

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 2020 Disclosure
Energy Management in Retail & Distribution	(1) Total energy consumed	Quantitative	CG-MR-130a.1	1,325,966 GJ (368,324 MWh)
Energy Management in Retail & Distribution	(2) percentage grid electricity	Quantitative	CG-MR-130a.1	643,410 GJ, 49% of total (178,725 MWh)
Energy Management in Retail & Distribution	(3) percentage renewable	Quantitative	CG-MR-130a.1	31,838 GJ, 2.4% of total (8,844 MWh)
Data Security	Description of approach to identifying and addressing data security risks	Qualitative	CG-MR-230a.1	<p>See 2020 CSR Report, Page 16</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, and the Information Security Governance, Risk & Compliance team holds monthly Patch & Vulnerability Management Governance forums to help drive remediation efforts.</p> <p>Information Security Risk Management: The Information Security (IS) Process, Risk and Control (PRC) Framework provides the baseline for Grainger's overarching processes, the inherent risks native to Grainger's business and controls, that when implemented effectively, mitigate Grainger's risks in alignment with Grainger's risk appetite, and the enterprise risk thresholds that are established by Enterprise Risk Management. The Information Security Governance, Risk & Compliance (IS GRC) team provides oversight of risks to the information security ecosystem including the data, systems, people, processes and technologies within. The IS GRC team identifies risks through methods such as vendor engagements, project reviews, customer engagements, compliance assessments and audits, Internal Audit Findings, or through self-identification by a control or process owner or a business partner. IS GRC will then assess risk by measuring the impact and likelihood. If the risk is in alignment with residual risk appetite, IS GRC will confirm the mitigation with the Control Owner. If the risk is not in alignment with residual risk appetite, the risk assessment is documented in the IS GRC Risk Management System, and the risk assessment will be communicated to the appropriate level of leadership for determining the risk treatment, including mitigation, acceptance, avoidance, or transfer. Risk mitigations are tracked to remediation completion by the IS GRC team, and risk acceptances are also reviewed on a regular cycle to ensure alignment with the current threat landscape, as well as the risk appetite of the organization.</p> <p>Information Security - Vendor Risk Management: Grainger's IS GRC team reviews vendors when they are onboarded, upon contract renewal, and when a new Statement Of Work (SOW) is executed to review the information and applications involved, and advise on the appropriate controls, and ensure the adequate Information Security contractual obligations are in place.</p> <p>Information Security Policies: The Information Security team has a number of policies and administrative procedures that provide guidance around Information Security and Risk Management requirements. These policies are updated regularly to align with industry standards, regulatory requirements and contractual obligations. They are available to all team members on the company's intranet homepage.</p> <p>Information Security Awareness: Grainger has a fulsome 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, the IS GRC team manages 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.</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



Sustainability Accounting Standards Board (SASB) Index (continued)

Category	Accounting Metric	Data Type	Code	Grainger 2020 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 Representation</p> <table border="1"> <thead> <tr> <th></th> <th>Female</th> <th>Male</th> <th>N/A</th> </tr> </thead> <tbody> <tr> <td>Management</td> <td>34%</td> <td>66%</td> <td>0%</td> </tr> <tr> <td>All Other Employees</td> <td>38%</td> <td>62%</td> <td>0%</td> </tr> </tbody> </table>		Female	Male	N/A	Management	34%	66%	0%	All Other Employees	38%	62%	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	See 2020 CSR Report, Page 23 5.9% 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 department is 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 all relevant branch managers, ABMs, branch hazmat designates, DBSMs, DC directors, DC operations/process managers, DC hazmat specialists and master branch managers.</p>																	
Product Sourcing, Packaging & Marketing	Discussion of strategies to reduce the environmental impact of packaging	Qualitative	CG-MR-410a.3	<p>See 2020 CSR Report, Pages 29-30</p> <p>Between 2019 and 2021, we are introducing new poly bags to both reduce the amount of polymer being used and eliminate void fill that would normally be utilized in various sized shipping cartons. We have also introduced a new, smaller carton with the multiple benefits of increasing trailer cube capacity and reducing corrugate material and void fill. Grainger's distribution centers (DCs) ship in suppliers' packaging (primary packaging) whenever possible; we schedule regular reviews to determine shipping suitability of primary packaging. Our DCs also consolidate multiple items into one package whenever possible, which is measured via internal metrics. Automation within the DC network provides options to build custom fit boxes to avoid the need for dunnage. Supplier packaging may require re-packing due to corrugate strength, damage proclivity, or risk of theft. Strapping or wrapping is used when applicable to consolidate items without adding outer packaging.</p>																	
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																	