

## An Update to Our Valued Customers Regarding Product Availability:

There is no 'playbook' to follow during the coronavirus crisis, but there *are* some principles we can rely on to guide us through uncertain times. For Fastenal, it starts with three clear goals: protect our employees and customers, continue to provide great customer service with an innovative supply chain, and do our part to help hold the fabric of society together. Here's a look at how we're currently balancing these priorities.

We've reached a point where a sustained surge in demand for certain products has created global shortages. In the case of critical safety supplies, we're continuing to allocate whatever inventory we have to life-sustaining industries – organizations providing health-care, emergency response, food, energy, and other vital human needs. Safety is important to all of our customers, so this wasn't an easy decision, but it was made with clarity: With lives on the line, it's simply the right thing to do.

There are a couple of exceptions to this policy. One, our sales of N95 respirators have been paused altogether. Manufacturers of this product are now dedicating all of their inventory to healthcare and government entities, causing a backlog of lead times for order requests. To ensure accurate and timely fulfillment, we're allowing the supply chain to 'catch up' before we take on more orders. Two, we're continuing to allocate non-medical grade PPE to our local service teams – an investment in your safety and the safety of those who serve your business.

We're also seeing shortages of some *non*-PPE items due to a spike in demand coupled with unprecedented fluctuations in global manufacturing operations. There are several dynamics in play for factories: stay-at-home or quarantine policies, logistics or supply chain challenges, and in some cases, a shift to manufacturing PPE instead of the normal product. As these issues work their way through the supply chain, we're seeing some delays in standard lead times as well as some last-minute changes to scheduled delivery dates – changes that are as unexpected to us as they are to our customers. Our commitment is to communicate any delays as quickly as possible and to be resourceful in meeting your needs. Unfortunately, in some cases we're colliding with an unavoidable reality – a world on hold is a world with hard limits.

As your supply chain partner, we'll continue to collaborate and plan with you as much as possible, utilizing our inventory management solutions to ensure a consistent flow of product and avoid last-minute shortages. We're also continuing to handle daily requests, but I have a special favor to ask on behalf of your local 'Blue Team': Whenever possible, please try to order in advance via web, phone, or email. This allows us to plan for the most efficient and safe product exchange.

I always like to close on a positive note, so here goes: We're starting to see some stabilization in areas of the world that are further along in the pandemic curve, and hopefully the long-term trend is toward more stability in the supply chain. In the meantime, thank you for working with us to navigate this wave of global supply scarcity – and an *extra* thank you for the empathy you're showing to our sales teams, drivers, and support groups as they work hard to serve your business while staying safe. As always, we are here to serve as your supply chain partner.



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