

Racial Equity Audit

Resolved

Shareholders of Dollar General Corporation (“Dollar General”) request that the Board of Directors commission a racial equity audit analyzing Dollar General’s impacts on civil rights, equity, diversity and inclusion, and the impacts of those issues on Dollar General’s business. The audit may, in the board’s discretion, be conducted by an independent third party with input from civil rights organizations, employees, communities in which Dollar General operates and other stakeholders. A report on the audit, prepared at reasonable cost and omitting confidential or proprietary information, should be publicly disclosed on Dollar General’s website.

Supporting Statement

The murder of George Floyd, and the public outcry over the killings of other Black men and women, has galvanized the movement for racial justice and equity. This movement has focused the attention of media and policymakers on systemic racism, racial violence, and inequities throughout society. Companies whose operations heavily rely on their employees’ and customers’ trust and loyalty, would benefit from assessing the risks of products, services and overall corporate practices that are or are perceived to be discriminatory, racist, or increasing inequalities. Companies that fail to assess these risks could face controversies that result in customer and employee attrition, negative press, significant fines or regulatory inquiries.

Research has shown a significant association between proximity to dollar stores and patterns of racial segregation in major U.S. metropolitan areas. This includes research stating dollar stores have a significant presence in communities of color, filling in gaps in communities when small grocers closed.

Dollar stores, and in particular Dollar General, have been criticized for their adverse impacts on minority and low-income communities. Furthermore, dollar stores have been accused of “preying” on minority and low-income communities while exacerbating inequalities. This includes alleged high levels of violent crimes and questions regarding their role in the issue of food deserts. These controversies have led communities to limit dollar store developments or reject stores outright.

Dollar General, and dollar stores more generally, have faced controversies related to workforce diversity and treatment of minority workers. This includes Dollar General paying a \$6 million settlement for violating federal law by allegedly denying employment to African Americans at a significantly higher rate than white applicants for failing the company’s broad criminal background check.

Additionally, dollar stores have faced controversies related to overall health and safety of their employees, including protection from hazardous working conditions, including COVID-19 exposure, violence and associated crime.

Dollar General has not disclosed whether or how it is assessing the potential or actual impacts of its policies, practices, products, and services from a racial equity lens.

Companies like Starbucks, Facebook and Airbnb have conducted civil rights and equity audits that assisted each company in identifying, prioritizing, and implementing improvements.

We urge Dollar General to commission a racial equity audit to analyze the way the company impacts civil rights, equity, diversity and inclusion and the impacts of those issues on Dollar General’s business.