

The end of 2013 marked the beginning of many new initiatives for Fastenal's safety program. Our commitment to improving workplace safety is bounded by our company values of integrity, innovation, teamwork, and ambition. These fundamentals are critical to implementing our three pillars of safety. Core components of Fastenal's safety programs and processes include culture, compliance and capital.

Fastenal was able to launch a number of new initiatives in 2013 to reinforce these areas. Fastenal continued to drive and measure safety performance and participation by improving the transparency of safety information. These include monthly training reports, OSHA rating reports by business unit, safety performance for our distribution center, safety materials and branding, videos and messages, and policy improvements. One critical change to our accident investigation process includes aligning middle and upper management with incident investigation reporting to more effectively implement corrective actions. In addition, we continue to set aside time to make the effort. This was proven by our best performing distribution center in Kitchener, Ontario.

"I find the more time I spend with branches and employees at the distribution center makes a difference," said Tanya McNicol, Regional Safety Manager.

Safety Training

Safety training continues to be a focus for our employees. Fastenal employees participated in almost 50,000 training modules. This includes



safety orientation which covers over 30 safety topics, hazardous materials training, our new GHS (Globally Harmonized System) training, forklift safety training and safe lifting training. Our distribution centers also continue to implement and participate in additional site-specific and job specific trainings such as emergency response, CPR training, job hazard analysis, and other areas.

Audits

Another area Fastenal launched in 2013 was its self-directed safety audit program. These audits have been a critical tool in identifying areas of opportunity for safety improvement. It also serves as a training tool to help educate employees in safety compliance and expectations. This monthly requirement was launched in our US store locations and is scheduled to be launched in specific



international locations in 2014. The ability for employees to be frequently engaged in this process is critical to improving our safety culture and helps to drive individual accountability for safety.

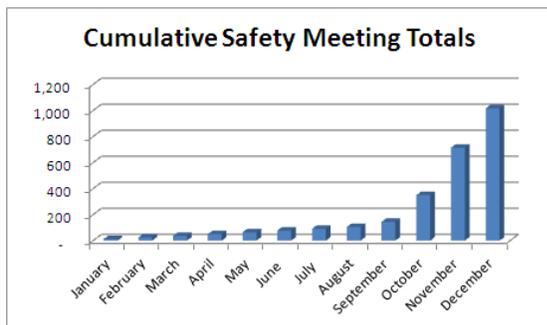
Fastenal's other audit processes include monthly and quarterly participation in department specific audits and facility audits that are geared toward our safety team and management team. These audits allow opportunities for continuous improvements in reducing workplace hazards. Overall Fastenal completed over 17,000



inspections and audits between our self-directed audit program and management audits.

Safety Meetings

Improving our safety culture is a prime focus for the organization. An area that we continue to focus on to help drive this culture change is safety meetings and coaching opportunities. These include things like safety committee meetings, department and management toolbox talks, and accident investigation reporting reviews. Fastenal recently implemented a Safety Improvement Process (SIP) at our largest distribution center in Indianapolis, IN. This process is designed to encourage proactive management engagement in safety.



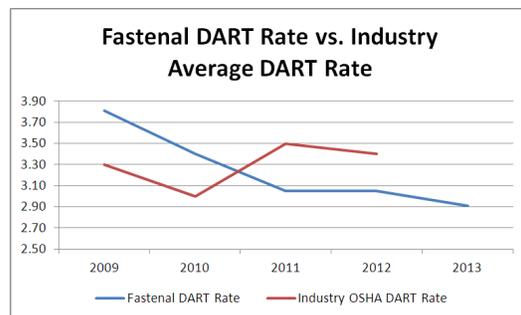
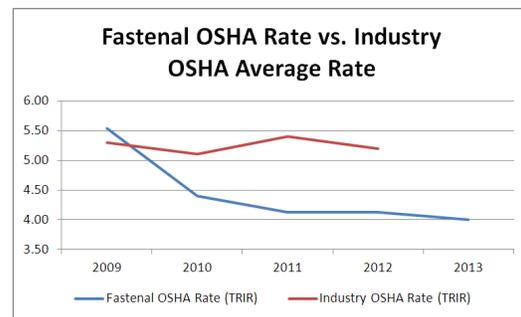
“The Safety Improvement Process helps streamline holding departments accountable and building a stronger safety culture within their business units.”

- Ryan Tucker, IHUB Regional Safety Manager

In the first three months of implementation the DC saw a 64% reduction in the number of injuries. Because of this success, Fastenal is looking forward to implementing it at five additional distribution centers in 2014. For the year, over 1,000 safety meetings were conducted helping drive safe behaviors and practices throughout Fastenal.

Performance

Last year, over 90% of our 2,900 store locations went Injury free, which is a direct reflection of strong values and beliefs of our employees that safety is our top priority. As a result, Fastenal continues to outperform the industry in safety. Fastenal's OSHA rating has improved over 2012 and is down 28% in the last 5 years. Fastenal's DART rate improved roughly 5% over 2012 and 24% in since 2009.



We continue to make investments in safety for the future. We made significant investments in automation in our distribution centers. We invested in additional programs and PPE for fleet drivers. We made strong investments in improving workplace safety for our store and manufacturing locations as well. We expect these investments to aid in the continuous improvement of our safety performance for years to come. We are excited to see safety continue to evolve in our business. The ongoing commitment by our employees continues to drive this success.

Fastenal Company Safety Team

