

Copper State Bolt & Nut Co.

2025 Annual Report On Sustainability



## ABOUT COPPER STATE BOLT & NUT CO.

Copper State Bolt & Nut Co. is a leading distributor and manufacturer of fasteners, strut & accessories, construction products, industrial supplies, safety products, tools & accessories, and specially manufactured products.

Headquartered in Phoenix, Arizona, Copper State Bolt & Nut Co. has been privately owned and operated since its founding in 1972. Through a broad product portfolio and strong customer partnerships, Copper State supports construction, industrial, and manufacturer industry segments across the world.



30+  
Facility Locations



650+  
Employees



~10,000  
Customers Supported



100+ million  
Pounds Shipped



## EXECUTIVE SUMMARY

3 Overview & Highlights

## OUR APPROACH

5 Operational Excellence  
6 Sustainability Framework

## CORPORATE CITIZENSHIP

8 Workforce Culture & Safety

## ENVIRONMENTAL STEWARDSHIP

10 Water & Land Stewardship  
11 Logistic Circularity

## OPERATIONAL PERFORMANCE

13 Manufacturing Operations  
14 Distribution Operations

## CLIMATE CHANGE IMPACT

16 Scope 1 Emissions  
18 Scope 2 Emissions

## VALUE CHAIN PERFORMANCE

20 Supplier Engagement  
21 Supplier Manufacturing Footprint  
22 Monitoring Our Value Chain

## PATH TO PROGRESS

23 Targets for 2026

## CORPORATE DISCLOSURES



## OVERVIEW & HIGHLIGHTS

In our third sustainability report, Copper State reinforces its commitment to responsible growth and long-term value creation. As a second-generation, family and women-owned business, we continue to operate with resilience, discipline, and purpose.

In 2025, we advanced our environmental framework through the development and adoption of ISO-14001, formally establishing our Environmental Management System. We also evolved our climate strategy transitioning from SBTi alignment to an internal carbon management approach focused on operational control and measurable progress.

Across our operations, we continued to strengthen circular practices through the local recycling and reuse of pallets and corrugated materials, while advancing initiatives focused on energy efficiency and emissions reduction. At the same time, we expanded our operational footprint through new and enhanced facilities, increasing our capacity to support growing demand across key industries while maintaining our commitment to responsible operations.

We also took meaningful steps to engage our suppliers, building stronger alignment on sustainability expectations and long-term collaboration.

Looking ahead, we remain focused on disciplined execution, measurable outcomes, and continuous improvement across our operations and supply chain.

### ENVIRONMENTAL STEWARDSHIP

- ISO 14001 & EMS
- Internal Carbon Management
- Renewable Energy Production

### LOGISTIC CIRCULARITY

- Pallet Reuse & Recycling
- Corrugated Recycling
- Bucket Reuse & Recycling

### SOCIAL RESPONSIBILITY

- Employee Growth
- Aligned Culture
- Workplace Safety

### SUPPLY CHAIN

- Supplier Engagement
- Logistics Optimization
- Ethical Sourcing Practices

### FUTURE ROADMAP

- Deeper Supplier Collaboration
- Enhance Emissions Management
- Continuous Operational Improvement





## Our Approach

### EVOLVING APPROACH

At Copper State, our mission remains unchanged – to be the FIRST CHOICE of our employees, customers, and suppliers while operating with integrity and purpose.

In 2025, we advanced how we bring this mission to life. We established our Environmental Management System through ISO 14001, refined our carbon strategy through internal management, and strengthened engagement across our supplier network.

As we continue to expand into new markets, we are guided by a unified operating principle – “Running with the Herd”, reinforcing alignment, shared purpose, and disciplined execution across our organization. Our Focus remains the same on operational excellence and delivering measurable sustainability impact.



## Operational Excellence

### SCALING OUR OPERATIONS

Copper State operates a branch-based distribution model designed to scale with the industries we serve. With more than 30 locations across the western United States, we source products globally while maintaining a strong domestic supply base, supported by in-house manufacturing in Phoenix, Arizona. As we scale, our operating model is guided by the “Running with the Herd” philosophy – ensuring alignment across locations, consistent execution, and shared accountability.

In 2025, we significantly expanded our operational footprint, entering new markets while strengthening our presence through new and expanded facilities across existing regions. These investments enhance our ability to meet growing demand and improve service responsiveness at scale. This growth is complemented by targeted upgrades to our manufacturing operations, including facility expansion and process improvements designed to increase production capacity and operational efficiency. At the same time, we are reinforcing this expansion with stronger supplier engagement and a more structured approach to environmental management through the development of our ISO 14001-aligned Environmental Management System (EMS). This integrated approach ensures that as we grow, we do so with greater consistency, accountability, and alignment to our sustainability priorities.

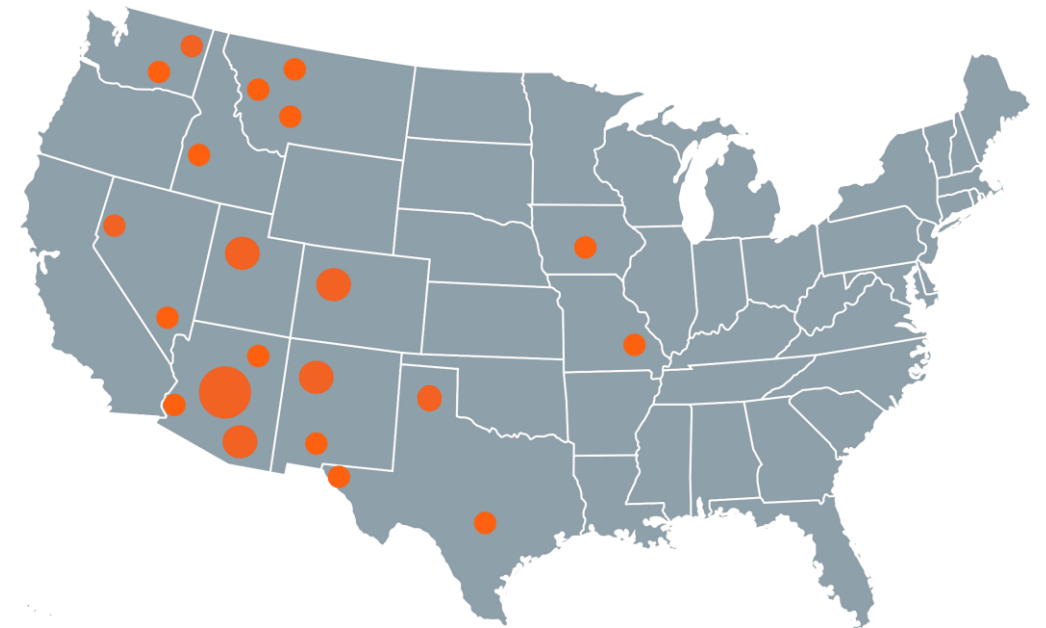
Our operation is built for flexibility—combining local inventory, direct supplier shipments, and centralized internal distribution to efficiently meet customer needs. Internal capabilities such as kitting, assembly, pre-fabrication, production, and safety stock management further strengthen reliability across our operations.

We primarily support construction, industrial, and manufacturing customers, with items that are integrated into long-term projects, facilities, and consumer products. Our logistics model combines will-call, fleet delivery, and third-party freight solutions to ensure consistent and timely delivery.

We support more than 10,000 customers every year, in additions to thousands of end-users visiting our will-call counters, ship more than 100 million pounds of product, and partner with several hundred suppliers. Our operations span over 550,000 square feet and are supported by a workforce of more than 650 employees.



- Sales & Industry Development
- Outside Sales & VMI
- Inside Sales & Account Management
- Will Call Sales & Customer Service
- Product, Pricing, and Marketing
- Purchasing & Supply Chain
- Production & Manufacturing
- Warehouse Operations
- Quality Management
- Accounting & Finance
- Technology & Systems
- Human Resources



## Sustainability Framework





## Corporate Citizenship

### Running with the Heard

Guided by our philosophy, we invest in our employees by fostering alignment, shared purpose, and accountability across our organization. As we continue to scale, our people remain integral to how we operate; enabling consistent execution, collaboration, and sustainable success.

Safety is a fundamental priority within our operations, underpinning everything we do. By maintaining a strong culture of safety, we protect our people, support operational excellence, and ensure the long-term strength and resilience of our organization.



## Workforce Culture and Safety

### DRIVING SUCCESS THROUGH OUR PEOPLE

At Copper State, we recognize that our employees are our most valuable resource and the foundation of our success. We are dedicated to attracting, supporting, and rewarding top talent, while cultivating an inclusive workplace in which everyone feels empowered to grow. Copper State's values are embedded into every aspect our culture, from recruitment and training to employee engagement growth initiatives. We take pride in supporting and encouraging employee growth and safety in and out of the workplace



Copper State's continued growth reflects both strong market demand and our commitment to building a resilient workforce. In 2025, our team consisted of more than 650 employees across 10 states of operation. As we scale, our people remain central to delivering operational excellence and supporting the industries we serve.



Copper State is committed to developing a skilled and capable workforce through continuous learning through our Blue-Volt training programs, supplier partner led product and application knowledge, or through role-specific training to assist in employee professional development. As our operations continue to expand, we invest in onboarding, operational education, and leadership development to ensure employees are equipped to grow alongside the organization. By fostering a strong employee workforce across all levels of the business, we support perpetual success, operational excellence, and workforce resilience.



Maintaining a safe and prepared workforce remains foundational to Copper State's operational success. Through our proactive safety program, job-specific training, and ongoing risk awareness initiatives like our near-miss program, we are continuously stressing the importance of our workforce safety. Our approach to safety emphasizes prevention, accountability, and continuous improvement to help employees perform confidently and effectively every day.





## Environmental Stewardship

Copper State integrates environmental stewardship into its operations through resource efficiency, circularity, and facility performance.

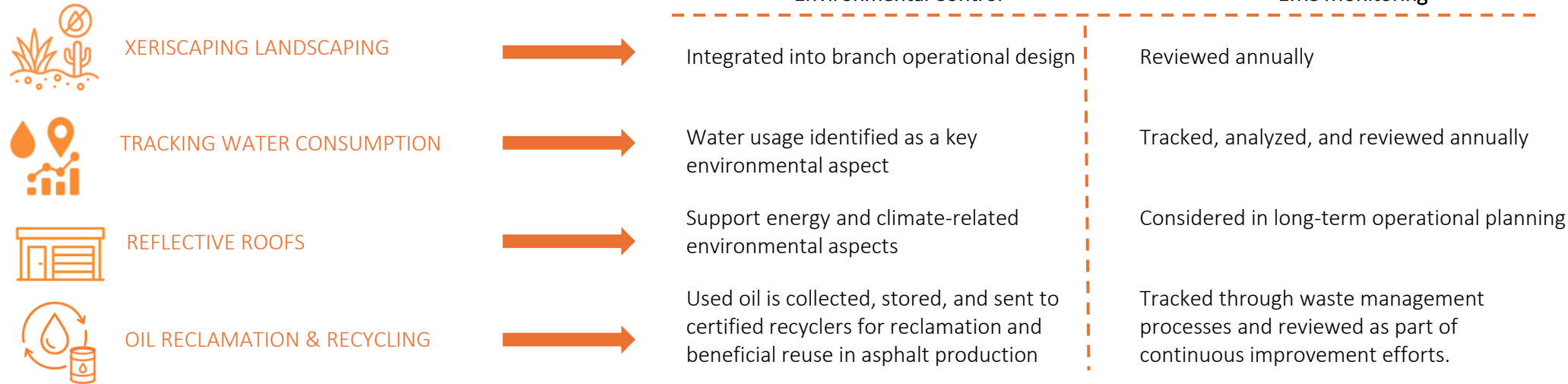
In 2025, we continued advancing water and land management, strengthened material reuse and recycling, and extended our efficiency initiatives across new and renovated branch locations. In parallel, we formalized these efforts through the development of an ISO 14001-aligned Environmental Management System (EMS), providing a structured framework to monitor, manage, and continuously improve environmental performance across our operations.

These efforts support a disciplined approach to reducing environmental impact while enhancing operational performance.



## Water & Land Stewardship

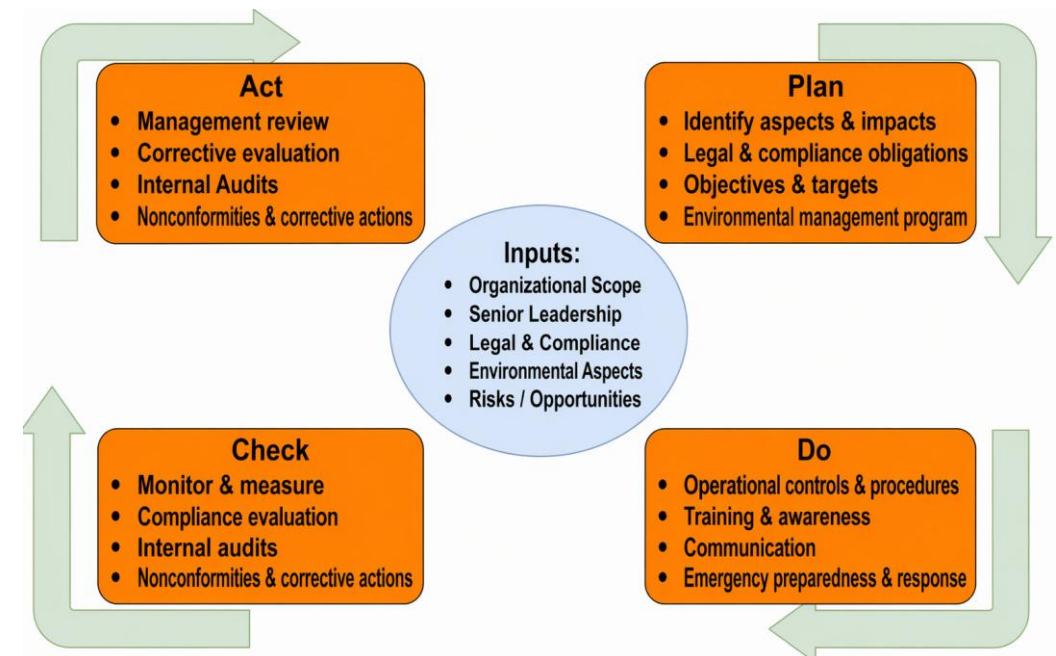
### ENVIRONMENTAL ASPECTS & EMS CONTROLS



### ENVIRONMENTAL MANAGEMENT SYSTEM

Copper State continues to advance water and land stewardship across its operations, now formally managed through the development of an ISO 14001-aligned Environmental Management System (EMS). Key initiatives such as xeriscaping, water consumption tracking, and reflective infrastructure are identified as environmental aspects within the EMS and are supported by standardized operational controls. Through structured monitoring, performance evaluation, and internal review processes, these initiatives are no longer managed independently but as part of a cohesive system designed to drive continual improvement. This approach strengthens our ability to reduce resource consumption, enhance operational efficiency, and ensure environmental considerations are consistently integrated across our growing network of facilities.

### COPPER STATE'S PLAN - DO - CHECK - ACT



## Logistic Circularity

### Sustaining Operational Efficiency

In 2025, Copper State continued to build upon the sustainability management practices established in prior years, maintaining a strong focus on waste reduction and material circularity across our operations.

Our branches sustained the use of **recycled paper**, while pallet **reuse** remains fully integrated throughout our supply chain. Recycling of corrugated materials continues to be a standard practice, supported by broad participation across our facilities.

Additionally, bucket reuse and end-of-life recycling efforts remain in place where applicable, reinforcing our commitment to responsible material management. Together, these ongoing initiatives reflect a consistent and disciplined approach to reducing waste and supporting circular operations.

### Recycled Materials

Our pallets are made from **100% recycled** materials, minimizing environmental impact while ensuring durability.

Our packaging solutions—including buckets, pails, and crates, are sourced using both **virgin** and **recycled materials**. Plastic containers are manufactured from HDPE and regrind polyethylene, while our crates incorporate both virgin and recycled wood. This approach supports durability while advancing circular material use.

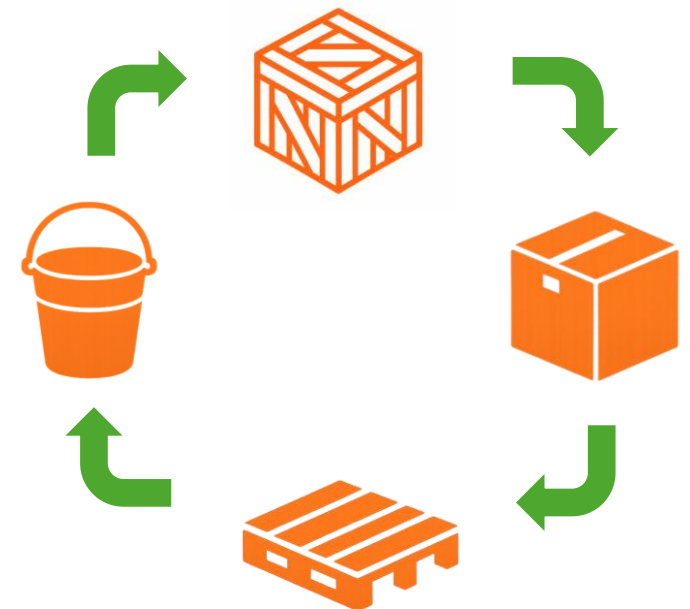
### Disposal

Pallets and corrugated boxes that are salvageable are routinely **recycled** across the **majority** of our branch locations, reducing waste and supporting material circularity within our operations.

The end-of-life management of buckets, pails, and crates is determined by our customers. Although this falls outside of our direct operational control, these products are designed for **durability** and **recyclability**, enabling opportunities for reuse and responsible disposal.

### Operational Circularity

Our **closed-loop operating** approach ensures that logistic products are recycled efficiently, creating new products from old materials.





## Operational Performance

Building on our broader sustainability initiatives, our operational performance in 2025 reflects how scale and efficiency are being advanced across both manufacturing and distribution. From the shop floor to our logistics network, we continue to strengthen the connection between production output and delivery execution. Copper State operates with the goal of ensuring materials move efficiently, reliably, and with greater visibility across our system. As demand grows, our ability to manufacture at scale while optimizing how products are transported positions us to operate more cohesively, reduce inefficiencies, and support the industries we serve. Together, these operations form the backbone of our business, demonstrating how we are not just growing, but growing smarter, as we continue running with the herd.



## Manufacturing Operations

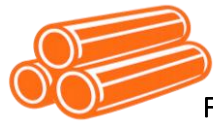
### SCALING MANUFACTURING THROUGH SMARTER OPERATIONS

In 2025, Copper State continued scaling its manufacturing operations through targeted investments in production capability, facility modernization, and operational efficiency. A multi-year effort was completed at the end of the year, more than doubling our production footprint and positioning the company for significant growth primarily in support of the Heavy Industrial sector. This renovation and expansion is intended to enhance manufacturing performance, strengthen workplace conditions, improve safety, and support more efficient long-term operations. In addition to the production facility on our legacy campus in Phoenix, Arizona, we manage significant kitting and packaging operations in our internal Distribution Center, supporting Manufacturers and the Renewable Energy sector.

#### PRODUCTION AT SCALE



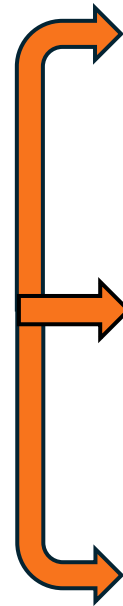
**3.8+ million**  
Pounds Produced  
**Fasteners**



**3.3+ million**  
Pounds Heat Treated  
**Fasteners & Customer Specific**



**3.4+ million**  
Pounds Kitted / Packaged  
**Kits and Downpack**



Construction Industry  
Supported (lbs.)  
**400,000**



Industrial Sector  
Supported (lbs.)  
**3.4 million**



Manufacturers  
Supported (lbs.)  
**3.4+ million**

#### FACILITY MODERNIZATION



~414,000 kWh energy saved annually



~91 MT CO<sub>2</sub> reduced annually



150 LED fixtures installed



53 sensor-controlled fixtures

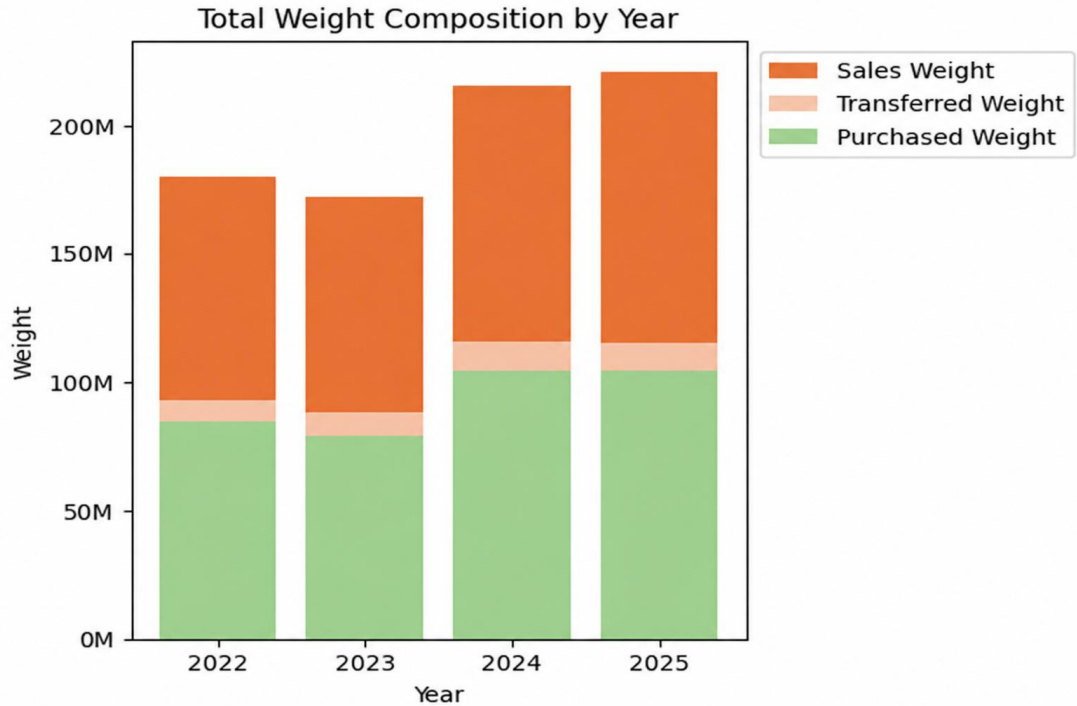
# Distribution Operations

## 2025 LOGISTIC HIGHLIGHTS

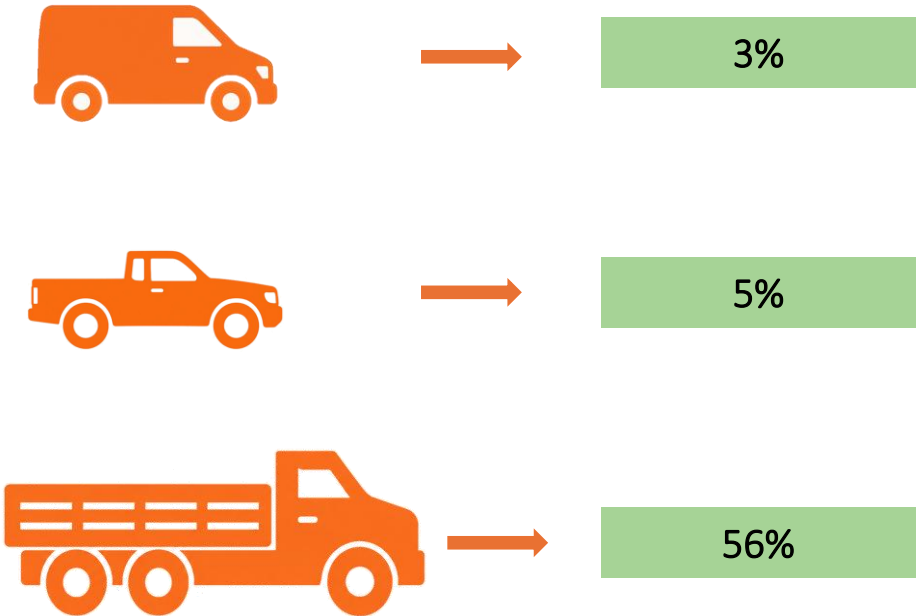
Our distribution network continued to scale in 2025, with outbound shipments surpassing **106 million pounds**, a clear reflection of accelerating demand and expanded operational capacity. Approximately **64%** of the weight we shipped was delivered through our owned fleet, allowing us to maintain greater control over emissions through optimized routing and load efficiency.

Internal logistics remained a critical enabler of this growth, with over **10.5 million pounds** transferred between branches. We leverage our own fleet for all of the shipments within Arizona, while working closely with LTL and FTL logistics partners for shipments outside Arizona.

To support increased sales and a build up of inventory, inbound volume exceeded **100 million pounds**, underscoring the strength and reach of our supply chain. Together, these gains highlight a logistics strategy that is not only scaling with the business but doing so with increasing efficiency and control.



## OWNED FLEET WEIGHT PERCENTAGE SHIPPED (64%) BY CLASSIFICATION





## Climate Change Impact

In preparation for our 2025 report, Copper State continued to advance its understanding and management of greenhouse gas (GHG) emissions in alignment with the GHG Protocol's Scope 1, 2, and 3 framework. Building on prior efforts to quantify and manage direct and indirect emissions, we expanded our approach this year to include the measurement of Scope 3 emissions across our value chain.

We continue to quantify Scope 1 emissions from owned sources, including company vehicles and site fuel combustion, while evaluating Scope 2 emissions from purchased electricity and heating to identify opportunities for efficiency and energy transition. In 2025, we initiated the calculation of Scope 3 emissions, enhancing visibility into upstream and downstream activities such as supplier operations, product distribution, and end-of-life impacts.

This expanded scope strengthens our ability to assess our full environmental footprint and supports a more comprehensive, data-driven approach to emissions management. By integrating Scope 3 into our methodology, we are better positioned to identify high-impact areas, improve transparency, and drive meaningful progress toward long-term sustainability goals.



## Scope 1 Emissions

### 2025 TRANSPORTATION EMISSIONS



Fleet activity continued to scale in 2025 as we expanded operations to support growing demand, with total miles traveled exceeding **3.1 million** across our **149 vehicles**. This increase reflects both fleet growth and expanded service coverage, including new branch locations.

While transportation emissions increased in line with operational growth, improving fleet efficiency remains both an environmental priority and a core operational advantage. By focusing on fuel efficiency, we enhance cost control, extend asset performance, and strengthen the reliability of our distribution network. Average fuel use and emissions per vehicle remain key performance indicators, guiding ongoing improvements in vehicle selection, routing, and maintenance practices.

As our operations continue to scale, we view transportation efficiency as a lever for both business performance and emissions reduction. Our approach prioritizes reducing fuel consumption while maintaining high service levels, supporting long-term Scope 1 emissions reduction and reinforcing the efficiency of our logistics operations.

#### TOTAL TRANSPORTATION EMISSIONS MT CO<sub>2</sub>e

2,308

	2022			2023			2024			2025		
	Miles (Avg.)	Fleet (Count)	MT CO <sub>2</sub> e per 1,000 miles	Miles (Avg.)	Fleet (Count)	MT CO <sub>2</sub> e per 1,000 miles	Miles (Avg.)	Fleet (Count)	MT CO <sub>2</sub> e per 1,000 miles	Miles (Avg.)	Fleet (Count)	MT CO <sub>2</sub> e per 1,000 miles
 TRUCK/SUV	13,918	71	0.55	20,304	76	0.55	18,422	84	0.55	21,938	83	0.56
 BINSTOCK VAN	10,538	12	0.57	14,255	9	0.55	15,220	14	0.57	19,153	14	0.59
 SMALL-STAKEBED	10,293	14	1.06	12,276	14	1.07	16,160	19	0.99	18,600	18	0.97
 LARGE-STAKEBED	19,536	22	1.14	17,579	22	1.14	22,381	26	1.17	20,969	34	1.14



1. Scope 1 – Combustible Fuel Emissions were measured and calculated in accordance with the GHG Protocol Corporate Standards

## Scope 1 Emissions

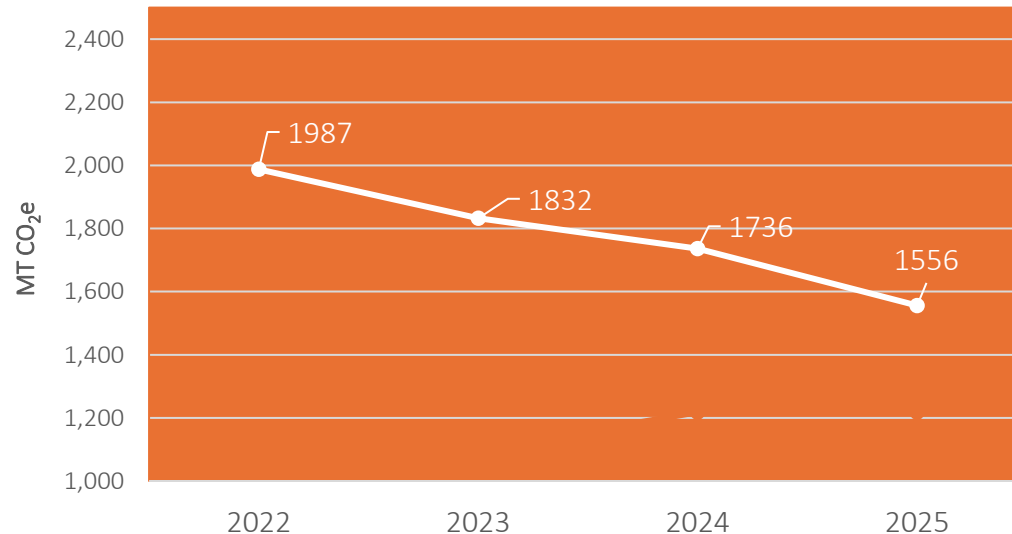
### 2025 NATURAL GAS EMISSIONS

In 2025, Copper State continued to manage natural gas consumption across its operations, with total emissions of approximately **1,556 MT CO<sub>2</sub>e**— an **10.37% reduction from 2024 levels**. This improvement reflects ongoing efforts to optimize energy use across our facilities while maintaining operational performance.

We remain focused on improving efficiency within our heat-treating and manufacturing operations through process improvements, and enhanced energy management practices. In 2025, these efforts resulted in a 13.2% improvement in output efficiency compared to 2022, measured as total weight produced per dekatherm of natural gas consumed.

As our production operations continue to scale, natural gas emissions remain a key component of our Scope 1 footprint. We are committed to sustaining these efficiency gains while identifying additional opportunities to reduce consumption and support long-term emissions reductions.

#### NATURAL GAS EMISSIONS



#### 2025 Natural Gas EMISSIONS

# 1,556

MT CO<sub>2</sub>e

↓ -10.37% vs. 2024

### 2025 PROPANE EMISSIONS

In 2025, Copper State established a formal baseline for tracking propane consumption and associated emissions across its operations. Total propane emissions were calculated at approximately **205 MT CO<sub>2</sub>e**, reflecting a **0.6% decrease from 2024 levels**.

While the 0.6% improvement may appear marginal, when considered in relation to the company's growth and facility expansions, the improvement is noteworthy. Copper State has largely deployed electric material handling equipment to support facility expansions and growth.

As part of our broader **ISO 14001 Environmental Management System (EMS)** implementation, propane consumption is now actively monitored to identify efficiency opportunities, improve fuel management practices, and support future emissions reduction initiatives.

#### 2025 PROPANE EMISSIONS

# 205

MT CO<sub>2</sub>e

↓ -0.6% vs. 2024  
Baseline Year Under  
EMS Monitoring



# Scope 2 Emissions

## ENERGY & SOLAR PERFORMANCE

In 2025, Copper State continued to build upon its energy management foundation, with total electricity usage reaching approximately **3.99 million kWh**, reflecting ongoing operational growth across our expanding footprint. As new facilities and headcount increased, our focus remained on balancing this growth with improved efficiency and strategic energy investments.

Our solar portfolio generated **308,993 kWh** in 2025, continuing to provide a meaningful source of on-site renewable energy. While slightly lower than the previous year due to normal system variability, solar generation remains a key component of our long-term decarbonization strategy and supports our efforts to reduce reliance on grid electricity.



TOTAL SOLAR ENERGY GENERATION (kWh)

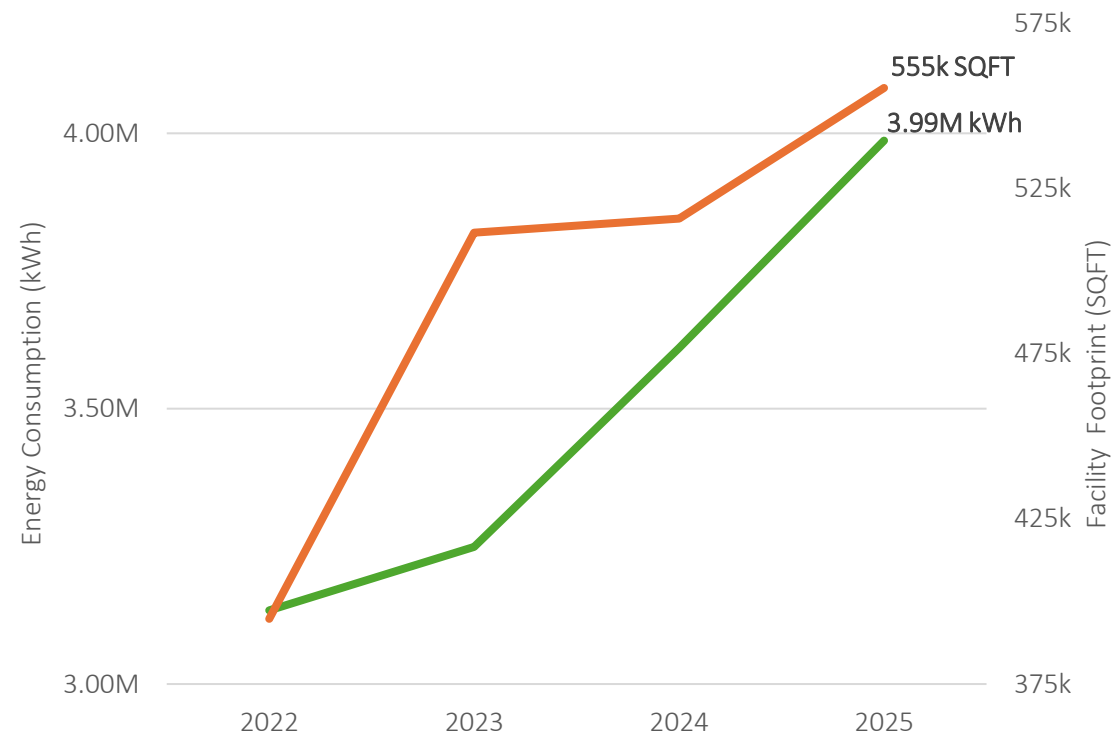


**308,993**

ENERGY CONSUMPTION	2022	2023	2024	2025
Employees	549	591	626	651
SQFT	394,727	511,616	515,836	555,400
Total Energy Utilized (kWh)	3,133,787	3,249,212	3,610,609	3,986,775
Total Energy Utilized / SQFT (kWh)	8.27	6.59	7.03	7.18
Total Energy Utilized / Employee (kWh)	5,945	5,702	5,767	6,124
Location Based Emissions (MT CO2e)	1,060	1,097	1,218	1,343
Market Based Emissions (MT CO2e)	953	984	1,111	1,240
Total Solar Energy Produced (kWh)	317,808	335,481	316,126	308,993
Total Solar Energy / SQFT (kWh)	0.81	0.66	0.61	0.56
Total Solar Energy / Employee (kWh)	579	568	510	476

**Operations expanded 41% while energy consumption only increased 27%, reflecting improved efficiency at scale.**

SCALING OPERATIONS WHILE IMPROVING ENERGY EFFICIENCY



1. Scope 2 – Location & Market Based Electricity emissions were measured and calculated in accordance with the GHG Protocol Corporate Standards

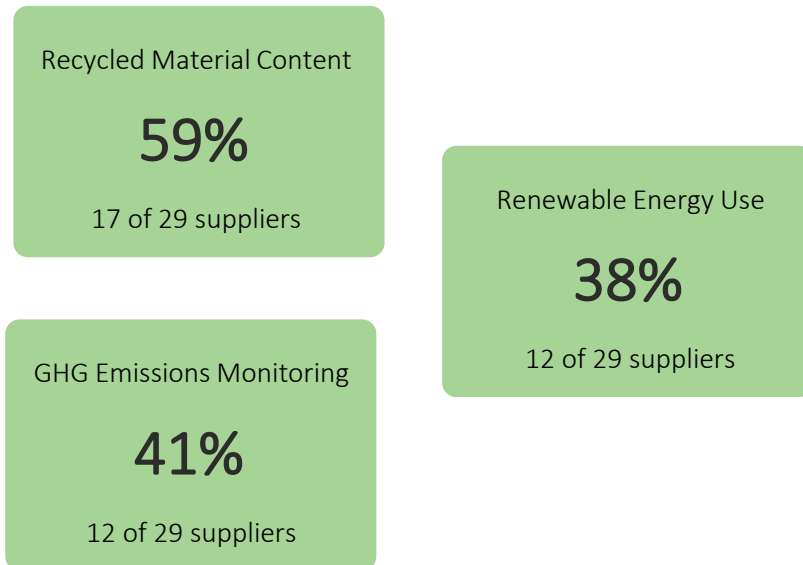


## Supplier Engagement

### BUILDING VISIBILITY ACROSS OUR SUPPLY CHAIN

In 2026, Copper State engaged with 29 strategic suppliers representing the majority of purchased product volume to better understand environmental and operational practices across our upstream network. These responses provided a foundational baseline for future supplier engagement and performance tracking.

#### ENVIRONMENTAL PRACTICES



#### MANAGEMENT & GOVERNANCE



#### WORKFORCE & SAFETY



1. Based on 26 supplier responses to the Copper State 2026 Sustainability Questionnaire.

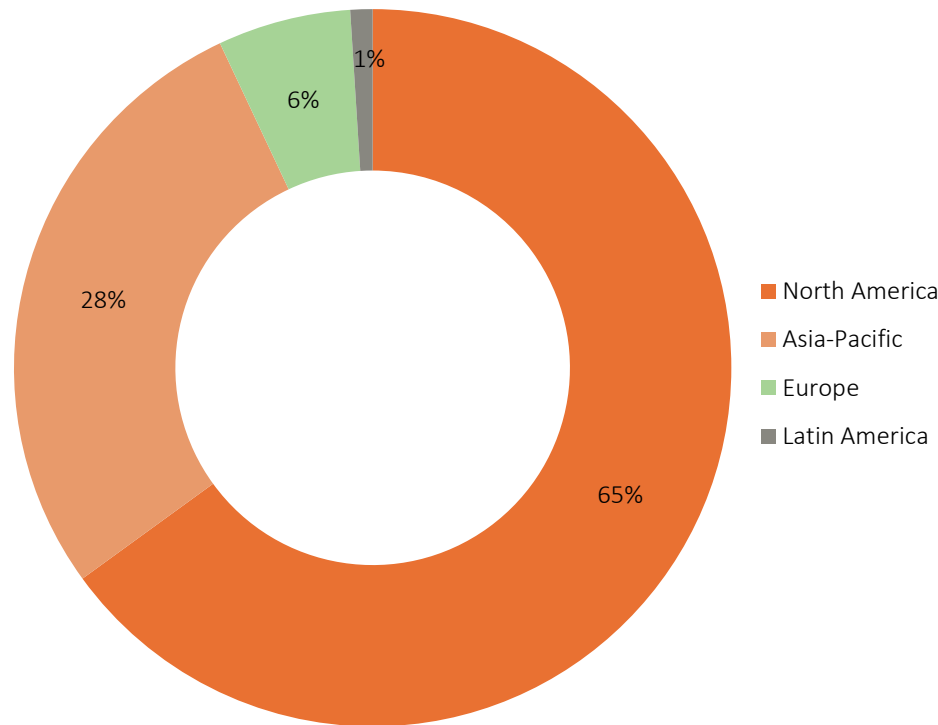


# Supplier Manufacturing Footprint

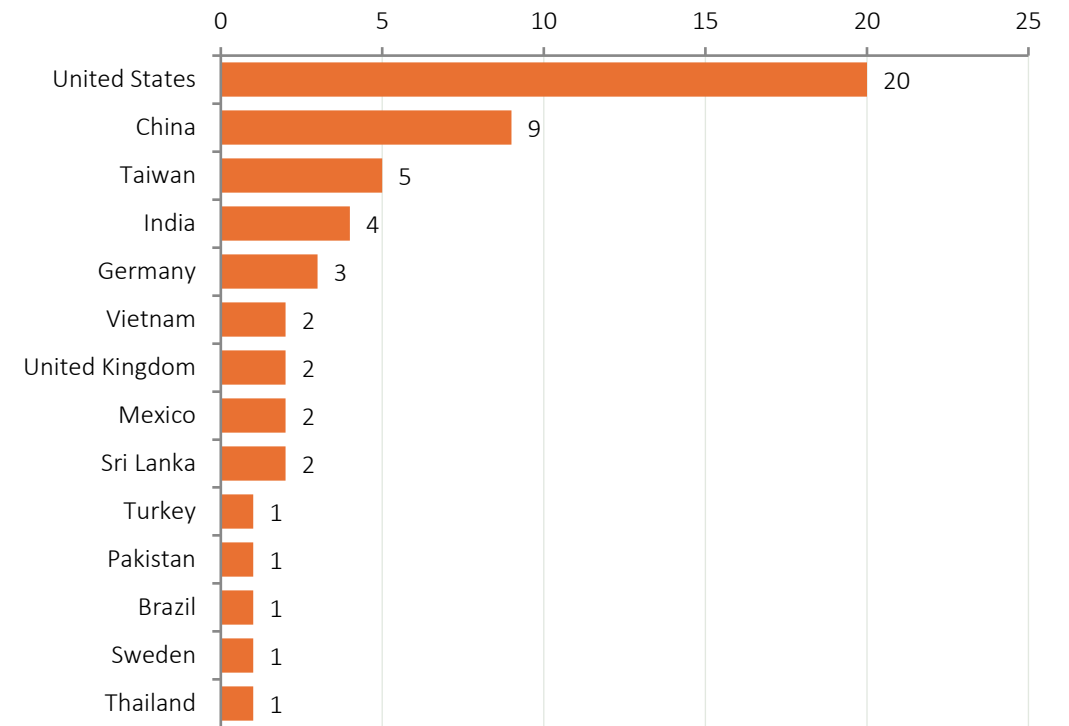
## SUPPLIER MANUFACTURING FOOTPRINT

To enhance visibility into our global sourcing footprint, we asked supplier respondents to disclose where the products supplied to Copper State are manufactured. The distribution below reflects supplier-reported manufacturing locations across our questionnaire respondents, weighted equally per supplier. This view supports informed decision-making around upstream emissions visibility, supply chain risk, and regional engagement priorities.

REGIONAL CONCENTRATION (% share)



TOP MANUFACTURING COUNTRIES (# of suppliers)



2. Reflects supplier reported manufacturing locations from 29 respondents to the 2026 Sustainability Questionnaire; weighted equally per supplier. Countries listed are those mentioned by one or more suppliers; suppliers with multi-country footprints are counted in each applicable country.

# Monitoring our Value Chain

## TRACKING SCOPE 3 CATEGORIES

Copper State actively monitors material Scope 3 categories across our value chain, with a focus on purchased goods, logistics, and operational activities. This enables more informed decision-making and supports ongoing efficiency and emissions reduction efforts.

### MATERIAL CATEGORIES



Purchased Goods



Fuel & Energy



Upstream Logistics



Business Travel



Employee Commuting



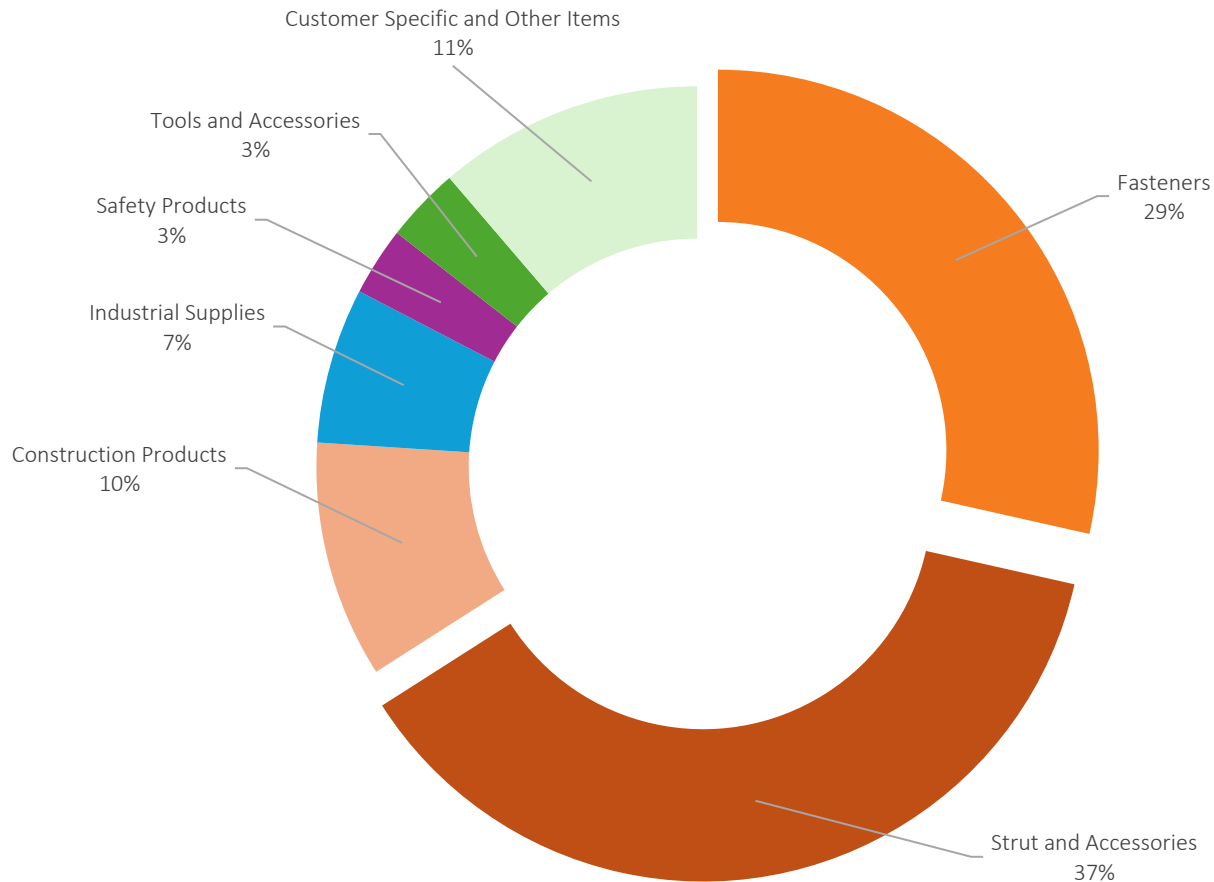
Downstream Logistics



Waste

Our product portfolio consists significantly of fasteners and strut, with an additional diversified mix of construction products, industrial supplies, safety products, and tools and accessories.

### PRODUCT MIX PROPORTIONALITY





## Path Towards Progress

### ROADMAP FORWARD

As we move into 2026, our focus remains on strengthening the systems and partnerships that support long-term sustainability performance. We will continue advancing our Environmental Management System (EMS) through ongoing improvements and deeper integration across our operations, while also pursuing ISO 45001 to enhance our commitment to health and safety. In parallel, we aim to expand supplier engagement and reporting, building on this year's outreach efforts to drive greater transparency and collaboration throughout our value chain. This year, we're running with the herd, moving forward together with purpose and momentum.



## GHG PROTOCOL

We continued advancing our emissions accounting framework this year by aligning with the Greenhouse Gas (GHG) Protocol and strengthening the accuracy and transparency of our data. Our 2025 reporting reflects a more comprehensive view of operational emissions, including detailed tracking of Scope 1 emissions from transportation and facility fuel use, as well as Scope 2 emissions from purchased electricity using both location-based and market-based methodologies. In addition, we took our first steps toward quantifying Scope 3 emissions, expanding visibility across our value chain through supplier engagement and data collection. These efforts position us to better understand our full emissions footprint and identify meaningful opportunities for long-term reduction.

## Corporate Disclosures

## GHG EMISSION ACCOUNTING

	2025 (MT CO <sub>2</sub> e)
SCOPE 1 - TRANSPORTATION	2,308.08
SCOPE 1 - COMBUSTIBLE FUELS	1,761.00
SCOPE 1 - TOTAL	4,069.08
SCOPE 2 - LOCATION BASED	1,343.00
SCOPE 2 - MARKET BASED	1,240.00

