

OUR APPROACH TO ESG

Our environmental, social and governance (ESG) initiatives are grounded in our **heart & soul**, the essence of who we are and what binds us as one adopted family. Our **heart & soul** is made up of our most deeply held **purpose**, **beliefs**, **values and behaviors**. It's all things inspiring, amazing, and fun – our building blocks to long-term health and growth.



our purpose defines why we exist as a company. it's the reason we wake up every day. the best part is it's uniquely ours no one can claim it or fulfill it the way we can, and we do it for our **customers!**

five BELOW

knows life is waaay better when you're free to

LET GO & HAVE FUN

in an AMAZING EXPERIENCE filled with

UNLIMITED POSSIBILITIES

priced so low you can always say

to the NEWEST, COOLEST STUFF!

YES!

the five below way is a deep belief that our crew members – and everything that makes them who they are – fuel our business. as individuals, we are amazing ... but collectively, we are unstoppable!

THE **fiVE BEL°W** WAY

we are **AN ADOPTED FAMILY.**

one who **ACTIVELY PARTICIPATES** and leans in to support each other and our business. in this family, we **VALUE EVERY INDIVIDUAL** for their uniqueness and potential. we know **fiVE BEL°W** is strongest when our teams **REFLECT THE DIVERSITY** of the communities we serve and our crew members can bring their **WHOLE AUTHENTIC SELF** to work, do what they do best, feel that they **TRULY BELONG** and grow every single day.



we live our purpose and the five below way through **five core values**. these values guide us in all decisions and actions. beneath each value sits a set of **behaviors** that reinforce the expectations we hold for ourselves and others.

five BELOW

VALUES & BEHAVIORS.

WOW OUR CUSTOMERS.

the customer is everything. every decision we make begins and ends with them in mind. we do more than they expect and create an awesome experience they won't find anywhere else.

I FIND MY CUSTOMERS THE TRENDIEST, HIGHEST-QUALITY STUFF.

I STRIVE TO MAKE ALL SHOPPERS REPEAT FIVE BELOW-ERS.

I MAKE A POSITIVE DIFFERENCE IN PEOPLE'S LIVES.

I TREAT CUSTOMERS LIKE I'D WANT TO BE TREATED.

UNLEASH YOUR PASSION.

five below is like a team of unstoppable superheroes. everyone's unique backgrounds and experiences blend together to form one incredible team that "bleeds five below blue". we're all pumped about what we do and all empowered to make a difference.

I CHECK MY EGO AT THE DOOR. I DO WHAT I SAY I WILL DO.

I BUILD ALL PEOPLE UP!

I PROVIDE RESPECTFUL FEEDBACK.

I LISTEN INTENTLY + COMMUNICATE OPENLY.

I TAKE ON MY OWN GROWTH BY SEEKING OUT FEEDBACK.

I RESPECT + WELCOME ALL CREW MEMBERS.

HOLD THE PENNY HOSTAGE.

we're on a mission to make everything as close to free as it can be for teens and tweens. when we pile up the pennies, we're able to wow our customers with the most incredible must-haves and gotta-gets for \$5 and below.

I FIND NEW WAYS TO BE MORE EFFICIENT.

I MAKE SURE WHAT I'M DOING IS BEST FOR FIVE BELOW AND MY CUSTOMERS.

I TREAT FIVE BELOW LIKE IT'S MY OWN BUSINESS.

I TEACH OTHERS HOW FIVE BELOW WORKS.

I THINK ABOUT EVERY EXPENSE!

ACHIEVE THE IMPOSSIBLE.

we are five below; a one-of-a-kind experience! with our gutsy attitude and relentless drive to be better, we accomplish what others wouldn't even think about trying. we take risks and win or lose as a team. integrity always rules and coasting is never, ever an option.

I TAKE RISKS TO LEARN + GROW.

I COLLABORATE WITH OTHERS.

I SPEAK UP ABOUT WHAT THE NEXT "BIG THING" COULD BE.

I SET THE BAR HIGH!

I MAKE SURE ETHICS NEVER GO OUT OF STYLE.

WORK HARD, HAVE FUN, BUILD A CAREER.

anywhere you see the five below name something awesome is going on. people are succeeding, accomplishing impossible things, taking control of their future, helping their community, throwing a party or making friends. face it, being the best is hard work, but all work and no play is not ok, so we live a little.

I COME TO WORK READY TO TAKE ON THE DAY.

I RECOGNIZE PEOPLE FOR THEIR EFFORTS.

I DEVELOP NEW SKILLS.

I CREATE THE FUN I WANT AT WORK.

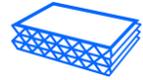
I STAND UP FOR A HEALTHY WORK-LIFE BALANCE.

I TAKE CONTROL OF MY FUTURE + DESTINY FOR GREATNESS.



ENVIRONMENTAL

Five Below is committed to exploring ways to reduce the amount of carbon we emit and energy we use. This includes discovering new ways of packaging, offering additional responsible products, as well as operating in our stores, ShipCenters, WowTown (our headquarters) and other offices.



reduced packaging

We reengineered our product packaging materials to minimize waste and reduce transportation needs. In 2021, we reduced the amount of cardboard used by ~8,000 tons, the equivalent of 130,000 trees saved or 650 acres of rainforest. As a result, we were also able to ship nearly 530 fewer containers – totaling four miles when lined end-to-end – further helping reduce energy consumption.

One tool we used is a systematic packaging checklist, which is divided into three categories: Design, Supply Chain and Consumer. We use this checklist to challenge ourselves to improve our packaging. Examples of questions on our checklist include:

Design	Supply Chain	Consumer
Can the package be smaller?	Has the shipping container been maximized?	Is the amount of garbage minimized?
Has excess packaging been removed?	Can the carton be smaller?	Is the package reusable?
Is the package environmentally friendly?	Can the product be reconfigured for a better fit?	Is the package recyclable?



reusable bags

In an effort to reduce waste, in 2021 we sold over 5 million low-cost reusable bags in our stores. In 2022, we expect to sell 10 million bags.



energy efficiency

We use an energy management system (EMS) which monitors consumption across our stores and ShipCenters, and flags unusual activity.



responsible products

As a part of our broad product assortment, we offer textiles produced from recyclable and recycled materials, as well as various Fair Trade-certified products. Additionally, we sell organic products such as snacks and personal care items.



recycling programs

We have recycling programs at our ShipCenters and in WowTown.



emissions assessment

We selected a third-party consultant to measure our greenhouse gas emissions based on the GHG Protocol Corporate Standard.



SOCIAL

Everything we do starts and ends with our customers.

We work hard to earn their trust and wow them with amazing experiences, products and value at every turn.

We love our crew.

The success and growth of Five Below is the direct result of our employees (whom we call our "crew"), who embrace our purpose, our beliefs and our core values to create an amazing experience for our customers.



amazing experience & staying relevant

We provide our customers with an amazing experience in a unique, dynamic environment with an assortment that meets their needs.

Some highlights include:

- We expanded assisted self-checkout to 60% of our stores to support a fast and easy checkout experience.
- We grew our Five Beyond presence and extreme-value assortment in stores and online.



data privacy & security

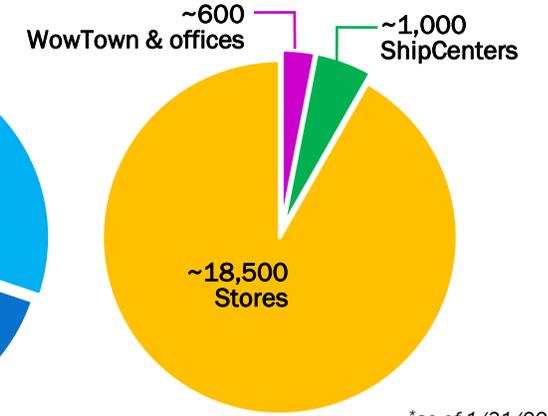
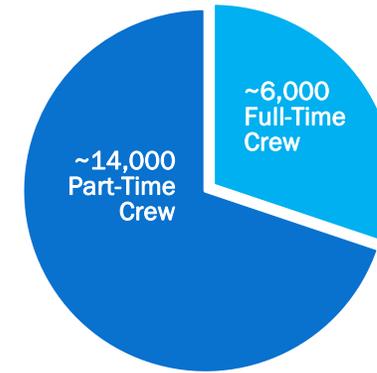
We protect the data of our customers and crew with a robust privacy policy and controls using high standards to mitigate risks. Our crew is also trained annually on data privacy management.

Some highlights include:

- obtaining user data only through lawful and transparent means
- collecting and processing user data that is limited to the stated purpose
- implementing leading data protection standards.
- conducting annual training on data privacy management for all crew members
- conducting regular risk audits on our data security.

Learn more in our [privacy policy](#).

our crew at a glance*



*as of 1/31/22



crew members

The number of part-time crew fluctuates depending on seasonal needs. We are in the top quartile of companies in overall crew engagement, according to Gallup. None of our crew belong to a union or are party to any collective bargaining or similar agreement.



benefits

We provide a comprehensive suite of benefits designed to help our crew and their families stay healthy, meet their financial goals, protect their income and help them balance their work and personal lives. We provide competitive pay and significant career growth opportunities all within a culture that values diverse viewpoints and contributions at every level. Our available benefits are listed in our [Annual Report](#).



opportunities

We aim to provide challenging, meaningful and rewarding opportunities for personal and professional growth of all. Additionally, we are committed to keeping our crew safe, maintaining a workplace free from harassment and discrimination, and complying with all applicable laws. For more information on what we expect of our Crew visit our updated [Five Below Code of Business Conduct and Ethics](#).



social

We hold our vendors to a high standard because we strive to be an example of good human rights and labor practices throughout our business activities. We take care in the selection of our vendors and require them to meet the standards set forth in our vendor guide.

Our communities play a vital role in our success, and we feel a strong responsibility to give back. Since 2016, we raised over \$30 million for charities dedicated to kids and their families, with \$8 million raised in 2021. Learn more [here](#).



vendor requirements

We require our vendors to, in accordance with all applicable laws, meet the following standards per our vendor guide and standard terms and conditions:

✓	Treat all workers with dignity and respect
✓	Provide a safe and clean work environment
✓	Provide a discrimination, harassment, and punishment free environment
✓	Where applicable, provide acceptable living conditions
✓	Respect workers' rights to associate (or not) with groups of their choosing
✓	Pay workers at least the minimum wage and benefits required
✓	Follow maximum working hour restrictions
✓	Prohibit child labor, forced labor and human trafficking
✓	Prohibit our vendors from using conflict minerals
✓	Comply with law (including any changes from time to time)



c-tpat certified

We are certified to participate in Customs-Trade Partnership Against Terrorism ("C-TPAT"), a United States Department of Homeland Security sponsored program through which we implement and monitor our procedures to manage the security of our supply chain as part of the effort to protect the United States and our imported products against potential acts of terrorism.

community giving



St. Jude Children's
Research Hospital





GOVERNANCE

Our board of directors

believes that we must continually nurture our purpose and values to ensure our long-term success. As our overall governance and ESG initiatives emanate from these purpose and values, our board and each of its committees is proactive in oversight. Below is a high-level summary of how the board and its committees oversee our key initiatives. For more information, please see our investor website at <http://investor.fivebelow.com/governance>.



representation

We have 10 highly experienced directors with broad skills and qualifications.

Our board is 80% independent of management, and all our committee chairs and members are independent.

30% of our directors are female (♀) and 20% represent ethnic minorities (≡). Of our independent directors, 37.5% are female and 25% represent ethnic minorities.



oversight

Our board has proposed to declassify over a period of three years, to be voted on at our 2022 Annual Shareholders Meeting.

Our board and its committees work closely with management and oversee all key strategic, operational, financial and governance matters.



political contributions

Five Below has never made any political contributions.

	FULL BOARD	AUDIT COMMITTEE	COMPENSATION COMMITTEE	NOMINATING & CORPORATE GOVERNANCE COMMITTEE
Board & Committee Assessment	✓	✓	✓	✓
Board Composition & Nomination Process	✓			✓
Board Continuing Education	✓			✓
Board & Executive Succession Planning	✓		✓	✓
Environmental & Social	✓			✓
COVID-19 Response	✓	✓	✓	
Cybersecurity & Technology Risks	✓	✓		
Enterprise Risk Management	✓	✓		
Ethics & Compliance	✓	✓		
Executive Compensation	✓		✓	
Compensation Risk Management	✓		✓	
Financial Reporting	✓	✓		
Internal Controls & Internal Audit	✓	✓		
Related Party Transactions	✓	✓		
Whistleblower Compliance	✓	✓		