

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

SASB has developed and maintains industry-specific standards to assist companies in disclosing financially material sustainability information to investors. The following chart outlines our SASB disclosure responses to the Multiline and Specialty Retailers & Distributors standard, with references to where this information can be found in our CSR report or in other public documents.

Category	Accounting Metric	Data Type	Code	Grainger 2022 Disclosure ¹
Energy Management in Retail & Distribution	(1) Total energy consumed	Quantitative	CG-MR-130a.1	1,287,778 GJ (357,716 MWh)
Energy Management in Retail & Distribution	(2) percentage grid electricity	Quantitative	CG-MR-130a.1	603,695 GJ, 48.9% of total (167,693 MWh)
Energy Management in Retail & Distribution	(3) percentage renewable	Quantitative	CG-MR-130a.1	35,828 GJ, 2.8% of total (9,952 MWh)
Data Security	Description of approach to identifying and addressing data security risks	Qualitative	CG-MR-230a.1	<p>2022 Environmental, Social and Governance Report, Page 15</p> <p>Vulnerability Identification: Grainger identifies vulnerabilities using vulnerability management tools and exercises such as scans and penetration tests, which are aligned with a defined, documented, and approved vulnerability remediation strategy for all Grainger owned operational assets. The IT environment is continuously analyzed to help identify new assets, devices, or applications that require vulnerability scanning and penetration testing. Reports or automated dashboards identifying the current state of vulnerabilities impacting Grainger assets are provided by the Threat and Vulnerability Management team to technical stakeholders, and appropriate management, who are responsible to review and respond to vulnerability risk.</p> <p>Information Security Risk Management: The Governance, Risk, and Compliance (GRC) team's function is to provide governance to ensure that Grainger's information and systems are secured in accordance with our standards, and to nurture our commitment to asset security and integrity. The GRC team accomplishes this through the implementation of frameworks (like the NIST RMF framework) to ensure appropriate asset classification, control alignment and implementation, risk assessments and audit support, risk acceptance and asset authorization, and ongoing risk and control monitoring.</p> <p>Information Security - Vendor Risk Management: Grainger's Information Security GRC team reviews vendors when they are onboarded, upon contract renewal, and when a new Statement of Work (SOW) is executed. A review of the information and applications involved is conducted and advise on the appropriate controls is given to ensure that the adequate Information Security contractual obligations are in place.</p> <p>Information Security Policies: The Information Security team has numerous policies and administrative procedures that are in place to provide guidance around Information Security and Risk Management requirements. These policies are available to all team members on the company's intranet homepage, and are updated regularly to align with industry standards, regulatory requirements, and contractual agreements.</p> <p>Information Security Awareness: Grainger has an Information Security Awareness program that provides team members with an understanding of the foundations of Information Security through regular communications via the company intranet and newsletters. All team members also go through annual training around Information Security to ensure that they understand their roles and responsibilities in protecting Grainger information and systems appropriately. Additional training is provided for more critical roles, such as software developers who build such systems and applications. In addition, Grainger Information Security organization executes monthly company wide Information Security education & awareness campaigns and phishing tests to determine compliance with company policies and best practices and to determine additional focus needs. Grainger uses gamification to improve employee engagement with its security awareness content and tracks compliance with remediation training with HR as an escalation point.</p>
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	Quantitative	CG-MR-230a.2	Grainger does not disclose this
Labor Practices	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	Quantitative	CG-MR-310a.1	Grainger does not disclose this
Labor Practices	(1) Voluntary and (2) involuntary turnover rate for all employees	Quantitative	CG-MR-310a.2	Grainger does not disclose this
Labor Practices	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	Quantitative	CG-MR-310a.3	Grainger does not disclose this

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Category	Accounting Metric	Data Type	Code	Grainger 2021 Disclosure																	
Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	Quantitative	CG-MR-330a.1	<p>Gender Representation²</p> <table border="1"> <thead> <tr> <th></th> <th>Female</th> <th>Male</th> <th>N/A</th> </tr> </thead> <tbody> <tr> <td>Management⁴</td> <td>34%</td> <td>66%</td> <td>0%</td> </tr> <tr> <td>All Other Employees</td> <td>40%</td> <td>60%</td> <td>0%</td> </tr> </tbody> </table>		Female	Male	N/A	Management ⁴	34%	66%	0%	All Other Employees	40%	60%	0%					
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Workforce Diversity & Inclusion	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Quantitative	CG-MR-330a.2	Grainger does not disclose this																	
Product Sourcing, Packaging & Marketing	Revenue from products third-party certified to environmental and/or social sustainability standards	Quantitative	CG-MR-410a.1	2022 Environmental, Social and Governance Report, Page 47 6.7% revenue from environmentally preferable products																	
Product Sourcing, Packaging & Marketing	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Qualitative	CG-MR-410a.2	<p>Products: As part of our product category review process, we conduct a product regulatory review, which ensures that our products meet requirements like federal and state laws, and we assess product ingredient lists for substances which may have harmful effects on human health or the environment. Our strong understanding of industry best practices for products are driven by evaluations from our suppliers and product expectations from our customers. Where necessary to serve our customers, Grainger will work with suppliers to identify alternative products.</p> <p>For Grainger's private label products where we are the importer of record, we conduct in-person factory and product audits and quality checks prior to any product entering our supply chain. When a product enters our supply chain, we conduct audits before the product is released into stock to ensure the product meets the requirements set with the supplier. All products must meet the testing and ingredient requirements for functionality, quality, federal and state regulations.</p> <p>We continue to increase the number of products in our portfolio with environmental certifications, such as GreenGuard and EPA Safer Choice, helping consumers identify and consider these products while shopping. We also continue to phase out volatile organic compound (VOC) paints to align with product safety best practices and forecast emerging risks and regulations. Our established and refined compliance requirements ensure that our products are safe for their intended use. We actively educate team members and customers on potential risks and continuously monitor and research chemical safety trends to enhance the availability of safe products.</p> <p>Hazard Communication Program: Grainger maintains a set of hazard communication policies and best practices. Our corporate EHS and Supplier Management/Product Compliance departments are jointly responsible for the management and implementation of the Hazard Communication Program. Employees who work with or are potentially exposed to hazardous chemicals receive initial training on the hazard communication standard and this plan before starting work. Each new employee attends a health and safety orientation that includes an overview of the Hazard communication & GHS standard.</p> <p>The Hazardous Material Shipping Compliance Guidelines Acknowledgement must be signed by the appropriately trained members of Grainger's Management Teams at the DC's and Branch locations.</p>																	
Product Sourcing, Packaging & Marketing	Discussion of strategies to reduce the environmental impact of packaging	Qualitative	CG-MR-410a.3	2022 Environmental, Social and Governance Report, Page 44																	
Activity Metric	Number of: (1) retail locations and (2) distribution centers	Quantitative	CG-MR-000.A	Grainger does not disclose this																	
Activity Metric	Total area of: (1) retail space and (2) distribution centers	Quantitative	CG-MR-000.B	Grainger does not disclose this																	

¹ Information reflects the 2021 fiscal year.

² Gender Representation (U.S. and Canada)

³ Racial/Ethnic Group Representation (U.S)

⁴ Management is defined as People Leaders and Directors and above.