2011	2012	2013	Total
Distribution centers (GHGs/carton shipped) ¹	-3%	-8%	-7%	-15%	18%	-6%	21%
Stores (GHGs/\$1000 revenue)	-3%	-10%	4%	-7%	-1%	11%	-7%
Store Support Center (GHGs/headcount)	9%	-27%	6%	-9%	-9%	-8%	-36%

Notes:

- See methodology section for description of avoided and efficiency calculations.
- The total % change is aggregate change between the baseline year and the most recent year of data. All other % changes are expressed as year-over-year.
- Reported numbers are rounded and may not produce the same results when used to analyze percent changes or total impact.

ACTIONS

In 2013, Dollar General achieved these results by continuing its implementation of the following practices:

- Continued exploring the use of LED lighting in various locations in corporate office facilities, distribution centers and stores
- Expanded the proactive replacement of poor performing HVAC units in stores
- Continued using energy management systems to improve the energy usage of stores

Key Environmental Performance Area: GREENHOUSE GAS EMISSIONS (FLEET)

RESULTS

In 2013, as part of the Green Portfolio Program, Dollar General continued measuring the efficiency of its distribution fleet. In absolute terms, GHG emissions from the distribution fleet increased 18% compared to a 2007 baseline, primarily due to the addition of retail store locations. Although it does not own its distribution fleet, Dollar General implemented a number of improvements that directly resulted in improved fleet efficiency. Therefore, over the same period, efficiency improved by approximately 34% (GHGs/1000 carton shipped). These improvements in efficiency have helped Dollar General to avoid more than \$420 million in fleet costs and approximately 561,000 metric tons of GHG emissions since 2007.²

Dollar General: Fleet GHG Efficiency (2007 Baseline)

Estimated Results	2008	2009	2010	2011	2012	2013	Total
Avoided GHGs (metric tons)	413,000	37,000	68,000	126,000	146,000	171,000	561,000
Avoided costs (calculated through per mile cost)	\$13,500,000	\$37,600,000	\$65,500,000	\$87,000,000	\$94,000,000	\$122,900,000	\$420,900,000
Change in productivity (GHGs/1000 cartons shipped)	-5%	-7%	-8%	-12%	-4%	-5%	-34%
Change in absolute GHGs	-4%	9%	3%	7%	1%	0%	18%

Notes:

- See [methodology section](#) for description of avoided and efficiency calculations.
- The total % change is aggregate change between the baseline year and the most recent year of data. All other % changes are expressed as year-over-year.
- Reported numbers are rounded and may not produce the same results when used to analyze percent changes or total impact.

ACTIONS

Dollar General achieved its 2013 fleet results by implementing the following practices:

- Reduced travel distances between distribution centers and stores by adding a new distribution center in Bethel, Pennsylvania
- Increased cube per load (inbound and outbound), thereby reducing the overall number of miles travelled
- Continued to investigate the applicability of natural gas tractors within the Dollar General fleet to determine if they are a viable replacement of the current diesel powered units

Became a SmartWay shipping partner in 2014 and continue to primarily utilize SmartWay carriers

Key Environmental Performance Area: WASTE REDUCTION (FACILITIES)

RESULTS

Since 2007, Dollar General has focused on reducing and recycling cardboard waste from its stores and distribution centers. To measure the financial and environmental impacts of its improvements, it measured waste production and recycling rates against a 2007 baseline.

Despite significant growth in store operations, since 2007, Dollar General has reduced its waste production in absolute terms by approximately 69% and has improved its waste efficiency by an estimated 83% (cubic yards of waste/dollar of revenue). These improvements have helped Dollar General to achieve combined cost avoidance and recycling revenue of an estimated \$219 million, to avoid almost 53.2 million cubic yards of waste, and to recycle approximately 838,000 tons of cardboard since 2007.

Dollar General: Waste Reduction at Facilities (2007 Baseline)³

Estimated Results	2008	2009	2010	2011	2012	2013	Total
Avoided waste (cubic yards)	3,400,000	7,400,000	8,900,000	10,200,000	11,100,000	12,200,000	53,200,000
Waste recycled (tons)	64,000	136,000	148,000	159,000	162,000	168,000	838,000
Avoided costs (plus recycling revenue)	\$12,700,000	\$26,500,000	\$41,000,000	\$47,000,000	\$44,000,000	\$48,000,000	\$219,100,000
Change in productivity (cubic yard/\$1000 revenue)	-39%	-58%	-25%	-7%	-2%	-3%	-83%
Change in waste produced	-32%	-53%	-18%	6%	6%	6%	-69%

Notes:

- See [methodology section](#) for description of avoided and efficiency calculations.
- The total % change is aggregate change between the baseline year and the most recent year of data. All other % changes are expressed as year-over-year.
- Reported numbers are rounded and may not produce the same results when used to analyze percent changes or total impact.

ACTIONS

In 2013, Dollar General achieved these results through the following practices:

- Continued waste management practices, including the expansion of plastic film recycling to all distribution centers and the exploration of incorporating store-generated plastic into the program.

Dollar General enrolled in the Green Portfolio Program in 2009 and is providing results for the fifth time.

Note: Reported numbers are rounded and may not produce the same results when used to analyze percent changes or total impact.



¹ In 2012, Dollar General added air conditioning to its distribution centers, thereby impacting the results for GHG/carton shipped.

² Fleet savings are calculated based on a per mile cost, which includes fleet maintenance and management fees, rather than on fuel use alone as done with other Green Portfolio Program participants.

³ Total recycling numbers include recycling impact for 2007, which is not shown in the table.