

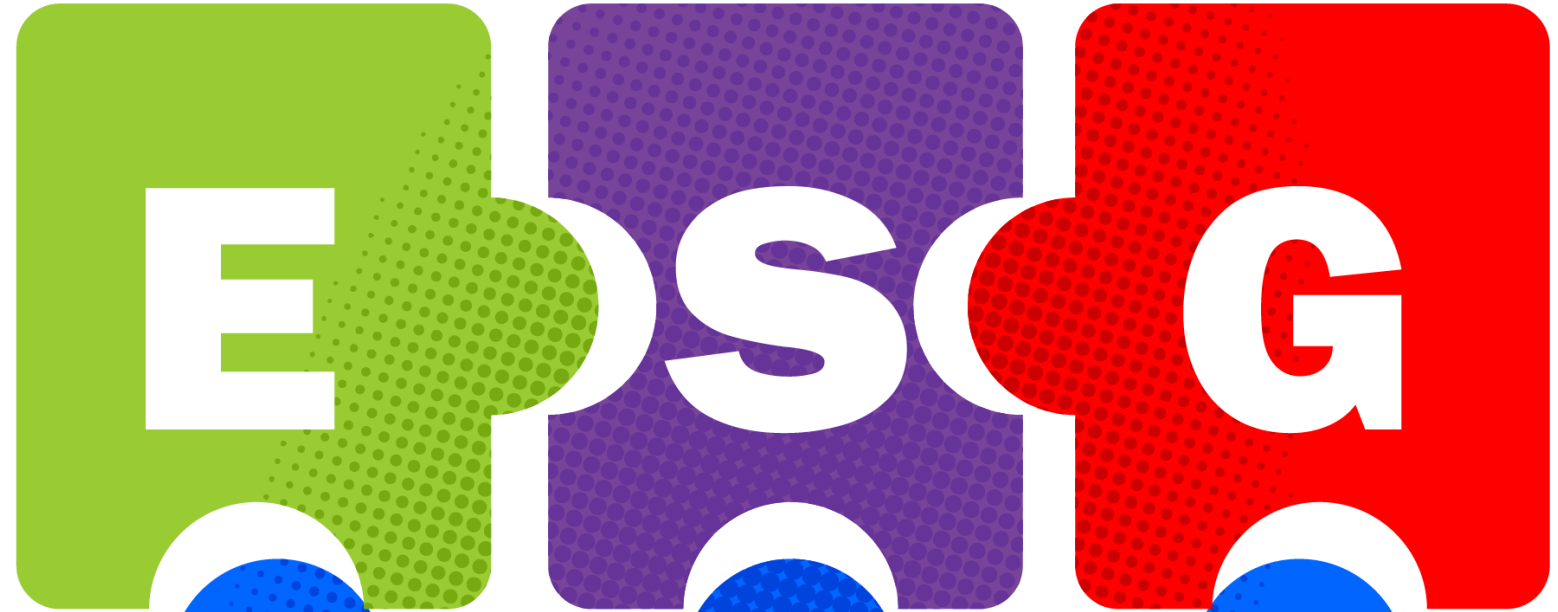
five BELOW[™] OUR APPROACH TO ESG

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.

ENVIRONMENTAL

SOCIAL

GOVERNANCE



OUR HEART & SOUL
purpose • beliefs • values & behaviors

why we exist.

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



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.

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 efficiently in our stores, ShipCenters, WowTown (our headquarters) and other offices.



greenhouse gas emissions

In 2022, Five Below conducted a scope 1 and 2 greenhouse gas inventory. We are working with a third-party ESG consultancy to analyze the results.



transportation efficiency

In 2022, we opened a new ShipCenter in Indiana, geographically located to help maximize efficiencies across the network and reduce delivery distance to stores. Additionally, we implemented a new fuel methodology, allowing us to manage our third-party carriers' fuel consumption and emissions, and through Global Logistics optimization and utilization measures, we shipped 600 fewer containers in 2022.



energy efficiency

We use an energy/building management system (EMS/BMS) to monitor consumption across our stores and our two newest ShipCenters in Arizona and Indiana. All appliances within our stores are Energy Star rated.



lighting

All stores, corporate-owned ShipCenters and WowTown are outfitted with LED lights. Our corporate-owned ShipCenters also use sensor technology to maximize energy efficiency.



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, for example within snacks and personal care items.



reduced packaging

We reengineered our product packaging materials – focusing on charging cables, writing tools and fitness packaging – to minimize waste and reduce transportation needs. In 2022, we reduced the amount of cardboard used by ~785 tons, the equivalent of 13,300 trees saved or 67 acres of rainforest. As a result, we were also able to ship nearly 169 fewer containers – and 100 less trucks on U.S. highways – further helping reduce energy consumption.

One tool we used is a systematic packaging checklist, 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? |

In eCommerce, through training and coaching on how to pack orders better, we've reduced the number of orders that require an extra box from ~8% of all shipped orders to ~2%, resulting in 50,000-75,000 fewer boxes a year and significantly less packing material.



reusable bags

Since 2020, we've sold 17 million reusable bags. In 2023, we expect to sell 13 million, an increase of ~30% over 2022.



recycling

We have recycling programs at our ShipCenters and in WowTown.



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 introduced a new store prototype, featuring a Five Beyond section (for products priced above \$6), and successfully converted nearly 250 stores in 2022 or almost 20% of our store fleet into this format.
- We rolled out Buy Online, Pick Up In Store across our network and introduced new services, including ear piercing and helium balloons.
- We significantly expanded crew-assisted self-checkout to our stores to support a fast and easy checkout experience.



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 under the supervision of our Chief Information Security Officer.

Some highlights include:

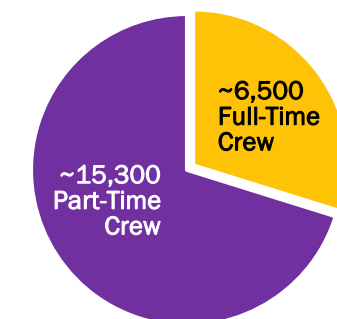
- Obtaining user data only through lawful and transparent means
- Collecting and processing user data that is limited to the stated purpose
- Implementing leading data protection standards
- Conducting annual training on data privacy management for all crew members
- Conducting regular phishing tests and education campaigns internally and with key contractors
- Conducting regular risk audits on our data security

Learn more in our [Privacy Policy](#).



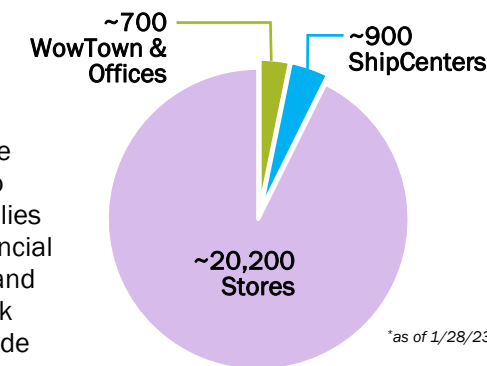
crew members*

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 & Annual Proxy Statement](#).



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 [Five Below Code of Business Conduct and Ethics](#).

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 \$41 million for charities dedicated to kids and their families. 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 & respect |
| ✓ | Provide a safe & clean work environment |
| ✓ | Provide a discrimination-, harassment- & 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 & benefits required |
| ✓ | Follow maximum working hour restrictions |
| ✓ | Prohibit child labor, forced labor & human trafficking |
| ✓ | Prohibit our vendors from using conflict minerals |
| ✓ | Comply with law (including any changes from time to time) |

We are certified to participate in Customs Trade Partnership Against Terrorism (CTPAT) 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.

In 2022, we implemented a new vendor/item management system, enabling greater visibility across our supply chain, including factory information for each SKU for which Five Below is Importer of Record.

We require all factories for import vendors to complete and pass a third-party qualification audit, social compliance audit and cargo security (CTPAT) self-assessment for each factory prior to approving use of that facility. Additionally, all import vendors must test and provide documentation to ensure products meet all regulatory requirements.



community giving

In 2022, we raised over \$8 million to support our communities.

In April 2023, we publicly launched the Five Below Foundation, giving charitable grants and donations to nonprofit organizations across five key pillars:



- *Community Enrichment*, investing in the communities who have invested in us
- *Empowered Inclusion*, uniting kids and families of all backgrounds
- *Family Support*, aiding families in the ways they need it most
- *Purposeful Play*, increasing accessibility for everyone to *Let Go & Have Fun*
- *Youth Education*, helping kids thrive in- and outside the classroom

The Foundation donated over \$500,000 to support local partners in 2022.

We're proud to partner with and support these kids- and family-focused nonprofits through our Foundation grants and national giving campaigns:



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 investor.fivebelow.com/governance.



representation

Our board of directors is diverse in its expertise and experience, with 11 members who have unique perspectives and backgrounds. Three of its members represent ethnic minorities and three of its members identify as female. The board of directors and its Nominating and Corporate Governance Committee will continue to consider diversity in a variety of forms as it evaluates board composition in the future.



political contributions

Five Below has never made any political contributions.



oversight

Five Below amended its Articles of Incorporation and Bylaws in June to transition to annual elections for directors and increase the maximum allowable number of directors to fourteen. The board will be fully declassified by the 2025 Annual Meeting.

We conducted our first-ever materiality assessment survey to identify the ESG topics and performance indicators that are most relevant and indicative of success based on our industry, footprint, and stakeholders’ preferences. The Nominating and Corporate Governance Committee and Senior Management have reviewed the results and are in the process of determining next steps.

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

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