



WHEREAS: our company's business success depends upon a customer-facing sales force, comprising 73% of our roughly 22,000 employees;

Workforce diversity and inclusion, reflecting possible discrimination based upon gender, race and ethnicity is a significant policy issue;

Underrepresentation of women and minorities in management structures can result in allegations of discriminatory labor practices, including those related to promotions and wages. The resulting lawsuits can both eat into the thin margins of this industry, as well as cause reputational damage for the responsible companies;

The U.S. population is currently undergoing a massive demographic shift, with an increase in minority populations;

Distributors that respond to this demographic trend and employ staff who will be able to recognize the needs of these populations may be better able to capture demand from these segments, which can provide companies a competitive advantage;

Fastenal's website states that our company supports diversity in hiring:

"As a service-focused business, we're dedicated to creating a diverse workforce that reflects our customer base and the world at large. We value diversity and encourage minorities, women, individuals with disabilities, and veterans to apply for positions;"

Yet Fastenal's disclosures do not provide metrics enabling shareholders or other stakeholders to assess progress in meeting these values. Management's belief that it is creating a diverse workforce is contradicted by recent research suggesting that Fastenal ranks near the bottom among leading companies in its diversity achievements. The Massachusetts Institute of Technology Sloan Management Review teamed with CultureX and Glassdoor on the Culture 500 project to [rank companies based on a series of cultural factors](#), culled from employee comments on the Glassdoor website. Based on an analysis of Glassdoor reviews, Fastenal ranks 478 out of 496 major corporations on the diversity dimension. In the Supply Chain and Logistics Industry Grouping, Fastenal ranks 17 out of 18. Even more concerning from a governance standpoint is Fastenal's ranking on the Integrity dimension, explained as, "Employees consistently act in an honest and ethical manner. Do the right thing; Be ethical; Play by the rules." Here, Fastenal ranks 445 out of 527. In the Supply Chain and Logistics Industry Grouping, Fastenal ranks 15 out of 18. [Glassdoor data have been used in academic studies](#) to predict both financial returns and financial fraud;



BE IT RESOLVED: Shareholders request that the Board of Directors issue a report to shareholders by 180 days after the 2020 Annual Meeting, at reasonable expense and excluding confidential information, assessing the diversity of our company's workforce.

SUPPORTING STATEMENT: Proponents recommend that the assessment include, at a minimum:

- metrics on the percentage of gender categories for global operations, and the standard EEO-1 racial and ethnic group categories for U.S. operations, disaggregated, at a minimum, into management (Executive/Senior-Level, and First/Mid-Level Officials) and non-managerial employees (all other EEO-1 Standard Occupational Classifications);
- and the amounts of any legal or regulatory fines and settlements associated with diversity issues.