

# ***FASTENAL***<sup>®</sup>

WHERE INDUSTRY MEETS INNOVATION<sup>™</sup>

## **2023 ESG Report**

Empowering **people**, preserving **our world**,  
and serving as a **trusted partner**.



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## ► Building For The Future

Thank you for taking time to explore Fastenal's 2023 Environmental, Social, and Governance (ESG) Report. Technically speaking, it's a look at our performance and progress in 2022. But the year was really defined by a deep look into the *future*, establishing structures and goals that will guide our efforts for many years to come.

A foundational piece was the completion of a materiality assessment to identify the topics that are the most important to our stakeholders and the most relevant to our business. Based on this exercise, we've defined our ESG vision, pillars, and strategic objectives – an inspirational “North Star” to help keep our global teams moving in the right direction over time. (Flip to page 4 for an overview.) With this foundation in place, we've begun to roadmap a detailed set of strategies and goals for our most relevant topics.

Over the past few years, we've dramatically increased our organizational energy around ESG. In 2022, we took a big step forward by creating an ESG Community of Practice.

This involved assigning champions with expertise in, and responsibility for, areas of our business that are instrumental to achieving our goals. It also involved creating an environment where these leaders, who are spread across many different departments and geographies, can come together to learn from others (both internal and third-party experts), share ideas (and encouragement), and collaborate on projects. Simply put, if the materiality assessment helped us define our purpose, this community is putting our purpose into practice.

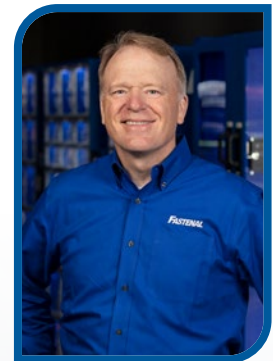
In addition to establishing these future-facing pieces in 2022, we also saw the fruition of hard work we've been doing for several years. For example, we received our first-ever Bronze sustainability rating from EcoVadis, reflecting a long-term effort to continually improve our reporting on ESG matters. After years of self-certifying to the ISO 45001 occupational health and safety management systems and the ISO 14001 environmental management systems, we completed the next step and received third-party certification to both sets of standards.

We also achieved third-party certification to the ISO/IEC 27001 information security management systems. These accomplishments reflect our core commitment to being a safe, secure, and sustainable organization.

Again, thank you for taking time to learn about these and other aspects of Fastenal's ESG journey in 2022. As mentioned in the closing of last year's letter, the "Blue Team" at Fastenal is working hard to be a force for positive change – in our operations, in our communities, for our customers, and across global supply chains. We are proud to share our story.

**GO BLUE!**

**Dan Florness**  
President & CEO





[A Letter from our President and CEO](#)[Who We Are](#)[ESG Strategy and Vision](#)[Fastenal at a Glance](#)

## ► Who We Are

Organizations partner with Fastenal to illuminate, simplify, and de-risk the supply chain for a broad range of business-critical parts, tools, supplies, and safety products. By streamlining operations and optimizing supply chain performance, we help these organizations create more value, more efficiently.

Our strategic supply model requires end-to-end capabilities. This includes global sourcing and quality teams, a diverse and closely-aligned supplier network, high-tech distribution centers, an in-house transportation fleet, thousands of in-market servicing locations, and tens of thousands of inventory management solutions embedded within customer sites. In short, we are able to impact and improve the supply chain because, to a large extent, we own it – from the source, to the last mile, to the point of use.

This presents an exciting challenge for our Blue Team – to pioneer ever more efficient ways to procure, transport, and use products; to help hundreds of thousands of organizations operate more efficiently and responsibly; and to make a positive impact that extends well beyond our own operations.

### Where Industry Meets Innovation

Sustainability is an intrinsic feature of our strategic supply model. When organizations partner with Fastenal to avoid over-consumption, obsolete inventory, redundant purchases, expedited ordering, and overlapping deliveries from multiple vendors, they're taking waste out of their business *and* the environment.

Today, technology is taking this value proposition in new directions and to new heights. Our solutions allow organizations to visualize their current inventory, reduce consumption at the point of use, and understand how products are being used in their business. It also allows our own teams to be more strategic and proactive in how we manage the upstream supply chain.

[Go to About Us](#)[Go to Investor Relations](#)[Go to ESG](#)

## ► ESG Strategy and Vision

### Our ESG Vision

As a catalyst for innovation and positive change, we strive to provide exceptional value to our customers by empowering people, preserving our world, and serving as a trusted supply chain partner.



#### Strategic Objectives

We foster a safe and welcoming workplace for all, prioritize employee development, and empower our 'Blue Team' to achieve positive outcomes for themselves, our customers, and the community.

We work to reduce consumption and environmental impacts throughout our operations and provide solutions to help our customers do the same.

As a vital part of our customers' operations, we are committed to providing a supply chain that is efficient, resilient, and responsible.

#### Relevant Topics

- Employee safety/wellbeing
- Diversity, equity, and inclusion

- Energy efficiency
- GHG emissions
- Sustainable products/materials
- Waste management

- Business ethics
- Product quality and safety
- Supply chain resilience
- Responsible supply chain

## ► Fastenal at a Glance: Key Stats Regarding Our Global Business in 2022



### People



**22,386**

Employees

71% directly serve our customers



**781,000**

Fastenal School of Business Trainings Completed

22 hours of training per FT employee and 20 hours of training per PT employee (on average)



**540+**

Highly-Trained Specialists engineering, safety, Lean Six Sigma, metalworking, construction, solutions, national accounts



### Proximity



**3,306**

In-Market Selling Locations (including 1,623 Onsite locations) spanning 25 countries



Approximately **90%**

of Product Tonnage in N. America Ships on Our Internal Trucking Fleet reducing cost and enhancing service



**58%**

of Our \$1.7 Billion in Inventory is Staged Locally for same-day fulfillment



### Solutions



**102,151**

Weighted FASTBin/FASTVend Installations (MEUs) and ~6,500 leased check-in/check-out lockers (non-weighted)



**93%**

of Total Revenue comes from customers utilizing more than one of our sales channels and tools, with 70% of total revenue coming from customers utilizing four or more\*



**49%**

of Total Revenue comes from our Digital Footprint\*\*



### Differentiators



**350+**

Supply Chain Professionals dedicated to sourcing, quality, and logistics functions, including approximately 150 experts positioned outside North America



**410M**

Products Manufactured, Modified, or Refurbished by our in-house manufacturing and industrial services divisions



**1,223**

Customer Site Evaluations Performed by our Lean Solutions team to uncover sources of supply chain waste

\* Sales channels and tools include branch, Onsite, Fastenal Managed Inventory (FMI), national accounts, and web.

\*\* Our Digital Footprint is a combination of our sales through FMI Technology (FASTStock, FASTBin, and FASTVend) plus that portion of our eCommerce sales that do not represent billings of FMI services.



# Governance



“G” is the last letter in “ESG,” but responsible governance is where ESG begins. Even in a decentralized organization like Fastenal, employees look to leadership to define goals, set standards, provide resources, and prioritize areas of focus. This section will focus on the personnel, procedures, and guidelines we’ve put in place to promote ESG success and guide ethical actions across the organization.

## ► Board of Directors

Fastenal's board of directors is composed of a diverse group of individuals with varying backgrounds and experiences. This group is responsible for the oversight of enterprise risk, including ESG matters, and receives leadership and guidance on these topics from the committees of the board. Seventy percent of the board, including the chair of the board, is independent, which helps to broaden our perspective and deepen our understanding of ESG issues. The full board has assigned the nominating and corporate governance committee the primary duty to oversee corporate governance matters subject to board oversight, and sets high standards for the company's employees, officers, and directors. Among its priorities are corporate responsibility, human capital management, and sustainability. The topic of ESG, including climate-related issues, is on the meeting agenda a minimum of twice per year.

On matters of enterprise risk, including ESG matters, the full board has oversight responsibility and receives leadership and guidance from three standing committees composed exclusively of independent members.

### ► Nominating and Corporate Governance Committee

Assists the board in maintaining appropriate candidates to serve as directors of the organization. As part of its oversight of the company's ESG initiatives, this group receives quarterly updates from the ESG team and proposes climate-related topics to be included in the quarterly board meeting agenda.

### ► Audit Committee

Assists the board by overseeing the accounting and financial reporting process of the company and audits of the financial statements of the company. The committee also has oversight of the independent auditor's qualifications, independence, and performance; the performance of the company's internal audit functions; management's process to monitor, control, and report on significant corporate risk exposures (including those related to ESG); and the company's compliance with legal and regulatory requirements.

### ► Compensation Committee

Assists with the structure and approval of executive compensation plans. Responsibilities include a duty to assess the impact of the company's compensation programs on risk and recommend policies deemed necessary or advisable in order to mitigate risks related to compensation and human capital management.

These committees, and the board as a whole, help to maintain Fastenal's strong commitment to ethical and responsible business practices, fostering an environment in which we act with integrity and respect for each other, our customers and suppliers, our communities, and the environment. Learn more about our board of directors in the 2023 proxy statement on our [investor resources site](#).



## ► ESG Management

### Nominating and Corporate Governance Committee

This committee serves as a liaison between the full board of directors and the ESG team, providing oversight to help integrate ESG initiatives into our overall growth strategy. It consists of four directors, each of whom qualifies as an independent director. During 2022, the group met four times, with 100% attendance at each meeting.

### Community of Practice

Fastenal’s ESG strategy is implemented by our ESG Community of Practice, which is made up of leaders and subject matter experts from various areas of the business that are essential to the success of our goals. This group is responsible for continuous improvement to core aspects of our ESG program, including roadmap execution, reporting and disclosure, and continued development of our customer-facing solutions. The ESG Community of Practice is designed to facilitate structured and consistent communication, allowing ESG champions from across the organization to work collectively in complex and fast-changing circumstances. In 2022, members of the group began the discovery process of establishing science-based targets to work toward Fastenal’s plan of net zero emissions by 2050. They also played a central role in completing a materiality assessment of ESG topics as a key tool to help us formalize our ESG vision and strategy.

### Materiality Assessment, ESG Vision and Strategy

In 2022, we engaged the consulting practice of a Big 4 accounting firm to help us clarify our ESG priorities, vision, and strategy. The first phase of the project, completed in late 2022, was a materiality assessment\* to define and prioritize key ESG issues impacting our company and our stakeholders. Working with our outside advisors, we referenced external reporting frameworks (including GRI, SASB and TCFD), considered material issues identified by various raters and rankers, and conducted a benchmarking analysis regarding ESG risk in our industry. We also conducted interviews with key stakeholders, including employees, investors, suppliers, and customers. From this assessment process, we identified a priority list of our most significant ESG topics. (We intend to revisit and update our materiality assessment at least every 5 years.)

The second phase, completed in April 2023, centered on defining our ESG vision, pillars (see below), and strategic objectives based on those topics we identified as most significant. We’re excited to build on this foundation to bring heightened focus and purpose to our ESG efforts moving forward.



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\*In conducting this prioritization exercise as part of our effort to clarify our ESG priorities, vision and strategy, we have made use of GRI and SASB guidance for “materiality” assessments. This guidance for seeking stakeholder impact and determining priorities refers to “material” topics to reflect the issues of importance to us and our stakeholders. Used in this context, these terms are distinct from, and should not be confused with, the terms “material” and “materiality” as defined by or construed in accordance with securities law or as used in the context of financial statements and reporting.

## ► Responsible Sourcing

As a strategic supplier, Fastenal has a responsibility to stay in sync with an ever-changing landscape of global regulations, supply chain risks, and industry demands. To that end, we maintain multiple teams of compliance specialists around the world in an effort to ensure the products we supply meet or exceed applicable standards and regulations across global supply chains. Our processes are regularly updated in response to new regulations, changing business needs, and increasingly robust customer expectations; however, we maintain a consistent focus on the following areas to mitigate risk for ourselves, our customers, and other stakeholders.

### Supplier Compliance

Through our [supplier terms and code of conduct](#), we require our suppliers to comply with all applicable regulations. We conduct risk analysis of suppliers who want to do business with us, which as a baseline includes obtaining supporting documentation regarding quality, capacity, and labor practices. We are committed to building relationships with well-qualified suppliers that meet our standards for quality, ethics, and reliability.

Conformance to our supplier code of conduct is required to become, and maintain good standing as, a supplier to Fastenal for any supplied material or service. (This expectation is very visible: Fastenal purchase orders reference our code of conduct and supplier terms and conditions with each order.) We evaluate suppliers' compliance with these standards in determining whether to grant or continue preferred status. Suppliers that do not comply with the code of conduct may be disqualified from preferred status and/or have their business relationship with Fastenal terminated. To learn more about our supplier terms and code of conduct, visit [Fastenal's Legal Information page](#).

### Import Control Policy

To establish visibility and control early in the supply chain, we operate a global sourcing division known as FASTCO (Fastenal Asia Sourcing and Trading Company). This resource is made up of more than 200 Asia-based personnel, including factory auditors, engineers, procurement professionals, and quality and logistics specialists, allowing us to closely monitor risks and opportunities and maintain a high level of control over product quality.

### Forced Labor Policy

Fastenal maintains a strong stance against the use of forced labor within any tier of our supply chain and actively works with our suppliers to monitor, educate, and address any potential compliance concerns. Forced labor prevention expectations are written into our supplier code of conduct. In addition, our teams execute a proactive risk-avoidance strategy, including upstream supply chain mapping exercises, supplier documentation, on-site audits, and material origin reviews.





## Supply Chain Security Policy

As both an importer and exporter, Fastenal has been a member of the United States Customs and Border Protection Agency's Customs Trade Partnership Against Terrorism (CTPAT) program since 2009. This supply chain security partnership program is designed to secure and facilitate the movement of legitimate international trade and improve security throughout the supply chain, from the point of cargo origin to the final import destination. The program provides a foundation for Fastenal's risk-based approach to supply chain security. It guides our employee training curriculums, internal facility audits, vendor security campaigns, warehouse security measures, and freight tracking procedures.

## Quality Control

Our current quality management system is registered to ISO 9001:2015 and certified by TUV Rheinland of North America. This certification covers more than 50 locations, including all distribution centers, industrial services centers, internal manufacturing locations, FASTCO, and select in-market business units. In addition to controlling our internal quality system, Fastenal operates eight product testing labs as part of our supply chain quality control process. The labs, which are accredited by the American Association for Laboratory Accreditation (A2LA), provide mechanical and chemical analysis to meet internationally recognized standards as well as customer specifications. These internal mechanical testing resources and our access to external accredited labs give us the ability to test products across our scope of supply.

## Product Alerts and Recalls

Our quality management system includes well-defined processes for product alerts and recalls. These can be initiated either internally by Fastenal (based on product testing in our A2LA-accredited labs) or externally by our supply chain partners. Recalls and alerts are classified into four levels:

- **Level A** is an alert only, prompting us to remove the product from our distribution centers.
- **Level B** is also an alert only, but in this case the product is removed from both our distribution centers and our in-market servicing locations (branches and Onsites).
- **Level C** is an internally-initiated recall whereupon we remove the product from all Fastenal locations and notify customers of the product failure.
- **Level D** is a vendor-initiated recall. The supplier recalls a specific product, and we communicate the recall requirements to our end-user customers globally.

In a recall or alert situation, Fastenal is able to lock down the product on a corporate level so that it cannot be sold through our point of sale system.



## Conflict Minerals Policy

Fastenal's conflict minerals policy provides a framework for compliance with Section 1502 of the Dodd Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd Frank Act"). This section pertains to 3TG minerals (tin, tantalum, tungsten, and gold, which are derivatives of cassiterite, columbite-tantalite, and wolframite) regardless of where they are sourced, processed, or sold. As a United States issuer of securities governed by the Securities and Exchange Commission, Fastenal and its subsidiaries use this policy to guide the implementation and maintenance of our conflict minerals program.

Fastenal expects manufacturers of Fastenal-branded products, custom-engineered products, or other products over which we exert influence through product development or design to have policies and due diligence measures in place that will assure knowledge and notification of products and components that contain conflict minerals. More broadly, we expect suppliers to conduct their business in alignment with Fastenal's supply chain responsibility expectations. In support of this policy, Fastenal will:

- Exercise due diligence with suppliers consistent with the [Organization for Economic Cooperation and Development \(OECD\) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#) (and encourage our suppliers to do the same with their upstream suppliers).
- Provide due diligence information to customers, confirming the applicability and/or compliance of products supplied by Fastenal.
- Continue our involvement with relevant industry groups, such as the Twin Cities Conflict Mineral Task Force, to stay on top of developments, changes, and future requirements.

View Fastenal's most recent [Conflict Mineral Report](#).

## Product Transparency

In addition to the controls and processes described above, Fastenal's compliance team works to provide visibility to the product attributes that we believe our customers care about most. This includes using the following icons on our eCommerce platform, other marketing channels, and point of sale system to help customers make informed purchasing decisions.



Restricted Product



Safety Data Sheets (SDS)



CA Proposition 65



REACH



RoHS



Conflict Minerals



## ► Cyber Security & Data Privacy

In 2022, Fastenal received certification to the ISO 27001:2013 information security management system. This certification was achieved through a formal audit process conducted by A-LIGN, an independent and accredited certification body in the United States.

ISO 27001 is an international standard to manage information security published by the International Organization for Standardization (ISO), the world's largest developer of voluntary international standards, and the International Electrotechnical Commission (IEC). Achieving certification to ISO 27001 demonstrates that Fastenal has met rigorous international standards for ensuring the confidentiality, integrity, and availability of data. It reflects our commitment to ensure that security of data and information has been addressed and that proper controls have been implemented in all areas of the organization.

Fastenal's IT security department is tasked with monitoring cyber security and operational risks related to information security and system disruption. This team employs measures designed to protect against, detect, and respond to cyber events or attacks, and has implemented processes and procedures aligned with our information security management system to support and promote resilient programs. This includes:

- Enterprise security framework and cyber security standards
- Cyber security awareness and training plans
- Security assessments and monitoring
- Restricted physical access to critical areas, servers, and network equipment
- Incident response, crisis management, business continuity, and disaster recovery plans

Fastenal's board of directors and audit committee are actively engaged in the oversight of our information security program and are updated on a quarterly basis. The audit committee receives quarterly reports on information security from our senior vice president of information technology infrastructure and security. Additionally, our executive leadership team is briefed on information security at least once a quarter by members of our IT security, compliance, governance, and audit teams.

Fastenal conducts organization-wide cyber security training and compliance exercises in connection with our information security program. This training consists of educational material and compliance testing administered to all Fastenal employees, which is tracked and recorded throughout the year. Results and progress are shared with executive leadership, the audit committee, and the board of directors each quarter.

In our continued commitment to maintaining a strong internal control environment, Fastenal underwent a System and Organization Controls (SOC) 2 examination from an independent auditor (risk3sixty Compliance, LLC) and received a SOC 2 Type 1 report. A SOC 2 Type 1 report is an attestation report which evaluates Fastenal's controls relevant to the Trust Services Criteria at a specific point in time. The scope of the report covered the Infrastructure, People, Data, and Procedures for Fastenal's Proprietary Data Centers System and contained controls relevant to the Security and Availability categories of the Trust Services Criteria.

## ► Ethics & Compliance

### Business Conduct

At Fastenal, we are committed to operational excellence, ethical and responsible conduct, fair and respectful treatment of all individuals, and practices that promote safety, health, and environmental protection. Although we have not joined the UN Global Compact, we endeavor to incorporate the Ten Principles of the UN Global Compact in our operations, including our [supplier code of conduct](#). We conduct risk analysis of suppliers who want to do business with us, which as a baseline includes obtaining supporting documentation regarding quality, capacity, and labor practices. We are committed to building relationships with well-qualified suppliers that meet our standards for quality, ethics, and reliability.

Conformance to our supplier code of conduct is required to become, and maintain good standing as, a supplier to Fastenal for any supplied material or service. We evaluate suppliers' compliance with these standards in determining whether to grant or continue preferred status. Suppliers that do not comply with our code of conduct may be disqualified from preferred status and/or have their business relationship with Fastenal terminated. To learn about our supplier terms and code of conduct, visit [Fastenal's Legal Information page](#).

### Policies and Trainings

New employee orientation includes a review and acceptance of our policies and procedures guide and our standards of conduct, which include applicable policies and expectations regarding human rights, business ethics, anti-bribery, anti-corruption, cyber security, workplace harassment, unconscious bias, and employee health and safety. The standards of conduct and applicable policies are reinforced for hiring managers through additional trainings within the Leadership Pathway, a manager-focused curriculum developed by our internal training department, the Fastenal School of Business. Managers are automatically enrolled in this pathway, which includes trainings on coaching, business ethics, recruiting, and other topics related to fair and effective leadership.

### Compliance Trainings

As part of our people-centered culture, Fastenal invests in comprehensive, career-long employee training and development through the Fastenal School of Business, including training focused on the environment, ethics, and labor and human rights. Below is a summary of employee participation in trainings related to these topics in 2021 and 2022.

	Environment		Ethics		Labor & Human Rights	
	Completions	Sum of Total Hours	Completions	Sum of Total Hours	Completions	Sum of Total Hours
2022	50,954	36,916	138,393	45,718	114,464	57,991
2021	28,410	24,659	125,444	47,252	106,246	50,725



# Empowering People

"The greatest resource in the world is **the human individual**, with each individual having **enormous potential to do wonderful things.**"

Bob Kierlin, Fastenal Founder



The adjacent quote speaks to Fastenal's foundational belief in people and serves as a fitting lead-in to the social aspects of our ESG program. Because we value people (as unique human beings, not just "human capital"), we prioritize safety, we foster a culture of equity and respect, and we strive to improve our communities. Because we believe in human potential (versus fixed talents), we invest in career-long learning resources for every employee. We empower employees to make local decisions and to think big for our customers. And we remain strongly committed to promotion from within, creating pathways for employees to branch out, build rewarding careers, and become leaders in our organization.

Our people-centered strategy can be summarized with some simple thoughts:



[Go to Fastenal Culture](#)



## ► Human Rights

Fastenal is committed to complying with all applicable labor and employment laws and regulations in every country and jurisdiction in which we operate. These include but are not limited to: antiharassment and discrimination in all aspects of employment; employees' freedom of association and the right to collectively bargain; prohibitions on child labor, forced labor, or any form of human trafficking; and fair wage and hours requirements. Fastenal expects its suppliers and vendors to comply with all applicable laws and regulations.

## ► Diversity, Equity, and Inclusion

The approach described on the preceding page fosters a workforce that is not only talented and empowered, but also increasingly diverse. As of December 31, 2022, we had 22,386 employees worldwide. 17,919 of those employees were located within the United States, 2,898 employees were located in Canada and Mexico, and 1,569 were located overseas in 22 other countries around the world.



### Non-Discrimination

It is Fastenal's policy to provide equal employment opportunity for all employees and applicants for employment in accordance with all applicable federal, provincial, state, and local executive orders, regulations, and laws. We will not engage in any form of prohibited employment discrimination. This includes discrimination on the basis of race, color, creed, gender, religion, national origin or citizenship status, disability, age, genetic information, marital status, status with regard to public assistance, sexual orientation, gender identity, familial status, veteran status, or any other protected classifications.



## Diversity Data & Reporting

As indicated in the adjacent EEO-1 data, women and minorities constituted 24.1% and 22.5%, respectively, of our United States workforce in 2022. Based on U.S. Bureau of Labor Statistics data, our mix of female and minority employees is generally consistent with that of the manufacturing and construction industries. These two industries traditionally represent about 80% of our United States sales, providing useful context for our workforce recruiting pool, composition, and trends.

In reviewing the table, a few trends stand out. First, the proportion of women in our workforce decreased slightly for a third consecutive year in 2022. It's disappointing to lose ground on this front; however, we're working to regain our momentum in 2023 through focused recruiting and retention efforts, which includes an expansion of our recruiting team and pipeline. Second, and on a more positive note, we saw significant improvement in our minority workforce composition in 2022. And third, viewed over time, there is a clear trend toward greater diversity in our business. Our female and minority workforces have grown 2.2x and 3.5x faster, respectively, than our overall U.S. workforce over the last ten years.

This positive trend reflects: (1) a concerted effort to improve our hiring practices (more on this to follow), (2) an ongoing geographic expansion that has made our footprint dramatically less Midwest-centric over time (in turn making our U.S. workforce increasingly reflective of the country as a whole), and (3) our evolution from a fastener-centric distribution company to a technology-driven supply chain solutions provider (which may appeal to a more diverse applicant pool). In light of these long-term dynamics, we expect the trend toward greater diversity in our workforce to continue over time.

U.S. Data (2012–2022)							
Year	Males	White	Minority	Females	White	Minority	Minority Total
2022	75.9%	59.6%	16.2%	24.1%	17.8%	6.3%	22.5%
2021	75.8%	60.6%	15.2%	24.2%	18.4%	5.8%	21.0%
2020	75.5%	60.6%	14.8%	24.4%	18.7%	5.6%	20.4%
2019	75.4%	60.3%	15.1%	24.5%	18.8%	5.7%	20.8%
2018	76.1%	61.2%	14.8%	23.8%	18.6%	5.2%	20.0%
2017	77.2%	63.1%	14.1%	22.7%	18.0%	4.6%	18.7%
2016	78.0%	64.4%	13.5%	21.9%	17.6%	4.2%	17.7%
2015	78.9%	66.3%	12.6%	21.0%	17.2%	3.8%	16.4%
2014	80.1%	68.6%	11.5%	19.8%	16.4%	3.4%	14.9%
2013	81.2%	70.4%	10.8%	18.7%	15.9%	2.8%	13.6%
2012	82.3%	72.3%	9.9%	17.7%	15.5%	2.2%	12.1%





## ► Employment

### Recruitment

Our cultural values – Ambition, Integrity, Innovation, and Teamwork – are woven into the fabric of our human resources processes and protocols, starting with our employment process. These values serve as guideposts for leaders throughout the organization as they administer and adhere to the system and processes. The ultimate goal is straightforward: make the candidate pool as expansive and inclusive as possible, and hire the candidate who is the best match for the position based on their skills and abilities. In light of our cultural priority to promote from within, we know we are welcoming a potential future leader with every new hire. And in the spirit of decentralized decision-making, all hiring managers complete their own interviews and make local hiring decisions.

### Our Cultural Values



#### Ambition

By thinking big and outworking the competition, we create value for our customers, growth for our organization, and opportunities for ourselves and others on the Blue Team.



#### Integrity

Our decentralized culture, including a commitment to local decision-making, wouldn't be possible without personal integrity at every level of the organization.



#### Innovation

This isn't limited to technical or leadership roles. In general, we believe the best ideas come from the people closest to the customer, problem, or process.



#### Teamwork

We succeed by surrounding ourselves with talent, supporting those around us, and challenging each other to become better every day.



## Hiring

The cornerstone of the hiring process is our Applicant Tracking System, which was designed internally by our diversity and compliance team. This system facilitates data collection and storage while also streamlining a multi-step process. The diversity and compliance team reviews and approves the job openings for posting via our intranet site, our external websites, and the many post-secondary schools we work with across the country. To further diversify our outreach efforts, we partner with Circa, which each day shares the job postings from the Fastenal.com Careers page with over 600 diversity-focused employment and local job boards within the Circa network.

After job openings are posted, the diversity and compliance team completes all initial application screening and phone interviews for interested candidates. The qualified candidate pool is sent to the hiring manager for first and second interviews, during which candidates are asked standardized questions based on the requirements of the position. The candidate's responses are noted by the hiring manager, and all interview questions and responses are sent to the diversity and compliance team when interviews have been completed. All records are reviewed by the team, and dispositions for the candidate pool are entered and finalized. It's a thorough process – this team reviews the results of each pool and is responsible for managing all record-keeping.

In keeping with our decentralized culture, we believe the person best suited to make a hiring decision is the leader who is trying to fill the opening. While the process described above may appear rigid, it is designed for consistency and fairness while still allowing hiring decisions to be made locally. This process is followed for all new hires as well as any internal transfers and promotions.

## Promoting From Within

We have always believed that promoting from within is the best way to reward our employees' hard work, excellent performance, and modeling of our values. We are committed to developing leaders who embody our values, have a deep and direct understanding of the business, and in turn merit the respect of the team. This commitment is reflected in the experience required to advance to a leadership role. Advancement within the organization is based on hard work and execution of performance expectations. The promotion pathway is challenging, but it offers a powerful incentive for those with the determination and motivation to be successful, to develop and mentor co-workers, and to model our cultural values.

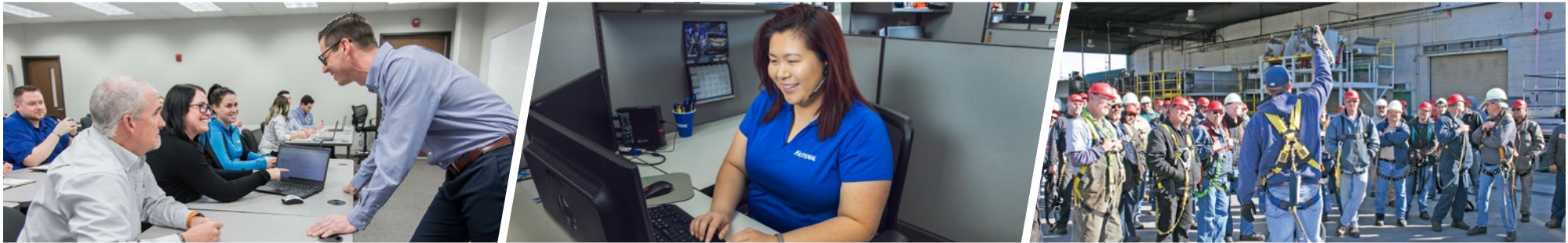
[Go to Careers](#)



## ► Training & Development

### Fastenal School of Business

Fastenal continues to invest in employee training and development through our corporate university, the Fastenal School of Business (FSB). FSB's professional staff focuses on course research, design, instruction, and employee advising to continually develop, maintain, and deliver Fastenal-specific training. Course offerings are available to all employees in areas such as sales, leadership, products, distribution, human resources, and safety. In 2022, Fastenal employees completed approximately 781,000 FSB trainings. This involved 22 hours of training per full-time employee and 20 hours of training per part-time employee (on average) during the year.



### Sustaining Our Culture

To meet the needs of employees across the planet, FSB provides training through various delivery methods and strives to accommodate all styles of learning. That said, there is a globally consistent goal: continually enhance the knowledge and skills of our workforce, thus improving customer satisfaction and empowering employees to move forward in their careers. Our training culture reflects Fastenal's core belief in people and longstanding commitment to provide opportunities for promotion from within. By making role-specific training plans available to everyone in the organization, FSB provides clear pathways for employees to be successful in their current roles and prepare for future roles.

### Teaching Fastenal's Values

Ambition, Integrity, Teamwork, and Innovation: These cultural values inspire and guide Fastenal employees around the world. Understanding how they apply to our business starts on day one. New hires are assigned an online training focused on the ethics, values, and culture of Fastenal. As employees progress through their careers, we provide ongoing training to illustrate how our values relate to their current and future roles. FSB continues to grow its curriculum each year, and one of the 2022 additions is a virtual instructor-led training that provides an opportunity for all employees to hear and share stories that contextualize our values in real-world situations. Upon completing this training or the new-hire training mentioned above, employees receive their personalized Fastenal values card, which they proudly carry with them as a reminder of who we are.



## ► Workplace Health & Safety

Our employees continue to distinguish Fastenal as a leader in workplace health and safety. We continually encourage safety participation through new-employee trainings and ongoing coaching, audits, inspections, risk assessments, safety committee meetings, and first-responder programs. In 2022, we completed nearly 200,000 health and safety activities across the organization, an increase of 30% compared to 2021. Our goal is to increase these activities, which include a variety of employee engagements, by 10% in 2023 vs. 2022. In addition to engaging 22,000-plus employees across the organization, our environmental health and safety (EHS) & sustainability team continually strives to reduce risk by improving facility conditions and operational processes.



### Branch & Onsite Programs

Our network of more than 3,300 in-market locations (public branches and customer-specific Onsites) continues to be a key focus of our safety programs. Employee onboarding, a 90-day new hire program, leadership development, and facility condition assessments all play a role in instituting safe standards and practices. Our Onsite locations (which involve Fastenal staff officing and working daily within customer facilities) require unique safety considerations. Through our Onsite employee safety program, we work to meet customers' expectations and vetting requirements. This often includes working with third-party verifiers to develop individual site risk assessments and site safety plans to minimize employee safety risks.



### Operations & Manufacturing Programs

Proactive employee engagement is the key to Fastenal's safety culture. Programs such as job safety observations, near-miss reporting, toolbox talks, and trainings promote employee engagement and participation. A prime example: Our near-miss program incentivizes employees to report potential hazards to management *before* they lead to injury-related incidents. In 2022, there was a 69.5% increase in employee participation in the near-miss program across our North American distribution centers and manufacturing facilities compared to 2021. More generally, ideas and feedback from employees are playing a vital role in driving continuous improvement to our EHS programs.



### Fleet & Transportation Programs

With more than 9,000 vehicles on the road, Fastenal continues to make fleet safety a priority. Employees participate in a variety of internal activities such as defensive driving, safe work practices, regular vehicle inspections, and load securement trainings – just a few of the many programs that help us reduce risk and improve safety for employees (and others) on the road. Employees completed a total of 16,406 transportation safety trainings, defensive driver trainings, and job safety observations in 2022, a roughly 100% increase versus 2021.

[View Our 2023 EHS Report](#)

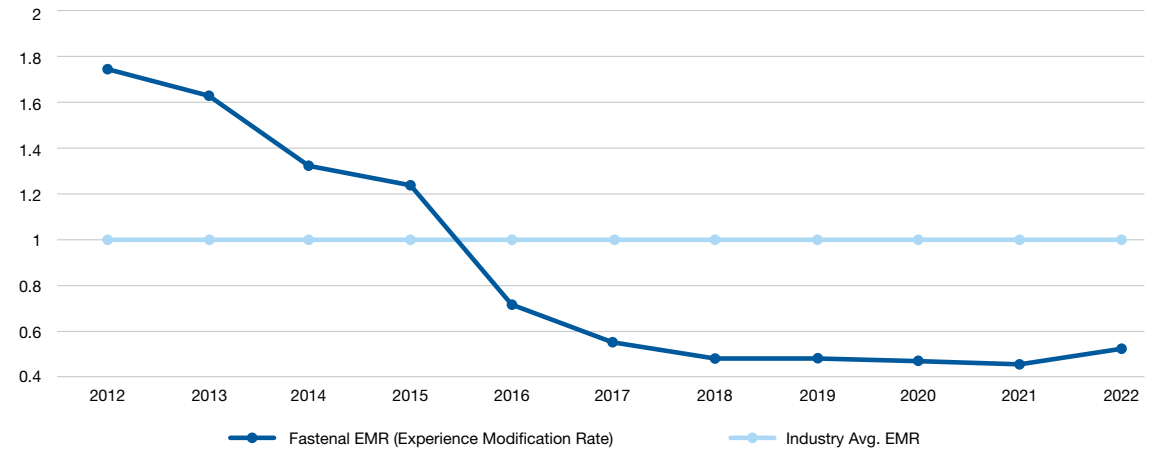


## Health and Safety Activities

Trainings, audits, inspections, risk assessments, safety coaching, and employee engagements are all activities that help us manage and improve facility and employee safety. Our internal scorecard and safety management systems help maintain our focus on a variety of risks while fostering an inclusive environment where all employees can contribute to our safety culture.

Our focus on employee engagement is producing excellent results. A widely accepted measure of organizational health and safety is the Experience Modification Rate (EMR). An organization's EMR is determined by the National Council on Compensation Insurance (NCCI) based on a comparison of its past and expected losses incurred through workplace injuries versus other organizations in its industry. The NCCI factors in variables such as the number of employees and the mix of job classifications to group organizations with similar characteristics into industries. Industry averages are benchmarked at an EMR of 1.00. A reduction from this rate reflects an organization's ability to implement superior safety procedures and protocols, resulting in a safer environment (with reduced personal and financial risk).

**In 2022, Fastenal had an EMR of 0.52, which is 48% better than the average performance rate for our industry group.**



	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Fastenal EMR (Experience Modification Rate)	0.52	0.45	0.47	0.48	0.48	0.55	0.72	1.24	1.32	1.63	1.75
Industry Average EMR	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Delta (Fastenal vs. Industry)	-48%	-55%	-53%	-52%	-52%	-45%	-28%	24%	32%	63%	75%

## Awards and Programs





## ► Community Engagement

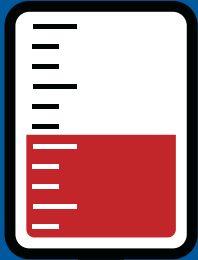
Since our start in 1967, Fastenal's founders believed in giving generously while staying out of the spotlight. They also believed in decentralized decision-making, which included empowering local employees to take the lead in company-sponsored community efforts. Today, this spirit shines through in local markets across the globe where our employees strive to be active in their communities through volunteering and donations. To provide resources and structure for these efforts, we're working to build a sustainable community strategy focused on the following areas.

### Pillars of Community Engagement



In 2022, Fastenal gave monetary donations of \$930,000 to various organizations supporting these pillars. We also donated products through our local branches and distribution centers to various organizations and disaster relief efforts.





## Blue Team Blood Drive

In November 2022, we launched our Blue Team Blood drive in partnership with the American Red Cross and other blood supply organizations throughout North America and also in India (home to many of our IT employees). With this program, we're committed to hosting in-person blood drives for employees at our large facilities at least two times per year. We also created a virtual blood drive program that allows employees, friends, and customers to participate at local community sites around the world. In November and December, we hosted blood drive events at 18 large Fastenal facilities. Through these events and the virtual blood drive, more than 800 units of blood were donated to help patients and save lives.

As part of the program, we offer paid time for employees to donate (if they are able) and for employees to assist in organizing and administering the blood drive events. With this paid-time option, our employee donors and volunteers contributed an estimated 1,000 volunteer hours toward this life-saving cause in 2022.



Akron, OH



Bangalore, India



Indianapolis, IN



Modesto, CA



Winona, MN

Thanks to the generosity of the Blue Team, we easily surpassed our initial goals and we've established strong momentum to build a sustainable program for years to come.

## Workforce Development

To support communities and engage with potential future employees, our local teams partner with a variety of educational institutions, from high schools to technical colleges and universities. Local employees lend their expertise to bring educational value to these programs, whether it's teaching courses through programs like Junior Achievement or leading seminars in college business departments. With Fastenal's financial backing, they also provide funding for scholarships and classroom equipment. To keep pace with rapid changes in education, we plan to expand our workforce development outreach to a larger scope of academies, technical colleges, and universities in 2023.

In 2022, we continued our ongoing support of Wells Academy, a 501(c)(3) education program that provides manufacturing machinist training and jobs for Native American people in economically disadvantaged areas of northern Minnesota. Since 2016, we have awarded \$272,000 in scholarship funds for Wells Academy, providing significant financial support for the ongoing operation of this one-year, 2,000-hour program. Wells Academy was founded by Andy Wells, CEO and founder of Wells Technology, a high-precision fastener manufacturer in Bemidji, Minnesota. *(Continued on the next page)*

In recent years, our Fastenal Manufacturing division has partnered with several high schools and technical colleges to provide equipment (including lathes and robotic arms), scholarships, tuition and book reimbursement, training, sponsorships, and employment opportunities. What do these programs look like in action? [Click here](#) to watch a video about our employer partnership with Minnesota State College Southeast.

Workforce development also includes investing in our current workforce. Fastenal leadership encourages employees to set aside time during working hours to participate in training through the Fastenal School of Business and other learning programs relevant to their current roles or career aspirations. The training goal is clearly communicated to everyone on the Blue Team: 30 hours per year for full-time employees and 15 hours per year for part-time employees.

## Disaster Response and Recovery

When disasters strike, Fastenal employees are able to work together across locations and departments to help our customers and communities. The Blue Team Responds program facilitates cross-departmental collaboration to expedite emergency needs, and our in-house trucking fleet allows us to move supplies into disaster zones without having to rely on third-party carriers. A key advantage: having local “feet on the street” supported by layers of regional and nationwide resources. This allows us to proactively plan with strategic customers and government agencies, to react quickly in disaster situations, and to physically distribute urgently needed products in the community.



### *Helping Others Weather the Storm*

From local and regional sales people to truck drivers and distribution center personnel – Fastenal employees in a variety of locations and roles came together in October 2022 to help those impacted by Hurricane Ian. Local personnel worked with various teams across the country to donate products, build supply kits, and deliver around 20 pallets of product to support Florida's Lee County community, including kids who were impacted by the destruction of their schools.





## BK5K Road Race

Through our BK5K Road Race program, Fastenal employees organize community events in a variety of locations, working with sponsors to provide hundreds of thousands of dollars to youth programs each year. In 2022, Fastenal employees volunteered an estimated 1,200 hours of their time for event planning, grant reviews, and race-day coordination to help make the BK5K successful in their communities. Funds raised by the BK5K are donated through a grant process to local area youth organizations and programs that have demonstrated financial need. Since its initial run in 2000, the BK5K has provided nearly \$2.7 million through 440 grants and in-kind donations. These donations help to fund wide-ranging community requests, from equipment and supplies for sports and educational programs to life needs such as hygiene kits and weekend food boxes for school kids.

## Blue Team Sports

In 2012, Fastenal launched our Blue Team Sports program, which supports community sports teams and overall wellness by providing free athletic apparel for employees and their families. Since its introduction in 2012, Blue Team Sports has outfitted roughly 2,500 teams and 33,000 individuals around the world. In 2022, we outfitted 781 teams in North America, providing apparel for 3,340 people who participated in a wide range of activities, including baseball, basketball, biking, bowling, cheer, cricket, curling, football, golf, gymnastics, hockey, kickball, lacrosse, powerlifting, rowing, rugby, running, skiing, soccer (football), softball, swimming, tennis, ultimate frisbee, disc golf, volleyball, and wrestling. We continue to expand the range of sports supported, including one notable addition for 2023: pickleball!



# Preserving Our World



## Raising the Bar for Efficient Operations

Fastenal's value proposition centers on helping organizations become more resource-efficient across the supply chain. It starts by driving efficiencies within the span we directly control – the vehicles, large facilities, and in-market locations we operate to serve customers across the country and around the world. The following section provides statements pertaining to our scope 1 emissions related to fuel combustion in our furnaces, boilers, and vehicles; scope 2 purchased electricity emissions; and scope 3 waste related to our business operations.



### ► Our Strategic Focus

In 2022, we announced our intention to work toward a plan to reach net zero emissions by 2050, including an expectation to establish science-based targets within the next two years. As part of this journey, we continue to expand the information we gather and report to the CDP (formally the Carbon Disclosure Project) in accordance with the Greenhouse Gas (GHG) Protocol. In 2022, we broadened our reporting to cover the entirety of our scope 1 and 2 emissions from all global business operations, including our operations outside the United States, Mexico, and Europe (which have historically been, and will continue to be, included in our emissions calculations).

#### Key Initiatives and Programs

- In 2022, we completed 407 environmental projects in our facilities, including waste reduction, recycling, and energy reduction projects.
- In August 2022, we received third-party certification to the ISO 14001 environmental management standards. ISO 14001 provides a framework to reduce our carbon footprint and environmental impact through a variety of tools and best practices.
- Our partnership with the ENERGY STAR Portfolio Manager provides tools to monitor and reduce energy consumption in our facilities. In late 2022, our distribution centers in Washington state and Utah received ENERGY STAR certification, and we expect to have additional buildings certified in 2023.
- We continue operating in BREEAM-certified facilities in Dordrecht, Netherlands and Brno, Czech Republic, and we currently utilize two large buildings equipped with solar power technology: one leased (Dordrecht, Netherlands) and one owned (Winona, Minnesota).
- Recognizing the significant impact our internal transportation fleet has on GHG emissions, we are proud to be a certified EPA SmartWay partner. This program helps us advance supply chain sustainability by measuring and improving our freight transportation efficiency.

## GHG Management

In 2022, we broadened our reporting to include the entirety of our scope 1 and 2 emissions from all global business operations. Our CDP data reflects our ongoing efforts to reduce fuel consumption in our fleet operation and energy consumption in our facilities.

Scope	2022 (Metric ton CO2e)	2021 (Metric ton CO2e)
Scope 1*	137,410	132,030
Scope 2**	50,182	51,117
<b>Total</b>	<b>187,592</b>	<b>183,147</b>

Scope 1	Business Division	2022 Scope 1 Emissions (Metric ton CO2e)	2021 Scope 1 Emissions (Metric ton CO2e)
	Manufacturing	3,494	3,060
	Shipping	113,453	107,057
	Distribution	1,376	1,680
	Retail	19,087	20,233
	<b>Scope 1 Total</b>	<b>137,410</b>	<b>132,030</b>

Scope 2	Business Division	2022 Scope 2 Emissions (Metric ton CO2e) Market-based	2021 Scope 2 Emissions (Metric ton CO2e) Location-based
	Manufacturing	7,273	6,520
	Shipping	-	-
	Distribution	11,776	12,702
	Retail	31,133	31,895
	<b>Scope 2 Total</b>	<b>50,182</b>	<b>51,117</b>



\*Scope 1 emissions are the result of direct fuel consumption by sources we control or own, such as vehicles or boilers. Scope 2 emissions are the result of purchased grid electricity. 2021 data applies to distribution centers in the US and Canada, branches and transportation in the US, UK, and Continental Europe, and manufacturing facilities in the US and Continental Europe. 2022 data applies to all global business activities.

\*\*2021 scope 2 data is location-based. 2022 scope 2 data is market-based, which is considered more accurate and is preferred by reporting frameworks.



## ► Transportation

### Driving Toward a Greener Future

A key (and differentiating) feature of Fastenal's service model is our in-house transportation network, which allows us to control the movement of materials across much of the supply chain. On a technical level, operating a large trucking fleet makes our scope 1 reporting higher than it would be if we relied more heavily on third-party carriers (as is standard in our industry). However, in the bigger picture, it challenges us to be an innovator and a leader in transportation efficiency. We embrace this stewardship by investing in the latest vehicle technology and by working to optimize routes, loads, and efficiency at every mile – from supplier pick-ups, to transfers for secondary operations, to final-mile delivery, all streamlined by a deep and direct understanding of our customers' needs.

Our internal fleet transports approximately 90% of the product tonnage we distribute in North America to support our customers. This North American fleet includes approximately 700 commercial motor vehicles (CMVs) as well as 8,200-plus RAM pickup trucks used to provide final-mile delivery service.



Roughly 66% of our North American branches receive their product deliveries via our CMV fleet during the night (i.e., low-traffic hours associated with better overall fuel efficiency). The RAM pickup fleet is used by local branch personnel to execute final-mile delivery to the customer, and in many cases the destination is a point-of-use device within their facilities – a unique capability made possible through our investment in final-mile transportation and high-touch service.



## Fuel Efficiency Strategies

Because we sell and replace a large portion of our fleet annually, we are regularly reviewing the latest fuel efficiency and safety options available. In 2022, we replaced roughly 1,580 vehicles to capture the latest technology. Nineteen percent of our fall 2022 replacement vehicle order was for a small SUV model – the highest percentage to date. (The tailpipe emissions of the SUV are approximately 30% lower than those of the average pickup in our fleet.) We also purchased 200 vehicles equipped with embedded telematic software to provide our local management teams visibility to the vehicles' utilization – a valuable tool to continuously improve the efficiency of the units.

Since mid-2019, Fastenal has participated in the United States Environmental Protection Agency's SmartWay program, which helps partnering carriers learn best practices, demonstrate their efficiency achievements, and pursue continuous improvement. We're working to positively impact fuel efficiency in a variety of ways, including:

- Using geographic information systems (GIS) to map the most efficient truck routes
- Analyzing departure and arrival schedules to minimize delays caused by traffic in metro areas
- Optimizing load configuration to minimize non-utilized capacity
- Back-hauling freight from suppliers and also customers (through our third-party logistics service) to minimize one-way or “deadhead” loads
- Using telematics to monitor speed and, in turn, improve fuel efficiency (as well as safety)



## Testing and Implementing New Technologies

Our drive for efficiency includes an ongoing commitment to test and, when feasible, adopt alternative fuel vehicles for commercial transportation. Over a decade ago, we leased seven compressed natural gas (CNG) tractors and purchased multiple half-ton pickups powered by dual-fuel energy (gasoline and CNG). In 2020 and 2021, we participated in a fleet-electrification collaboration program with Penske Truck Leasing and Daimler Trucks North America. For 18 months, we ran two fully-electric Freightliner eM2 straight trucks on daily routes in the Los Angeles, California area. We also tested a fully-electric Freightliner eCascadia semi-truck, providing valuable feedback (based on real-world conditions and use) to guide future improvements to this cutting-edge technology. In the fall of 2021, we conducted a test with a demo Orange EV fully-electric yard tractor at our Indianapolis, Indiana distribution center. Based on the success of the test, we subsequently purchased a new Orange EV fully-electric yard tractor for this facility, and the vehicle went into operation in June 2023.

In September 2022, through a pilot program in the Phoenix, Arizona area with ZEVX, we began operating a RAM half-ton pickup that was fully converted from an internal combustion engine to electric power. We plan to continue testing converted EV vehicles as well as multiple makes/models of production EV vehicles as they become available.

## ► Facilities & Operations

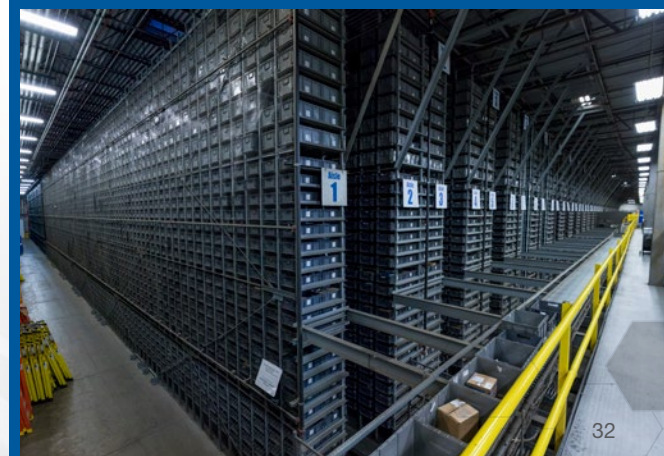
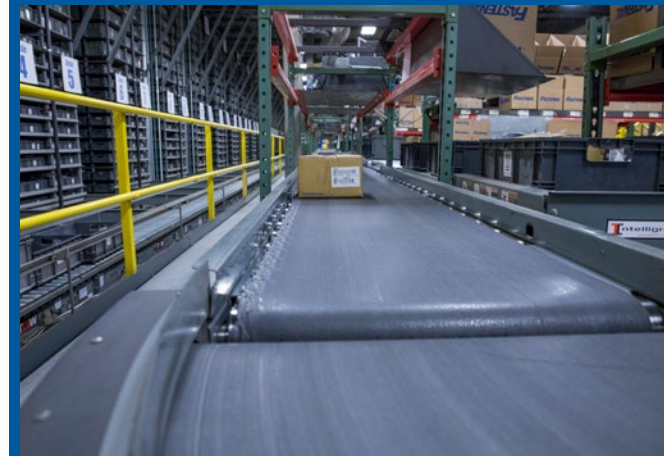
### Energy Use and Consumption

Fastenal continues to pursue energy efficiency throughout our brick-and-mortar footprint. All distribution centers, manufacturing facilities, and other corporately-managed buildings occupied after 2017 have completed LED lighting retrofits, and many have undergone additional efficiency upgrades. Some recent examples:

- Between 2018 and 2019, our manufacturing facility in Winona, Minnesota invested in LED lighting retrofits, optimization studies, and efficiency programs to help reduce annual energy consumption by 439,956 kWh (311,789 kgCO<sub>2</sub>e).
- In 2021, we signed two long-term lease agreements for BREEAM-certified facilities (in the Netherlands and Czech Republic).
- In 2021, we finished construction of a large office facility in Winona, Minnesota equipped with solar panels and rated a 4-star building through Minnesota's B3 Benchmarking program.
- In 2022, our distribution center in Jessup, Pennsylvania completed an LED lighting retrofit that involved replacing more than 1,300 fixtures. The project reduced annual energy consumption by 567,507 kWh (402,182 kgCO<sub>2</sub>e).
- In 2022, we also started an LED retrofit project in our distribution center in Modesto, California. Completed in early 2023, the retrofit is projected to reduce annual energy consumption by 1,214,098 kWh (860,410 kgCO<sub>2</sub>e). We have several additional energy saving projects planned for our distribution centers in 2023.

### Warehouse Automation: Maximizing 'Sales Per Square Foot'

Over the past decade-plus, a key metric has been increasing our product sales per square foot in our distribution centers. High-density automated storage and retrieval systems (ASRS) equipped with conveyors and robotic cranes have positively impacted this key ratio by increasing throughput while optimizing space in our distribution centers. For example, the ASRS installation in our Winona, Minnesota distribution center required a 42,000 square-foot facility expansion. If we had opted for traditional shelving instead of ASRS technology, the expansion would have had to be nearly four times larger to provide the same warehousing capacity. Today, 11 of our 15 North American distribution centers are equipped with ASRS systems (with another installation slated for 2025). This investment is enabling us to support our growing business with a more compact warehousing footprint and, in turn, less energy consumption.



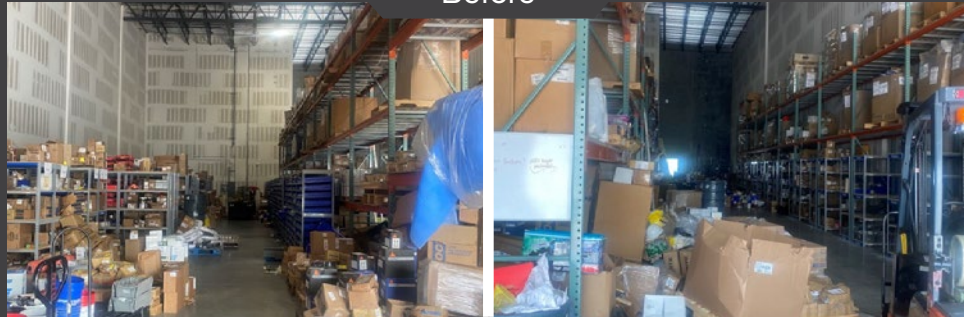


## Evolving Our Branch Infrastructure

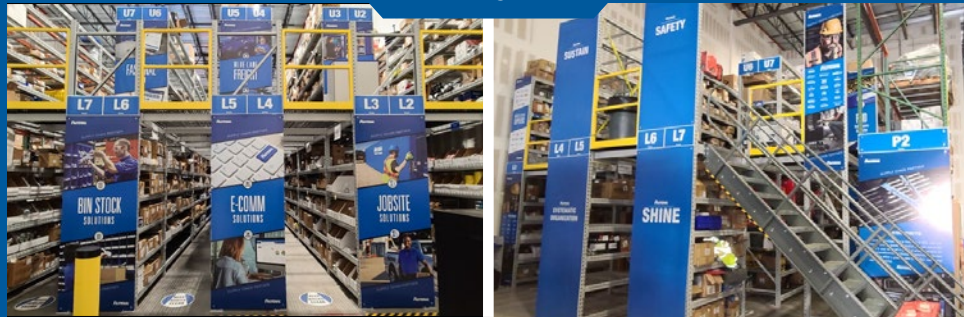
Over the last several years, we've been restructuring our United States branch model to be more customer-focused and space-efficient. This includes removing standardized (non-market-specific) inventory, reducing (or altogether removing) walk-in shopping space, and using that square footage to install high-density vertical shelving to support key customers' inventory needs. In select locations, we're also implementing pick modules to create a second floor of warehousing space, supporting thousands of additional products within the existing structure. As a result of these strategies, we're gaining significant capacity across our branch network – room to grow the business (and improve customer service) without expanding our brick-and-mortar footprint and associated energy consumption.

### Medley, FL

▼ Before ▼

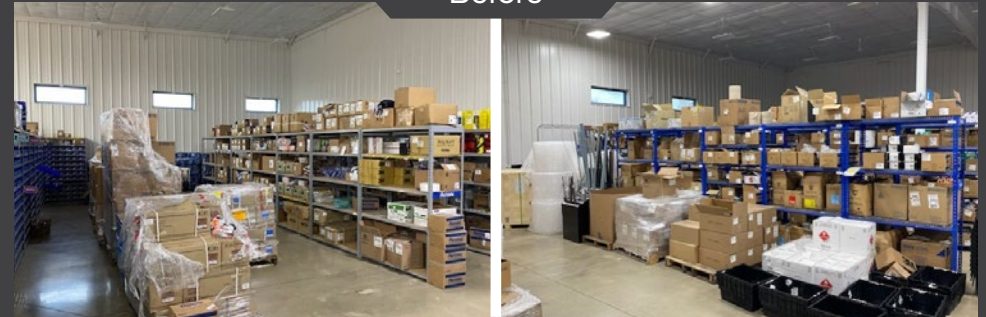


▼ After ▼

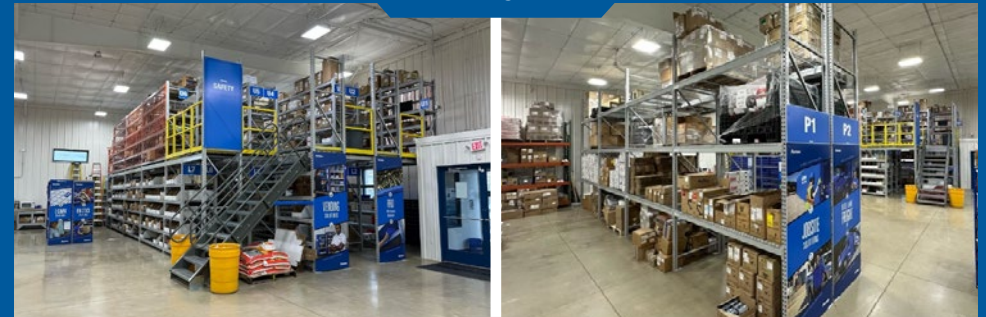


### Mentor, OH

▼ Before ▼



▼ After ▼



In 2022, we completed space optimization projects at nearly 60 branch locations, which included installing more than 20 pick modules. Moving forward, we expect to increase the number of projects we complete each year, including pick module investments. As part of our branch evolution, we're also consolidating branches in many markets across the country, bringing multiple in-market teams together to operate out of a single building – another driver of energy (and fuel) efficiency in our branch and distribution network.





## Onsite: Sharing Space, Saving Energy

Even as we consolidate branches, we're moving closer to larger facility customers through our Onsite program. With this model, we use available space within the customer's facilities to provide dedicated staff and inventory for their operations. The environmental benefit is direct: By sharing space rather than operating out of a separate in-market location, we're consuming minimal additional energy and producing fewer additional emissions.

As illustrated on the right, while our total number of in-market servicing locations has increased gradually in recent years, the proportion of Onsite (vs. branch) locations has increased dramatically. This structural shift, coupled with our public branch space optimization efforts, is making our local footprint increasingly space- and energy-efficient – a trend we expect to continue for years to come.

Year	Onsite Locations	Branches	Total
2022	1,623	1,683	<b>3,306</b>
2021	1,416	1,793	<b>3,209</b>
2020	1,265	2,003	<b>3,268</b>
2019	1,114	2,114	<b>3,228</b>
2018	894	2,227	<b>3,121</b>
2017	605	2,383	<b>2,988</b>
2016	401	2,503	<b>2,904</b>
2015	264	2,622	<b>2,886</b>
2014	214	2,637	<b>2,851</b>

## ENERGY STAR Program

We originally partnered with ENERGY STAR in early 2021 to benchmark our electricity and natural gas usage versus comparable buildings across Canada and the United States, giving us insight into impact areas across our network of branches and large facilities.



The ENERGY STAR program includes assessments to help us meet certain requirements in our local branch facilities (the vast majority of which are leased). This includes energy-efficient equipment, window film, LED bulbs/lighting, efficient building envelope, and consumption and waste management activities (among 57 points to improve environmental sustainability). In 2022, our branch teams completed more than 2,400 environmental sustainability assessments, ENERGY STAR audits, projects, and improvements.

In 2022, our distribution centers in Salt Lake City, Utah and Lacy, Washington were certified as ENERGY STAR buildings – our first facilities to achieve this certification. ENERGY STAR buildings save energy and help protect the environment by generating fewer GHG emissions than typical buildings. To be certified by ENERGY STAR, a building must meet strict energy performance standards set by the United States Environmental Protection Agency (EPA). Our distribution center in Salt Lake City received an ENERGY STAR score of 88 (by using 60% less energy per square foot than the national median), and our distribution center in Lacy received a score of 85 (by using 47% less energy per square foot than the national median).

[View Our 2023 EHS Report](#)

## ► Reducing, Reusing and Recycling

### Sustainable Procurement & Material Consumption

In 2022, we developed a Sustainable Procurement Manual to provide employee decision-makers with guiding principles for sustainable procurement. We also use Lean Six Sigma programs and assessments to improve our internal use of sustainable materials and identify areas of wasteful consumption across our operation. Our plan is to continually enhance these programs to build good employee habits for identifying, procuring, and responsibly using supplies that offer environmental benefits.

### Waste & Recycling

In 2022, our distribution center in Atlanta, Georgia piloted a program with Trex Company to recycle polyethylene film, which is used to secure products to pallets for delivery (and is traditionally a challenging material for the recycling industry). Trex uses this material to manufacture composite decking, railing, and other outdoor building products. We project that our Atlanta facility will recycle roughly 70,000 pounds of plastic in year one of the program; and as we expand the program to additional facilities, we anticipate it will have an increasingly significant impact on our waste diversion rates.

In June 2022, we made the decision to discontinue the use of plastic shopping bags in our public branches and to offer reusable tote bags or paper bags as alternatives – another initiative to reduce the amount of plastic going into landfills.

As an organization, we recycled more than 13.4 million pounds of material ranging from cardboard and pallets to metals and plastics. Our waste diversion rate, or the amount of waste we divert from going to a landfill, was 60.7% in 2021. In 2022, we were able to increase that to 70%. The top performers were our manufacturing facilities in Wallingford, Connecticut and Winona, Minnesota, which had waste diversion rates of 97.3% and 94.5%, respectively (achieved in part by recycling oily wastewater and selling scrap metal that would otherwise end up in a landfill). We expect to achieve zero waste certification for these and additional facilities in 2023.



Distribution Center and Manufacturing Waste Diversion	% Chg	2022 (lbs)	Tonnes	2021 (lbs)	Tonnes	2020 (lbs)	Tonnes
Recycled and Reused Wood Pallets	27%	3,834,010	1,917	3,013,154	1,507	1,436,840	718
Recycled and Reused Cardboard	13%	1,582,550	791	1,397,690	699	990,936	495
Recycled Metals	47%	5,151,601	2,576	3,509,198	1,755	3,476,848	1,738
Recycled Composite Pallets	-13%	102,262	51	117,000	59	167,920	84
Recycled Plastic Wrap	38%	83,274	42	60,354	30	59,508	30
Hazardous and Universal Waste	-94%	9,062	5	158,592	79	246,890	123
Non-Hazardous Waste	45%	19,239,748	9,620	13,253,040	6,627	11,451,578	5,726





## A Leader in Sustainability

In 2022, Fastenal was named a Leader In Sustainability by Call2Recycle for supporting the collection of 4.4 million kilograms of household batteries through the Call2Recycle program in Canada, making us one of the program’s top-performing partners. The batteries are collected for recycling within Fastenal’s two Canada-based distribution centers as well as from Fastenal branches in local markets throughout Canada.

According to Joe Zenobio, president of Call2Recycle Canada, Inc., Fastenal’s contribution helps to achieve the mission of maximizing battery diversion from the waste stream, which in turn protects wildlife, the environment, and our communities.

## Water Consumption & Natural Resources

Although we believe our water consumption and risk exposure are low, we’re taking steps to properly manage this critical resource. We comply with the United States Clean Water Act and relevant regulations in other countries where they apply to our operations – for example, in our management of storm water run-off, water permitting, and industrial waste water. In addition, we constantly work to reduce wasteful consumption of clean water. From 2020 to 2022, we reduced clean water consumption by 2% in our distribution centers and manufacturing facilities.

## Environmental Risks & Opportunities

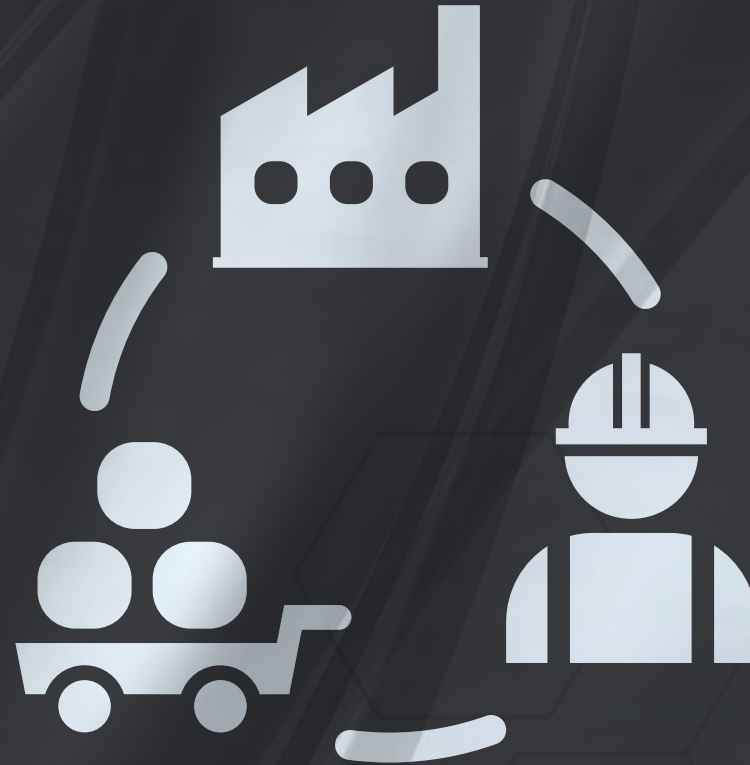
In August 2022, our network of distribution centers and manufacturing facilities received third-party certification to ISO 14001. ISO 14001 specifies requirements for an environmental management system an organization can use to enhance its environmental performance through more efficient use of resources and reduction of waste and energy.

To help us continue to perform at a high level and meet ISO 14001 requirements, we’ve partnered with two third-party firms, U.S. Compliance and EMI, which provide a variety of consulting, auditing, and program services. We use risk assessments from these partners to identify areas of opportunity and consistently improve sustainability within our business operation. These assessments help us sustain environmental regulatory compliance in areas like air quality, the Clean Water Act, and the EPA’s Resource Conservation and Recovery Act – all helping Fastenal maintain a low level of risk for the environment.

## Awards, Recognition, and ISO Compliance







# Serving as a Trusted Partner

## A Partner for Positive Change

Because Fastenal is part of so many organizations' supply chains, when we improve our ESG practices, it can be amplified on a global scale. The impact isn't isolated to our internal operations. We also provide programs to help organizations enhance and operationalize their own ESG initiatives. The following section focuses on these customer-facing offerings, including our Sustainability Solutions as well as additional solutions centered on supplier diversity, workplace safety, global sourcing, and regulatory compliance.



# Sustainability Solutions

*Developing and implementing strategic initiatives, driving innovation in environmental practices, and working cross-functionally to achieve long-term sustainability improvements*

Recycling is often the first topic that comes up in discussions about sustainability, but it's really the last step in a comprehensive program. Before a product can be recycled, it has to be designed, produced, packaged, shipped, used, and in some cases repaired and maintained – a vast scope of activities presenting powerful opportunities to reduce waste and emissions. This upstream span of the value chain is the focus of our Sustainability Solutions program for customers.

The program encompasses four broad areas: **prevention**, **reduction**, and **extension**, complemented by **recycling** solutions for various materials. The big-picture goal: help our customers minimize negative environmental impacts across the life cycle of product manufacturing, transportation, usage, and (lastly) recycling. It starts by consulting with the customer, understanding their needs and goals, and presenting a set of solutions to achieve positive change. Read on for an overview of the various programs, services, and technologies that can be part of a sustainable solution.



# Prevention

Supporting sustainable procurement, energy efficiency projects, and process efficiencies in manufacturing and metalworking

## ► Green and Energy Efficient Products Program

To meet a broad range of our customers' application needs, Fastenal offers approximately 53,000 green products, including certified products as well as environmentally preferable products (see definitions below). We have identified that these products (1) reduce negative effects on human health and the environment compared to competing products and/or (2) promote sustainability through resource conservation, end-of-life waste management, and life-cycle analysis. In addition to managing our green product program, Fastenal's compliance specialists assist strategic customers with goal creation, sourcing, and custom reporting in support of their sustainable procurement initiatives.

### Certified Green Products

Guided by international standards, our global compliance teams work with third-party agencies around the world to vet products and confirm the accuracy of green benefit claims. These team members are located in the United States, Canada, Mexico, Brazil, the United Kingdom, Continental Europe (in several countries), and China, providing local expertise and advocacy across global supply chains. [Click here](#) to view the list of third-party entities we've aligned with to assist us with confirming the integrity of our certified green product program.

### Environmentally Preferable Products (Applies to Non-European Locations Only)

Environmentally preferable products have a lesser or reduced effect on the environment when compared with competing products or services that serve the same purpose. We offer this designation because third-party certifications do not exist globally for all green products and categories. Products may be considered environmentally preferable for various reasons. For example, they may help reduce energy consumption, they may have low or no VOCs (volatile organic compounds), or they may come from suppliers with commitments to sustainability in their manufacturing processes. This can include reduced packaging and/or recycled content.

### Energy Efficiency Consultation

Through our supplier programs, we offer consulting and implementation services for energy efficiency projects. This involves a facilities-wide evaluation to recommend systems-based and operational improvements, including detailed assessments of energy savings and return on investment. Examples include providing expert project management for LED lighting conversions and suggesting the best air filtration products based on the customer's EHS/sustainability priorities and HVAC equipment.

[Go to Environmental Resources](#)



## Prevention

### ► Category Management

Assisting customers with category management is central to our value proposition as both a strategic supplier and a Sustainability Solutions provider. This exercise involves analyzing the products used throughout the customer's operations, often on a global scale, and looking for opportunities to streamline the supply chain by:

1. Standardizing part numbers
2. Rationalizing overlapping SKUs (items with the same fit, form, and function but sourced from different factories)
3. Switching to alternatives that provide greater lifetime value, which often means longer-lasting items with a lower environmental impact

From there, we dig deeper for additional environmental benefits. Is there a green product alternative that meets the application need? Can it be supplied through a Fastenal vending program to reduce consumption, packaging, and upstream emissions? Can it also be included in a recycling program to support a circular economy?

A prime area of opportunity is the safety/PPE product category, which is well supported by our green product program, our FMI Technology program, and our third-party recycling programs (including programs to send used glasses, gloves, and other PPE back to the manufacturer for recycling of those materials). The driving force is our safety specialist team – highly-trained, broadly experienced EHS experts who point our customers to the best product solutions to balance their needs for safety, sustainability, compliance, and cost. We also offer high-level product and application expertise to support the metalworking and fastener categories.



## Prevention

### ► Metalworking Program

Some of the products we supply are highly technical in nature, requiring specialized expertise for us to serve as a solutions provider for the customer. A prime example: metalworking products, particularly the high-precision cutting tools manufacturers use to fabricate metal components.

To provide expert support in this category, we maintain a team of metalworking specialists. Their core role is to visit customer sites, meet with stakeholders and collect data to gain an understanding of their operations, and present solutions to help them operate more efficiently. This can include inventory management solutions to reduce consumption and streamline the supply chain, as well as cutting tool regrinding programs to extend product life. (More on both topics to follow.) They are also well versed in recycling programs for carbide and fluid management systems.

Another metalworking resource is our team of field-application specialists – technical professionals with years of production experience. These individuals focus on improvements to the customer’s manufacturing processes, which may involve introducing new tooling technology to increase productivity or suggesting a process adjustment to improve the performance of existing tooling. The goal: **greater productivity with less resource consumption.**

[Go to Metalworking Program](#)

### Case Study:

## How Bettcher Industries Cut Down on Cutting Fluids

Bettcher is a manufacturer of food processing equipment based in Birmingham, Ohio. To help them with cutting fluid maintenance, recycling, and waste minimization, their Fastenal metalworking specialist brought in Fluid Services Technologies (FST).

“A lot of companies fall into a trap where each operator kind of does their own thing; before you know it, you have concentrations all over the place and six different fluids,” said Robert Mery, project manager at FST. “So part of our mission was to get things leveled out from a concentration standpoint and then also to reduce the extra fluids that weren’t necessary. And we did that with our program in conjunction with Fastenal.”

Bettcher’s end goal was to reduce their total number of cutting fluids. This would allow them to take advantage of recycling and other value-added services. Together, FST and Fastenal’s metalworking specialists did some fluid product analysis to start narrowing down the list. This included testing a product called SharpCool to find what Bettcher could expect as an output from the fluid. When the tests showed good results, Bettcher was able to reduce the number of cutting fluids in their facility from six to two, contributing to performance gains, reduced consumption, and improved recycling rates.



[Read the full article](#)



## Prevention

### ► Engineering Program

We also support manufacturers with a global team of engineers who specialize in the science surrounding fasteners and fastening applications. In addition to reviewing prints, assisting with technical questions, and conducting trainings, these professionals work with customers' engineering teams during the design stage to optimize how fasteners are incorporated into the product. They also provide expert consultation and custom testing for safety-critical applications.

The following services offer sustainability benefits (in addition to cost, safety, and quality benefits) by helping manufacturers use fasteners more efficiently and effectively in the production process.



#### SKU Consolidation Projects

Identifying opportunities to standardize fastener types, coatings, and materials and to reduce the overall SKU count for existing and future designs. The environmental benefit: consolidated shipments from fewer points of origin.



#### Product Teardowns

An analysis of the production process, disassembly of the end product in our engineering lab, and development of a report with viable cost savings proposals. In many cases, the savings are derived by using fewer fasteners or consolidating fastener SKUs (without compromising quality or safety).





# Reduction

Streamlining supply chain steps, visualizing usage, controlling consumption

## ► Total Cost of Ownership (TCO) Analysis

In order to make data-driven recommendations for process improvements, our Lean Solutions team routinely conducts TCO Analysis exercises at customer facilities to analyze how they purchase, move, stock, and use products. Historically, these studies reveal an opportunity to reduce the TCO for in-scope products by an average of 21%\* by utilizing our solutions.



Those are dollar savings, not emissions savings, but we believe there are also intrinsic green benefits. For example, through our inventory management service, we're able to reduce stocking levels in customer facilities by an average of 29%\*. This represents direct resource reduction. It also frees up productive space in the customer's building, forestalling the need for expansion (and accompanying resource consumption). Consolidating vendors leads to fewer and larger shipments, which can reduce the use of fuel and packaging material. Perhaps the most direct impact is driven by our FMI Technology solutions (see the following page), which provide controls and reporting tools to help customers reduce consumption and upstream transportation.

In 2022, we completed 1,223 customer site evaluations to identify opportunities for efficiencies in our customers' supply chains and operations.

[Go to Lean Solutions](#)

[Go to TCOA Brochure](#)

\*Average opportunities identified through 600-plus Fastenal TCO Analysis projects conducted from 2018 to 2020.



## Reduction

### ► FMI Technology

Industrial supplies are traditionally a “blind spot” for manufacturers and other businesses. Limited visibility to basic information – what product is stocked in the facilities, where it’s located, how it’s being used – leads to various forms of waste, from obsolete inventory and over-consumption to stock outages and inefficient rush deliveries.

Through the development of our FMI (Fastenal Managed Inventory) Technology program over the past decade-plus, Fastenal has emerged as the global leader in technologies that take industrial supplies out of the shadows and into a transparent, planned environment. This includes the mass deployment of devices that allow organizations to digitally monitor, track, and control wide-ranging products, typically driving a significant and sustained reduction in consumption.



The devices produce upstream benefits as well. With digital visibility to stocking levels and usage patterns, Fastenal teams are able to remotely monitor customers’ inventory, make proactive adjustments in the supply chain, and become much more efficient in our operations. At year-end 2022, we had more than 102,000\* FMI Technology devices (machine equivalent units, or MEUs) in place at customer sites around the world – each a solution to drive waste, cost, and risk out of the supply chain.

\*In addition, roughly 6,500 leased FMI Technology asset lockers are installed at customer locations.

## Reduction

### A Systematic Approach to Reducing Consumption



#### Remote Inventory Monitoring

The devices are equipped with sensing technologies to digitally report the current inventory level in each stocking location. This eliminates the need for Fastenal employees to drive to customer sites in order to visually check their inventory status. Further upstream, it allows our distribution teams to be more proactive and efficient in how we stage and transport the product.



#### Inventory Visibility

Our FAST360° and Product Locator inventory search tools allow customers to see if needed items are available in their facilities and, in turn, avoid unnecessary purchases and transportation. Our eCommerce platform takes it a step further, proactively informing buyers if they're attempting to purchase items they already have on hand.



#### 24/7 Access

The assurance of “perpetual inventory” removes the incentive for employees to hoard and over-order supplies. It may seem counterintuitive, but continuous access promotes less overall consumption.



#### Usage Traceability

Each dispensed item can be traced to a person, place, time, and cost center. This reporting fosters a culture of accountability and illuminates opportunities to reduce future consumption (for example, by switching to a longer-lasting glove, or by providing additional training to an employee who is over-using a certain tool).



#### Access Controls

Several of our devices allow organizations to set role-specific controls so their employees only have access to products relevant to their jobs (not to all products in the device). Managers can also set frequency limits so that, for example, an employee can only dispense a certain number of batteries per month without supervisor approval – another tool to reduce wasteful consumption.



#### Locker Pickup

The devices are primarily used for planned needs; however, FMI Technology lockers within customer sites can also serve as an efficient fulfillment solution for unplanned “spot buys.” The environmental benefit: Instead of employees driving to Fastenal or other businesses to pick up urgent needs, our local teams deliver those orders (via on-site lockers) during their regular service visits.



#### Asset Management

Our automated lockers allow managers to track tools, scanners, and other returnable assets to the most recent user, helping to prevent loss and theft. The devices can also be integrated with a Fastenal industrial services program to refurbish (rather than replace) tools.

[Go to FMI Technology](#)



## Reduction

### Case Study:

## Gillette Stadium: A Game Plan for Operational Excellence

The operations team at Gillette Stadium, home to the NFL's New England Patriots, had reached a crossroads. They needed to become faster and more efficient to keep pace with an ever fuller event calendar. An important piece of the puzzle was gaining better visibility to the thousands of parts and supplies needed for day-to-day operations.

“Prior to partnering with Fastenal, we were really challenged with understanding what parts and materials we had on the shelves versus what our staff truly needed,” said Jason Stone, VP of site operations. “And we were really inefficient with the movement in the building, getting supplies and delivering those to the work areas.”

To better understand the current operation, Fastenal brought in members of our Lean Solutions team for a site assessment. This included discussions with various stadium personnel to understand their process for requisitioning, procuring, accessing, and using tools and supplies. Based on this exercise, we presented a set of solutions to help them close some of the gaps between where they were at the time and where they wanted to go.

“What's really unique about Fastenal is their approach,” said Jason Stone. “Even before that first order was made by us, they came in, sat down with our staff, took in all the information that we were providing them, understood the pain points that we had, and put a plan together to solve those pain points.”

The solution included vending technology and reporting tools, which illuminate purchasing and usage dynamics to reduce wasteful consumption and expenditures. According to Stone, “We're provided with an overall view each month to exactly what is being purchased and used by different departments and individuals. We can easily tie that back to our budgets internally and really put in some robust cost control measures.”



[Watch the video](#)



# Extension

Maximizing product life through maintenance, repairs, and remanufacturing

## ► Tool Repair Service

Fastenal's eight North American tool repair service centers provide authorized warranty repairs for 35 major tool brands (and are able to work on more than 750 brands of tools in all). This resource, combined with our local service and transportation network, allows customers to meet their tool repair needs through a single efficient source, and to do so through a process that largely overlaps our existing service activities and truck routes.

Rather than having to transport products to multiple service providers, the customer places any broken tools in a (reusable) Fastenal tote or FMI Technology compartment. The customer's local Fastenal representative collects the tote during a regular service visit and ships it to our nearest service center via a regular Fastenal truck route. Our factory-trained technicians perform all repairs deemed cost-effective, and scrapped tools are broken down to be reclaimed or recycled.



In 2022, we repaired over 54,000 tools for customers through this process, helping to extend product life (and in turn reduce material waste) with minimal incremental transportation.

[Go to Industrial Services](#)



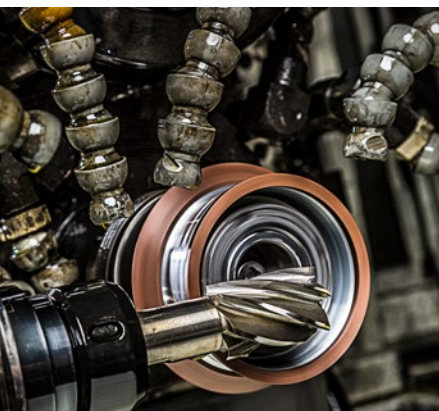
## Extension



### ► Tool & Cutter Grinding Service

The goal of this service is to help manufacturers reduce material waste by maximizing the service life of their cutting tools. The process is similar to our tool repair program, but in this case the customer's worn (cutting) tools are transported to a Fastenal manufacturing facility, where our machinists sharpen them to like-new condition for a fraction of the cost of buying new tools. This service reduces the amount of waste generated and can be provided in conjunction with a recycling program, further driving the customer's sustainability goals. In 2022, we extended the service life of 312,528 cutting tools through the program. Our manufacturing team also makes and modifies custom tooling for customer-specific applications – another way we're helping manufacturers become more efficient in their operations.

[Go to Industrial Services](#)



# Recycling

Turning would-be waste into usable products

## ► Vendor Programs

We've covered a range of solutions to help organizations slow the pace of consumption, but eventually every product enters the waste stream. That's when our third-party recycling partnerships come into play. Today, we partner with key suppliers and recycling services to help customers integrate waste stream solutions into their work processes. This includes (but is not limited to) recycling programs for the following materials.



Batteries



Breakroom Supplies



Carbide Metalworking Products



Cardboard



Electronics



Flashlights



Janitorial / Sanitization Supplies



Lighting



Medical / Dental



Office Supplies



Packaging & Shipping Materials



Safety / PPE

[Go to Recycling Programs](#)



# Additional Partnership Solutions

Supplier diversity, EHS & safety support, global sourcing, compliance, and eCommerce

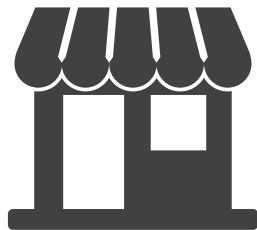
## ► Supplier Diversity Program

We serve as a point of connection between organizations looking to increase their diversity spend and a network of well-qualified small and/or diverse suppliers striving to grow their businesses and create opportunities in their communities. It is our policy to advocate for these businesses, working to match their capabilities with the needs of our customer base. As part of this effort, we support organizations with customized reporting, helping them benchmark and measure progress toward their diversity spend goals. Below are some key metrics reflecting the scope of our supplier diversity program in 2022.



**\$1.2B**

company purchases with small and/or diverse suppliers



**6,850**

small and/or diverse suppliers



**34%**

of Fastenal's purchases are from small and/or diverse suppliers

We also offer a Tier 1 (authorized reseller) program, which consists solely of small and/or diverse businesses. Through this program, the customer is able to transact with diverse businesses that serve as authorized channels of distribution for Fastenal's product offering and services.

[Go to Supplier Diversity](#)





## ► Safety Specialist Program

Fastenal's safety specialists work with our customers' environmental health and safety (EHS) teams to help them:



1. Eliminate potential serious injuries and fatalities in the workplace



2. Reduce regulatory, financial, and operational risk by improving compliance with governing bodies such as the Occupational Safety and Health Administration (OSHA)



3. Improve transparency and control around their personal protective equipment (PPE) programs, which can have a significant impact on the waste stream

The journey often begins by performing hazard and risk assessments at the customer's site to identify potential workplace hazards and opportunities for improvement. With a solid understanding of the workplace, our specialists guide stakeholders to the correct PPE for the specific applications and risks.

As part of the risk reduction process, safety specialists work with other teams in our business to secure the customer's supply chain for PPE. This includes tailoring FMI Technology solutions for their safety product needs and dedicating inventory to those customers that commit to Fastenal as their safety distributor of choice.

FMI Technology offers an additional set of benefits in the context of a PPE program. The devices make compliant PPE visible and accessible 24/7, offer controls to help prevent employees from using non-compliant PPE for their specific roles, and provide visibility to how safety and first-aid products are being used in the workplace (a tool to monitor program compliance and detect workplace hazards). As a direct resource for EHS professionals around the world, our safety specialists have helped make PPE the most common type of product supported by FMI Technology. In turn, they've helped make PPE supply chains more efficient, transparent, and secure on a global scale.



## ► Global Sourcing

Through our supplier terms and code of conduct, we require our suppliers to comply with all applicable regulations. Although we have not joined the UN Global Compact, we endeavor to incorporate the Ten Principles of the UN Global Compact in our operations, including our supplier code of conduct. We conduct risk analysis of suppliers who want to do business with us, which as a baseline includes obtaining supporting documentation regarding quality, capacity, and labor practices. We are committed to building relationships with well-qualified suppliers that meet our standards for quality, ethics, and reliability.

Conformance to our supplier code of conduct is required to become, and maintain good standing as, a supplier to Fastenal for any supplied material or service. We evaluate suppliers' compliance with these standards in determining whether to grant or continue preferred status. Suppliers that do not comply with our code of conduct may be disqualified from preferred status and/or have their business relationship with Fastenal terminated. To learn about our supplier terms and code of conduct, visit [Fastenal's Legal Information page](#).

To establish visibility and control early in the supply chain, we operate a global sourcing division known as FASTCO (Fastenal Asia Sourcing and Trading Company). This resource includes more than 200 Asia-based auditors, engineers, procurement professionals, and quality and logistics specialists. It also includes five overseas A2LA quality labs (in addition to the three A2LA labs we operate in the United States), which provide comprehensive mechanical and chemical fastener analysis. Product testing is conducted to internationally recognized standards as well as customer specifications.





## ▶ Product Compliance

As a strategic supplier, Fastenal has a responsibility to stay in sync with an ever-changing global landscape of regulation, supply chain risk, and industry demands. To that end, we maintain multiple teams of product compliance specialists worldwide in an effort to ensure the products we supply comply with applicable standards and regulations across global supply chains.

One of their core functions is to provide visibility to the product attributes that we believe our customers care about most. This includes using the following icons on our eCommerce platform and other marketing channels to help customers make informed purchasing decisions.



### Restricted Product

Identifies where products cannot be sold based on local, state, provincial, or federal regulations (or due to Fastenal business decisions).



### CA Proposition 65

Identifies products containing one or more chemicals listed under California's Proposition 65 (which identifies substances that may cause cancer, birth defects, or other reproductive harm).



### Safety Data Sheets (SDS)

Provides a link to the product's safety data sheets (in multiple languages if available).



### Conflict Minerals

Identifies products that contain 3TG (aka "conflict") minerals, which the United States Securities and Exchange Commission has defined as gold, columbite-tantalite (coltan), cassiterite, wolframite, or their derivatives (tin, tantalum, or tungsten).



### REACH and RoHS

Identifies items determined to be compliant with these regulations.



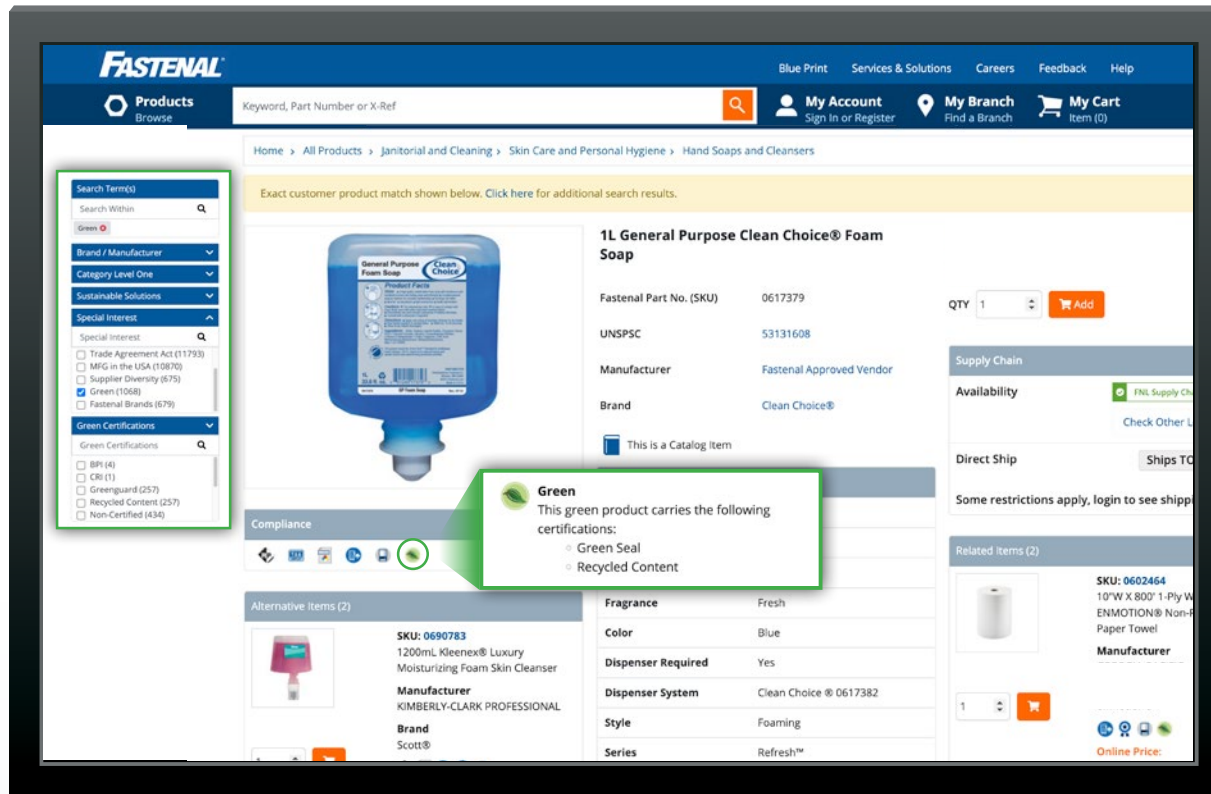
## ▶ Safety Regulatory Compliance

As described on page 50, our safety specialists consult with customers' EHS managers to help them reduce risk by improving regulatory compliance with governing bodies.



## ► eCommerce Tools

Our eCommerce platform offers tools to help customers dial in on products that meet their application and compliance needs. This includes a range of “sustainability” and “special interest” filters that allow users to narrow their search results based on very specific criteria (for example, products with certain green certifications, supported by specific recycling/sustainability programs, or sourced from various categories of diverse suppliers). To help customers identify compliant solutions when researching and shopping, we display the following logos in conjunction with relevant products throughout our eCommerce platform.



Green products



Products compliant with green building/project certifications (e.g., LEED)



Products sourced from small and/or diverse suppliers



Products supported by our recycling programs or other sustainability programs



Products that can be vended to control consumption

### How to Use eCommerce Tools

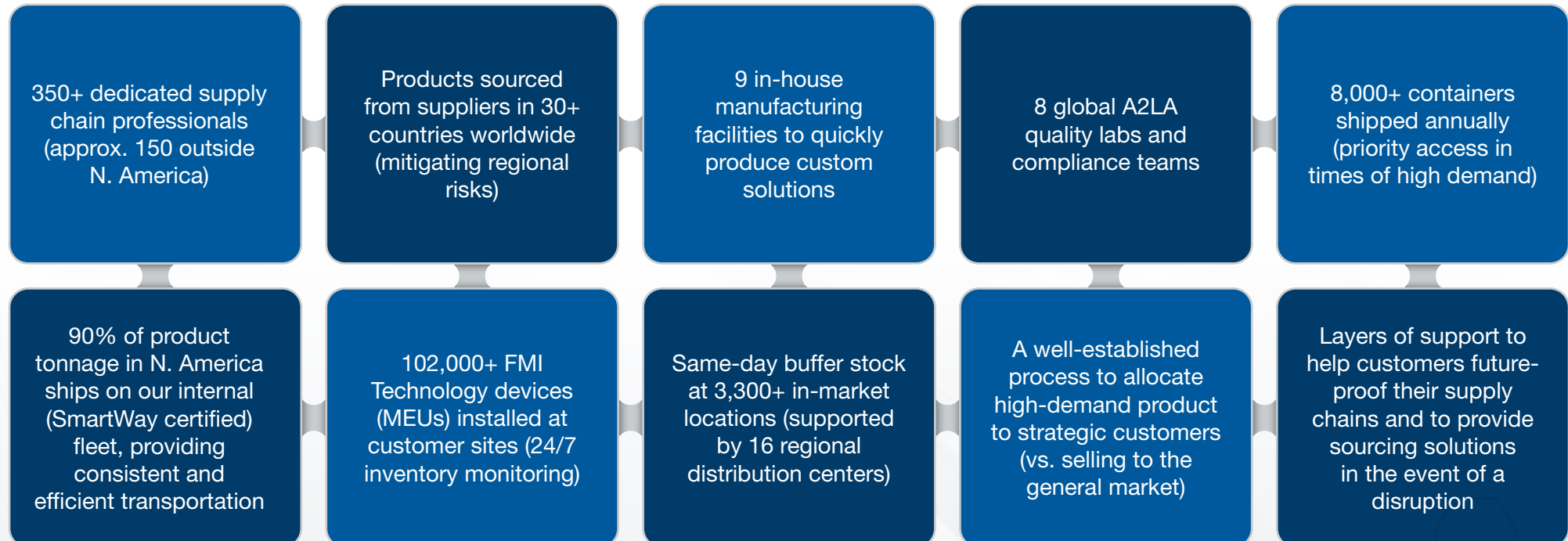
# A Final Word on Supply Chain Resiliency

Unlike the preceding topics, supply chain resiliency isn't a discrete program, technology, resource, or service. It's the "ecosystem" that supports all of the above, and to which all of the above contribute. It's also a precondition for partnership. Before a customer can give us the opportunity to consolidate and streamline their industrial supply needs, they need to trust that we'll maintain a reliable supply chain for mission-critical products.

Recent years have clarified an unfortunate truth: When a supply chain is broken, sustainability can quickly become an afterthought. The mindset shifts from strategic to transactional, planning gives way to panic buying, and long-term environmental concerns are overshadowed by immediate needs. In an increasingly volatile world, we believe there is no tension between business success and sustainability, and that both are predicated on supply chain resiliency.

This is why our overriding priority, above all else, is to ensure continuity of supply for our strategic customers. What does this commitment look like in practice? Below are some key structures and safeguards we invest in to help organizations weather challenges and stay true to their ESG vision.

## The "Links" in a Reliable, Responsible Supply Chain







# Appendix

## ► Cautionary Note: Forward Looking Statements/Disclaimers

Certain statements contained in this report of the organization, or in other written and oral statements made from time to time by the organization, do not relate strictly to historical facts. As such, they are considered ‘forward-looking statements’ that provide current expectations or forecasts of future events. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements can be identified by the use of terminology such as anticipate, believe, should, estimate, expect, intend, may, will, plan, goal, project, hope, trend, target, opportunity, and similar words or expressions, or by references to typical outcomes. Any statement that is not a purely historical fact, including estimates, projections, trends, and the outcome of events that have not yet occurred, is a forward-looking statement. Our forward-looking statements generally relate to our expectations and beliefs regarding the business environment in which we operate, our projections of future performance, our perceived marketplace opportunities, our strategies, goals, mission and vision, and our expectations related to future capital expenditures, future tax rates, future inventory levels, pricing, Onsite and weighted Fastenal Managed Inventory (FMI) device signings, the impact of inflation on our cost of goods or operating costs, and the impact of price increases and surge sales on overall sales growth or margin performance. You should understand that forward-looking statements involve a variety of risks and uncertainties, known and unknown, and may be affected by inaccurate assumptions. Consequently, no forward-looking statement can be guaranteed and actual results may vary materially. Factors

that could cause our actual results to differ from those discussed in the forward looking statements include, but are not limited to, economic downturns, weakness in the manufacturing or commercial construction industries, competitive pressure on selling prices, changes in our current mix of products, customers, or geographic locations, changes in our average branch size, changes in our purchasing patterns, changes in customer needs, changes in fuel or commodity prices, inclement weather, changes in foreign currency exchange rates, difficulty in adapting our business model to different foreign business environments, failure to accurately predict the market potential of our business strategies, the introduction or expansion of new business strategies, our ability to attract and retain employees and increase our employee diversity demographics, weak acceptance or adoption of our FMI offering or Onsite business models, increased competition in FMI or Onsite, difficulty in maintaining installation quality as our FMI business expands, the leasing to customers of a significant number of additional FMI devices, the failure to meet our goals and expectations regarding branch openings, branch closings, or expansions of our FMI offering or Onsite operations, changes in the implementation objectives of our business strategies, our ability to establish science-based targets and to achieve our goals to reduce emissions and energy consumption, difficulty in hiring, relocating, training, or retaining qualified personnel, difficulty in controlling operating expenses, difficulty in collecting receivables or accurately predicting future inventory needs, dramatic changes in sales trends, changes in supplier production lead times, changes in our cash

position or our need to make capital expenditures, credit market volatility, changes in tax law or the impact of any such changes on future tax rates, changes in tariffs or the impact of any such changes on our financial results, changes in the availability or price of commercial real estate, changes in the nature, price, or availability of distribution, supply chain, or other technology (including software licensed from third parties) and services related to that technology, cyber-security incidents, potential liability and reputational damage that can arise if our products are defective, difficulties measure the contribution of price increases on sales growth, acts of war, and other risks and uncertainties detailed in our filings with the Securities and Exchange Commission, including our most recent annual and quarterly reports. Each forward-looking statement speaks only as of the data on which such statement is made, and we undertake no obligation to update any such statement to reflect events or circumstances arising after such date. Our ESG reporting may also use certain terms, including those that the GRI Guidelines, SASB or other reporting formats refer to as “material” topics, to reflect the issues of greatest importance to us and our stakeholders. Used in this context, these terms are distinct from, and should not be confused with, the terms “material” and “materiality” as defined by or construed in accordance with securities law or as used in the context of financial statements and reporting.



## ► About This Report

Fastenal's annual environmental, social, and governance (ESG) report provides an overview of our organization's ESG initiatives in line with the criteria required by several leading ESG reporting frameworks.

These standards inform our disclosures and reflect our commitment to giving investors and other stakeholders an account of our approach, performance, and progress. The responses in the following indexes include links to further information where relevant.

### Scope

This report, Fastenal's 2023 ESG Report, was published in July 2023 and reflects activities and initiatives in our fiscal year (FY) 2022 (January 1st, 2022-December 31st, 2022). It also covers references to trends over several years or references to subsequent events. In those cases, we have noted them as such. All data, unless otherwise stated, reflects fiscal year 2022. Unless noted, goals and other data in the report reflect our global operations.

### Disclosure & Assurance

This report has been written for a broad range of stakeholders, including but not limited to our employees, customers, suppliers, investors, and nonprofits.

Fastenal's management is responsible for the preparation and integrity of the information in this report. The enterprise metrics and goals in this report are established through a rigorous review process involving internal subject matter experts, and we believe this report accurately and fairly represents our ESG activities, programs, and results for the fiscal year ending December 31, 2022.

To improve ease of use and comparability, we index our reporting against frameworks from the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), and United Nations Sustainable Development Goals (UN SDGs).

Throughout the report, policies that do not have links are references to Fastenal's internal policies that are not publicly available. **This report has not been externally assured or verified by an independent third party.**

### Contact Us

Your feedback is important to us as we continue to look for ways to improve our reporting and provide our readership with the information they need. Please submit feedback to [esg@fastenal.com](mailto:esg@fastenal.com) or by mail:

Fastenal Company  
Attn: Director of Internal Audit  
2001 Theurer Blvd.  
Winona, Minnesota 55987  
Phone: (507) 454-5374

## ► GRI Index

Fastenal has reported the information cited in this GRI content index for the period January 1, 2022 through December 31, 2022 with reference to GRI Standards. The report has been prepared with references to GRI 1: Foundation 2021.

Disclosure Number	GRI Standard	Disclosure Title	Fastenal Response
<b>General Disclosures 2021</b>			
Organizational Profile			
2-1	General Disclosures	Organizational details	<a href="#">10-K Item 1: Business</a> <a href="#">10-K Item 2: Properties</a>
2-2	General Disclosures	Entities included in the organization's sustainability reporting	<a href="#">10-K Item 15: Exhibits and Financial Statement Schedules</a>
2-3	General Disclosures	Reporting period, frequency and contact point	<a href="#">About This Report</a>
2-4	General Disclosures	Restatements of information	No restatements
2-6	General Disclosures	Activities, value chain and other business relationships	<a href="#">10-K Item 1: Business</a> <a href="#">10-K Item 2: Properties</a> <a href="#">Purchasing Practices</a> <a href="#">Supplier Code of Conduct</a>
2-7	General Disclosures	Employees	<a href="#">10-K Item 1: Business</a> <a href="#">10-K Item 2: Properties</a> <a href="#">Empowering People</a>
2-9	General Disclosures	Governance structure and composition	<a href="#">Governance</a> <a href="#">10K Item 10: Directors, Executive Officers, and Corporate Governance Guidelines</a> <a href="#">Nominating and Corporate Governance Committee Charter</a> <a href="#">Compensation Committee Charter</a> <a href="#">Audit Committee Charter</a> <a href="#">Proxy: Corporate Governance and Director Compensation</a>
2-10	General Disclosures	Nomination and selection of the highest governance body	<a href="#">Proxy: Board Leadership Structure and Committee Membership</a> <a href="#">Corporate Governance Guidelines</a>
2-11	General Disclosures	Chair of the highest governance body	<a href="#">10K Item 10: Directors, Executive Officers, and Corporate Governance</a>
2-12	General Disclosures	Role of the highest governance body in overseeing the management of impacts	<a href="#">Proxy: Other Board and Corporate Governance Matters</a> <a href="#">Governance</a> <a href="#">10K Item 1a: Risk Factors</a>
2-13	General Disclosures	Delegation of responsibility for managing impacts	<a href="#">Proxy: Board Leadership Structure and Committee Membership</a> <a href="#">Corporate Governance Guidelines</a>
2-14	General Disclosures	Role of the highest governance body in sustainability reporting	<a href="#">Corporate Governance Guidelines</a> <a href="#">About This Report</a>





2-15	General Disclosures	Conflicts of interest	<a href="#">Proxy: Audit Committee and Related Person Transaction Approval Policy</a> <a href="#">Corporate Governance Guidelines</a>
2-16	General Disclosures	Communication of critical concerns	<a href="#">Corporate Governance Guidelines</a> <a href="#">About This Report</a>
2-17	General Disclosures	Collective knowledge of the highest governance body	<a href="#">10K Item 10: Directors, Executive Officers, and Corporate Governance</a> <a href="#">Corporate Governance Guidelines</a>
2-18	General Disclosures	Evaluation of the performance of the highest governance body	<a href="#">Compensation Committee Charter</a>
2-22	General Disclosures	Statement on sustainable development strategy	<a href="#">A Letter From Our President and CEO</a>
2-23	General Disclosures	Policy commitments	<a href="#">Empowering People Governance</a> <a href="#">10K Item 1: Business Supplier Code of Conduct</a>
2-26	General Disclosures	Mechanisms for seeking advice and raising concerns	<a href="#">Proxy: Other Board and Corporate Governance Matters</a>
2-29	General Disclosures	Approach to stakeholder engagement	<a href="#">About This Report</a>
<b>Material Topics 2021</b>			
3-2	Material Topics	List of material topics	<a href="#">Table of Contents</a>
<b>Economic Performance 2016</b>			
201-1	Economic Performance	Direct economic value generated and distributed	<a href="#">10K Item 1: Business</a>
<b>Energy 2016</b>			
302-1	Energy	Energy consumption within the organization	<a href="#">Preserving Our World</a>
302-2	Energy	Energy consumption outside the organization	<a href="#">Preserving Our World</a>
302-3	Energy	Energy intensity	<a href="#">Preserving Our World</a>
302-4	Energy	Reduction of energy consumption	<a href="#">Preserving Our World</a>
302-5	Energy	Reductions in energy requirements of products and services	<a href="#">Preserving Our World</a>
<b>Emissions 2016</b>			
305-1	Emissions	Direct (Scope 1) GHG emissions	<a href="#">GHG Management</a>
305-2	Emissions	Energy indirect (Scope 2) GHG emissions	<a href="#">GHG Management</a>
305-4	Emissions	TCFD index	<a href="#">GHG Management</a>
305-5	Emissions	Reduction of GHG emissions	<a href="#">GHG Management</a>

## Waste 2020

306-1	Waste	Waste generation and significant waste-related impacts	<a href="#">2023 EHS Report</a>
306-2	Waste	Management of significant waste-related impacts	<a href="#">2023 EHS Report</a>
306-3	Waste	Waste generated	<a href="#">2023 EHS Report</a>
306-4	Waste	Waste diverted from disposal	<a href="#">2023 EHS Report</a>
306-5	Waste	Waste directed to disposal	<a href="#">2023 EHS Report</a>

## Supplier Environmental Assessment 2016

308-1	Supplier Environmental Assessment	New Suppliers that were screened using environmental criteria	<a href="#">Supplier Code of Conduct</a>
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## Occupational Health and Safety 2016

403-1	Occupational Health and Safety	Occupational health and safety management system	ISO 45001 Certificate
403-2	Occupational Health and Safety	Hazard identification, risk assessment, and incident investigation	<a href="#">Empowering People: Workplace Health and Safety</a>
403-3	Occupational Health and Safety	Occupational health services	<a href="#">Empowering People: Workplace Health and Safety</a>
403-4	Occupational Health and Safety	Worker participation, consultation, and communication on occupational health and safety	<a href="#">Empowering People: Workplace Health and Safety</a>
403-5	Occupational Health and Safety	Worker training on occupational health and safety	<a href="#">Empowering People: Workplace Health and Safety</a>
403-6	Occupational Health and Safety	Promotion of worker health	<a href="#">Empowering People: Workplace Health and Safety</a>
403-7	Occupational Health and Safety	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">Empowering People: Workplace Health and Safety</a>
403-8	Occupational Health and Safety	Workers covered by an occupational health and safety management system	<a href="#">Empowering People: Workplace Health and Safety</a>
403-9	Occupational Health and Safety	Work-related injuries	<a href="#">Empowering People: Workplace Health and Safety</a>
403-10	Occupational Health and Safety	Work-related ill health	<a href="#">Empowering People: Workplace Health and Safety</a>

## Training and Education 2016

404-1	Training and Education	Average hours of training per year per employee	<a href="#">Empowering People: FSB</a>
404-2	Training and Education	Programs for upgrading employee skills and transition assistance programs	<a href="#">Empowering People: FSB</a>
404-3	Training and Education	Percentage of employees receiving regular performance and career development reviews	<a href="#">Empowering People: FSB</a>

## Diversity and Equal Opportunity 2016

405-1	Diversity and Equal Opportunity	Diversity of governance bodies and employees	<a href="#">Empowering People: Diversity Data and Reporting</a>
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Child Labor 2016			
408-1	Child Labor	Operations and suppliers at significant risk for incidents of child labor	<a href="#">Supplier Code of Conduct</a>
Forced or Compulsory Labor 2016			
409-1	Forced or Compulsory Labor	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<a href="#">Supplier Code of Conduct</a>
Local Communities 2016			
413-1	Local Communities	Operations with local community engagement, impact assessments, and development programs	<a href="#">Community Engagement</a>
413-2	Local Communities	Operations with significant actual and potential negative impacts on local communities	<a href="#">Community Engagement</a>

## ► SASB Index

The Sustainability Accounting Standards Board (SASB) has developed standards for businesses to identify, manage, and report on sustainability topics to meet investor needs. This table references the Consumer Goods sector Multiline and Specialty Retailers & Distributors industry standards, with links to where the relevant information can be found in our ESG report or in other public documents.

Topic	SASB Accounting Metric	Category	Code	Fastenal 2022 Disclosure
SASB Multiline and Specialty Retailers & Distributors Standard				
Energy Management in Retail & Distribution	Total Energy Consumed	Quantitative	CG-MR-130a.1	2,434,628.56 GJ CDP Report C8.2a
	Percentage Grid Electricity	Quantitative	CG-MR-130a.1	18.78% CDP 8.2b and 8.2c
	Percentage Renewable	Quantitative	CG-MR-130a.1	Unknown/No Data
Data Security	Description of approach to identifying and addressing data security risks	Discussion and analysis	CG-MR-230a.1	<a href="#">Cybersecurity &amp; Data Privacy</a>
	Number of data breaches	Quantitative	CG-MR-230a.2	Fastenal has had no reported data breaches identified during the reporting period
	Percentage involving personally identifiable info	Quantitative	CG-MR-230a.2	Fastenal has had no reported data breaches identified during the reporting period
	Number of customers affected	Quantitative	CG-MR-230a.2	Fastenal has had no reported data breaches identified during the reporting period
Product Sourcing, Packaging, and Marketing	Revenue from products third-party certified to environmental and/or social sustainability standards	Quantitative	CG-MR-410a.1	\$60,887,165.04
	Discussion of strategies to reduce the environmental impact of packaging	Discussion and analysis	CG-MR-410a.3	<a href="#">Reducing, Reusing and Recycling</a>
Activity Metrics	Number of retail locations and distribution centers	Quantitative	CG-MR-000.A	3306 retail locations and 15 distribution centers
	Total area of retail locations and distribution centers	Quantitative	CG-MR-000.B	Approximately 4.9 million square feet of distribution capacity.



## ► TCFD Index

The Task Force on Climate-related Financial Disclosures (TCFD) has developed voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to stakeholders. A summary of our response to the TCFD-recommended disclosures is below, with references to where this information can be found in either this report or in other public documents.


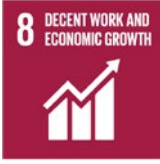
Disclosure	Answer	Reference
Governance	<p>The chair of the board has responsibility for climate-related issues. All directives for the agenda of board meetings are led by the chair of the board. The topic of Environmental, Social and Governance (ESG), including climate-related issues, occurs on the meeting agenda biannually. The Nominating and Corporate Governance Committee Chair serves as a liaison to the ESG team and proposes climate-related topics to be included on the quarterly board meeting agenda.</p> <p>Management involved in climate-related risks and opportunities includes the Chief Financial Officer, Internal Audit Manager, Environmental Health and Safety Manager, Director of Supply Chain Compliance, and Vice President for Contract Development. Further details are available in our 2023 CDP Report*.</p>	<p>2023 CDP Section C1*  <a href="#">2023 ESG Report pg 8</a>  <a href="#">2022 Proxy pg 5-12</a></p>
Strategy	<p>Risks and opportunities are detailed in the 2023 CDP Report*, 2023 ESG Report, and 2023 Proxy statement. Examples of risks include inclement weather disrupting supply chains and transportation networks as well as increased operating costs due to emerging regulations. Opportunities include resource efficiency through fleet electrification as well as greater use of renewable energy. We consider our self-owned logistics, diverse supply base and decentralized business model to be risk management tools, as they increase our resilience to climate-related disruptions and empower leaders to act independently.</p>	<p>2023 CDP Section C2*  <a href="#">2023 ESG Report pg 28</a>            2021 10-K pg 16-23</p>
Risk Management	<p>Fastenal's Enterprise Risk Management (ERM) team leverages the Committee of Sponsoring Organizations of the Treadway Commission Enterprise Risk Management – Aligning Risk with Strategy and Performance framework as the foundation of our ERM program. We have established our risk appetite, quantitative and qualitative metrics to rank risks and their likelihood and impact inherently and residually. This process allows us to gain broad perspective from stakeholders across the organization while also communicating risks and potential outcomes across the organization and to our Board of Directors. Environmental, Social, and Governance factors were identified as a top risk to the organization, which led to the formation of an ESG team.</p>	<p>2023 CDP Section C1, C2*  <a href="#">2022 Proxy pg 10-12</a></p>
Metrics & Targets	<p>Climate-related metrics and targets are included in our 2023 ESG Report as well as our 2023 CDP Report*. Fastenal is currently in the process of implementing a sustainability initiative and creating reduction goals and targets. Over the next 5 years, Fastenal will strive to reduce emissions wherever viable through efforts such as energy efficiency, renewables, and reduced consumption. We intend to reduce our scope 2 emissions intensity by 5% by 2025 relative to a base year of 2021. We also intend to set science-based targets for all emissions within the next 3 years, including a plan to be net-zero by 2050.</p> <p>GHG Intensity: 0.00002687 metric tons of CO<sub>2</sub>-eq per \$ of revenue            Scope 1 Emissions: 137,410 tCO<sub>2</sub>-eq            Scope 2 Emissions: 50,182 tCO<sub>2</sub>-eq (Market Based)</p>	<p>2023 CDP Section C4, C6*  <a href="#">2023 ESG Report pg 29-31</a></p>

\*Refers to our completed CDP questionnaire covering 2022 activity, which we plan to submit to CDP and make available on our website no later than July 26, 2023.

## ► SDG Index

We recognize the importance of the United Nations 2030 Agenda for Sustainable Development. The UN Sustainable Development Goals (SDGs) call on governments, businesses, and civil society organizations to address the most urgent problems facing our world today. The goals urge all sectors of society to drive greater participation and leadership, and to invest more resources into solutions that reduce inequality and tackle the escalating climate emergency.

Fastenal supports the 17 United Nations SDGs; however, we believe we contribute the greatest impact in support of the five SDGs listed below.

UN SDG	SDG Target	Fastenal Indicators
 <p><b>Affordable and Clean Energy</b> Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p><b>Target 7.2:</b> By 2030, increase substantially the share of renewable energy in the global energy mix. <b>Target 7.3:</b> By 2030, double the global rate of improvement in energy efficiency</p>	<p><a href="#">Preserving Our World</a> <a href="#">Energy Star Program</a> <a href="#">SmartWay Partnership</a></p>
 <p><b>Decent Work and Economic Growth</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p><b>Target 8.4:</b> Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead <b>Target 8.7:</b> Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms <b>Target 8.8:</b> Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</p>	<p><a href="#">Supplier Code of Conduct</a> <a href="#">Empowering People</a> <a href="#">Preserving Our World</a></p>



UN SDG	SDG Target	Fastenal Indicators
 <p><b>Industry, Innovation, and Infrastructure</b> Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>	<p><b>Target 9.1:</b> Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all</p> <p><b>Target 9.2:</b> Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries</p> <p><b>Target 9.4:</b> By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities</p> <p><b>Target 9.5:</b> Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending</p>	<p><a href="#">Sustainability Solutions</a> <a href="#">Preserving Our World</a> <a href="#">Energy Use and Consumption</a>, <a href="#">Evolving our Branch Infrastructure</a></p>
 <p><b>Responsible Consumption and Production</b> Ensure sustainable consumption and production patterns</p>	<p><b>Target 12.5:</b> By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p> <p><b>Target 12.6:</b> Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p>	<p><a href="#">Preserving Our World</a> <a href="#">Sustainability Solutions</a></p>
 <p><b>Climate Action</b> Take urgent action to combat climate change and its impacts</p>	<p><b>Target 13.1:</b> Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>	<p><a href="#">Empowering People: Workplace Health &amp; Safety</a> <a href="#">Blue Team Responds</a></p>

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