

OUR APPROACH TO ESG

Our environmental, social and governance (ESG) initiatives are built upon our **DNA**, the unique code of who we are and what binds us as one adopted family. Our **DNA** 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.



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.

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!



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.

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

In 2021, we:

- added social and environmental oversight to the charter of our Nominating and Corporate Governance Committee (“NCG Committee”).
- amended our Audit Committee charter to codify the committee’s oversight of cybersecurity and information technology risks.
- formed a management-led sustainability committee, reporting into the NCG Committee.



political contributions

Five Below has never made any political contributions.

We have three standing committees made up entirely of independent members.

	Full Board	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Board & Committee Assessment	✓	✓	✓	✓
Board Composition & Nomination Process	✓			✓
Board Continuing Education	✓			✓
Board & Executive Succession Planning	✓		✓	✓
Corporate Citizenship & Sustainability	✓			✓
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	✓	✓		

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.



amazing experience & staying relevant

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

Some highlights include:

- we thoughtfully and quickly evolved our product mix in response to COVID-19 to meet the needs of our customers by adding to our assortment of essential products, including cleaning and personal hygiene products, food and drink, fitness products, pet accessories, and products needed to support work-from-home and school-from-home.
- we added additional crew assisted self checkout in many of our stores to support a fast and easy checkout experience.
- we expanded our offering of extreme value products by developing our Five Beyond collection.



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.

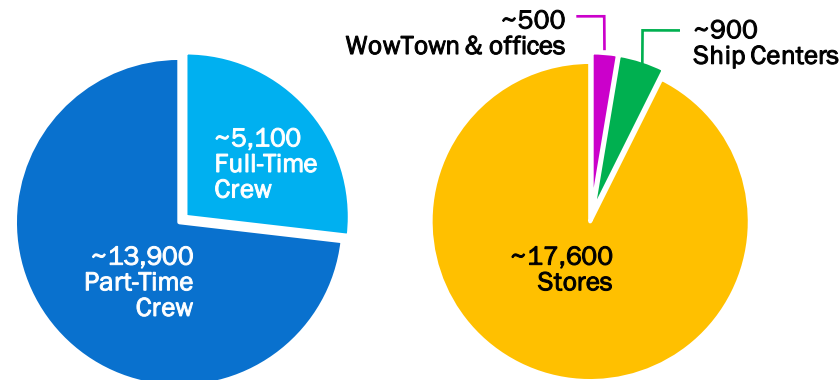
Some highlights include:

- 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](#).

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.

Our Crew at a Glance*



*as of 1/30/21



The number of part-time crew fluctuates depending on seasonal needs. None of our crew belong to a union or are party to any collective bargaining or similar agreement.



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](#).



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](#).

Since the earliest stages of the pandemic, we responded quickly to put the health and safety of our customers and crew first. At the onset, we established a COVID-19 Emergency Management Team, responsible for monitoring developments and driving fact-based decisions guided by the Centers for Disease Control and Prevention (CDC), public health officials and government agencies, and our own company values.



health & safety

In response to the pandemic, we quickly adopted new protocols across our stores, Ship Centers and WowTown (our home office) – all in accordance with applicable federal, state and local standards – to keep our crew and customers healthy and safe. See measures we took in the chart to the right.



temporary store closings

In March 2020, we temporarily closed our stores as a result of federal, state and local restrictions and out of concern for our customers and crew. We began reopening in late April with extensive safety protocols.



shift to remote working

In March 2020, we allowed our WowTown and other office crew to work anywhere.

COVID-19 Mitigation Measures	WowTown	Stores	Ship Centers
Face coverings for all crew and, where required by law, customers	✓	✓	✓
Daily health checks	✓	✓	✓
Added signage, floor decals and reminder messaging re: social distancing	✓	✓	✓
Increased sanitization of high-touch surfaces	✓	✓	✓
Established policies for exposure, contact tracing and remediation	✓	✓	✓
Implemented COVID-19 sick pay policy for impacted crew	✓	✓	✓
Restricted non-essential crew travel	✓	✓	✓
Permitted work from anywhere with limited in-person meetings	✓		
Installed plexiglass barriers at workstations / point-of-sale	✓	✓	
Adopted required occupancy limitations (crew and customers)	✓	✓	
Further rolled out of crew self-assisted check-out in stores		✓	
Established COVID-19 hotline for crew	✓	✓	✓

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.



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:

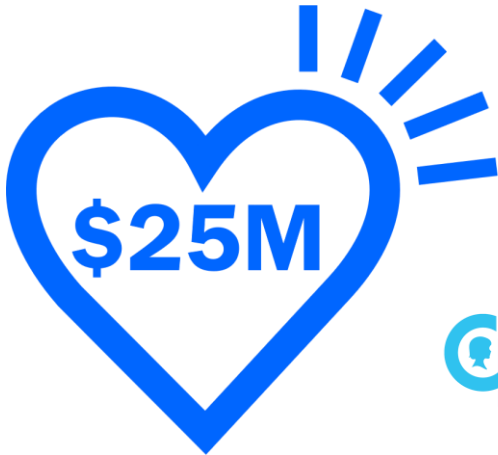
Treat all workers with dignity and respect	✓
Provide a safe and clean work environment	✓
Provide a discrimination, harassment, and punishment free environment	✓
Where applicable, provide acceptable living conditions	✓
Respect workers' rights to associate (or not) with groups of their choosing	✓
Pay workers 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)	✓



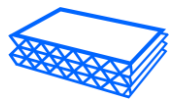
c-tpat certified

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.

Our communities play a vital role in our success, and we feel a strong responsibility to give back. Since 2006, we raised over \$25 million for charities dedicated to kids and their families, including those shown below. Learn more [here](#).



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, Ship Centers, WowTown and other offices.



reduced packaging

We adopted a new packaging initiative and invested in packaging software and talent to minimize waste in product packaging and reduce transportation needs. In 2020, **we reduced the amount of cardboard used by ~5,500 tons, which translates to ~90,000 trees saved.** As a result, we were also able to ship **over 400 fewer containers**, which further helped to reduce energy consumption.

One tool we used is a systematic packaging checklist, which is divided into 3 categories: Design, Supply Chain, and Consumer. We utilize 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 2020 we began offering low-cost reusable bags for purchase in our stores and sold over one million of these reusable bags in a few short months. **We expect to sell ~4 million reusable bags in fiscal 2021.**



energy efficiency

We have taken a **proactive approach** to energy efficiency including utilizing an **energy management system (EMS)** which monitors consumption across our stores and Ship Centers, and flags unusual activity.

Some results of this effort include:

- almost all our stores now use **LED lights**.
- most lighting fixtures include **timers and motion detectors** to further decrease energy usage.
- **energy-efficient HVAC systems** are beginning to be installed in some of our stores.



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 and eliminating printed circulars

We have **recycling programs** at our Ship Centers and in WowTown.

In addition, in 2020 we eliminated our print circulars, resulting in **nearly 6 million fewer pounds of paper or ~1,500 trees saved.**