# GRAINGER®

# Focusing on what matters—
## We Keep The World Working®

2025 Impact Report

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# Overview

At Grainger, doing the right thing isn't just one of our principles – it's how we conduct business every day. This commitment shapes how we operate and keeps us focused on what matters most to our customers, team members and stakeholders.

Grainger serves more than 4.5 million businesses and institutions worldwide with the products and solutions they need to keep their operations running and their people safe. Every day, our more than 26,000 team members work together to fulfill our purpose – We Keep the World Working®.

With nearly a century of experience, we're proud to be recognized as an industry leader, a trusted employer and a committed community partner. Whether it's ensuring our customers receive critical products, fostering meaningful careers for our team members or supporting our communities, we strive to make a positive impact where it matters most.

At the heart of our success is our purpose-driven culture, which is grounded in the Grainger Edge®. This framework defines who we are, why we exist and where we are going, and outlines how we work with one another, our customers, suppliers and communities. Embedding these principles in our business helps us attract great talent, better serve our customers and build a positive workplace for all our team members.

In the following pages, we highlight the key initiatives and strategies across our Impact focus areas and the long-term value we're creating for our team members, communities and the environment. You'll also learn more about our dedicated team members and our relentless focus on customer service.

Creating a strong and sustainable business has guided Grainger since its founding. Through an unwavering dedication to our purpose, we will continue to earn our customers' trust and create a workplace where everyone can thrive.

## The **Grainger Edge**®

Our **Purpose**

**We Keep The World Working**®

Our **Aspiration**
We relentlessly expand our leadership position by being the go-to partner for people who build and run safe, sustainable and productive operations.

Our **Principles**
The following principles are at the heart of how we work— with one another, our customers, suppliers and communities.

- Start with the **customer**
- Act with **intent**
- Win as **one team**
- Embrace **curiosity**
- Compete with **urgency**
- Invest in our **success**
- Do the **right thing**

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# Focusing on What Matters

We take pride in making a positive impact where it matters most. Over the past year, we've continued to advance our efforts to support our customers and team members, strengthen our communities and protect the environment.

## Progress Snapshot

- **Named one** of **the 2025 World's Most Ethical Companies® by Ethisphere**, a global leader in defining and advancing the standards of ethical business practices.

- Provided sustainability solutions for our customers through a **portfolio of Environmentally Preferable Products (EPPs)**, Other Sustainability Related Products (OSRPs), services and resources.

- **Contributed nearly $63 million in cash and product donations to nonprofit organizations** while working collaboratively with community partners through a combination of in-kind donations, nonprofit board placement programs, team member volunteerism and our 3-1 Matching Charitable Gifts Program.

- **Maintained our focus on team member safety.** Our Occupational Safety and Health Administration (OSHA) Total Recordable Incident Rate in 2024 for the U.S. was 1.3, and the company's Lost Time Incident Rate in the U.S. was 0.5 based upon the number of incidents per 100 team members (or per 200,000 working hours).

- **Ranked #1 on the American Opportunity Index** for offering fulfilling careers to team members at all levels.

## Awards and Recognition

Grainger is honored to be recognized by influential publications and organizations as an industry leader, a responsible company and a top place to work.

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# Our Approach

Grainger's long-standing commitment to corporate responsibility is shaped by what's important to our business and stakeholders and built on the foundation of our purpose-driven culture.

At Grainger, we take a thoughtful approach to corporate responsibility informed by a materiality assessment to identify the topics most important to our business and stakeholders. In 2024, we refreshed our materiality assessment using a double-materiality informed approach, available on page . The results validated our continued understanding of our most critical topics and focus areas, including:

- Customer Sustainability Solutions
- Supplier Relationships and Strategic Alliances
- Energy and Emissions
- Inclusion, Opportunity and Community
- Working Safely and Securely

Our Board of Directors, executive leadership team and senior leaders take an active role in our overall Impact strategy.

Grainger's commitment to corporate responsibility begins with oversight of our environmental and social matters by the Board Affairs and Nominating Committee (BANC) of the Grainger Board of Directors. Grainger's Leadership Team sets the strategic direction for the company's Impact programs and sustainability goals, which are then implemented by subject matter experts focused on near-term priorities, material topics and reporting.

Making it all happen are our more than 26,000 team members across our operations who help execute our priorities in line with our Grainger Edge® principles.



# A Culture of Integrity

Grainger has long been guided by a commitment to operate with integrity. It is what motivates us to do our best for our customers, communities and each other. We strengthen our culture of integrity by complying with the law, following ethical practices and speaking up to report concerns.

**Standards and Training**

Our Business Conduct Guidelines define our shared expectations of how we work together, serve customers and business partners, and honor our commitments to shareholders. Each year, all team members and the Board of Directors must certify compliance with the Business Conduct Guidelines. To reinforce the Business Conduct Guidelines, all team members complete annual training on workplace conduct, reporting and non-retaliation and data privacy. Team members also complete additional training based on their roles in the organization.

**Reporting Concerns**

At Grainger, speaking up is everyone's responsibility, and we are committed to protecting each team member's right to voice concerns so that Grainger remains an ethical and safe workplace. Team members have several reporting channels, including managers, Human Resources, Legal, Ethics & Compliance and the Board of Directors. Team members and other stakeholders may also anonymously report concerns via the Grainger iCareLine.

We investigate all concerns promptly, fairly and confidentially, and we have zero tolerance for retaliation against those who report concerns or participate in investigations.

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# Operating Sustainably

Integrating operational excellence and productivity into everything we do keeps our business healthy and sustainable, and helps reduce our environmental impact.



We leverage technology to ensure our products are shipped using only the necessary amount of packaging to minimize unnecessary void fill and ensure safe transport. This results in the overall reduction of vehicles needed for transport, freight costs and emissions.

Since 2021, Grainger has maintained a 92%+ recycling rate across its U.S. distribution centers.

We know protecting the planet requires all of us working together. At Grainger, every team member is expected to be a good steward of the environment to help eliminate waste, reduce our carbon footprint and increase efficiencies. We share sustainability best practices across our business and actively seek smarter, greener ways of working.

Following are some of our ongoing sustainability efforts. (For more information on Energy and Emissions, refer to page 7.)

### Packaging

- Grainger's Supplier Packaging Guidelines detail best practices to help our products reach customers undamaged while minimizing waste and maximizing the use of recyclable materials.

- To drive improvements in packaging and corrugate use, we measure our carton-to-order ratio by tracking the number of boxes we ship compared to the number of orders we receive. Whenever possible, we ship all of an order's contents in a single box. Our boxes and dunnage are certified by the Sustainable Forestry Initiative.

### Transportation and Shipping

- We actively manage order fulfillment with the goal to ship orders in the fewest number of cartons and from the nearest shipping point. We're proud of our continued recognition by the U.S. Environmental Protection Agency (EPA) as a SmartWay® partner.

### Recycling

- Our distribution centers recycle by separating waste into five categories: cardboard, plastic, garbage, metal and wood. We also partner with a third party to track our waste and recycling data and find opportunities to improve our diversion rates.

- Recycling metrics are included in facility managers' annual performance goals.

### Waste

- Our three silver-level TRUE Zero Waste Certifications at our Dallas-Fort Worth Distribution Center, Illinois Distribution Center and Northeast Distribution Center speak to the way we're focused on implementing innovative solutions to help us reduce or eliminate waste and close material loops.

- As a distributor, we do not generate hazardous waste as a function of a process or byproduct, but we may generate incidental hazardous waste from our suppliers' products that are damaged, obsolete or returned. Our Waste Management Policy ensures the handling of regulated waste is conducted in accordance with all applicable laws and regulations. We also require that team members who may handle hazardous materials complete regular hazardous material safety certification and training.

### Water

- We monitor and measure our water footprint and look for opportunities to reduce usage, such as installing water-efficient fixtures at our largest facilities. Grainger's total global water usage in 2024 was approximately 468,000 cubic meters, which represented a nearly 13% decrease from a 2023 total of approximately 538,000 cubic meters.

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# Customer Sustainability Solutions
### HELPING OUR CUSTOMERS OPERATE IN A SUSTAINABLE WAY

Grainger is committed to helping our customers maintain safe, sustainable and productive environments. Leveraging our expertise and extensive product portfolio, we collaborate with customers to identify solutions that support their goals and strengthen their operations.

Grainger serves millions of customers across every industry, from schools and hospitals to manufacturers and utilities. Whether they are looking to comply with new safety regulations, increase their use of environmentally friendly products or better manage their resources, our curated offering of products and services is designed to help each customer achieve their unique goals.

### Sustainable Products and Solutions
As our customers work to increase the sustainability of their operations, they face four primary challenges: energy, waste, air quality and water management. To help them achieve their environmental objectives, we offer an expansive range of thousands of products across hundreds of categories coupled with sustainability services.
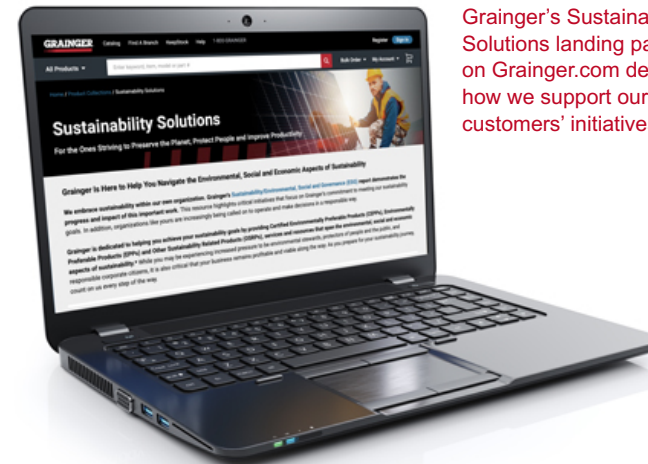




Grainger's Sustainability Solutions landing page on Grainger.com details how we support our customers' initiatives.

Our offering includes an extensive suite of Certified Environmentally Preferable Products (CEPPs) and Environmentally Preferable Products (EPPs), which are easily filtered on Grainger.com.

In addition, we provide products and consultative services to help customers enhance circularity, improve air quality and conserve natural resources.

Over the past year, our team has partnered with customers to meet their sustainability objectives in a variety of ways, including recommending energy efficient motors at hospitals, providing water bottle filling stations at schools, installing electric vehicle charging stations at office buildings and conducting lighting retrofits in manufacturing facilities to reduce energy consumption.



### Safety Products and Solutions
Grainger's safety solutions are focused on keeping people safe, healthy and secure. We offer hundreds of thousands of safety and security products across our North American product offerings, plus a variety of resources and services to help customers manage risk, meet regulatory compliance requirements and avoid injuries.

Our Field Safety Professionals, all of whom are certified through the Board of Certified Safety Professionals, work with customers to provide value-added assessments and identify the best solutions for their unique needs. In 2024, this team completed nearly 2,000 onsite safety assessments for customers in the U.S. and Canada. We also collaborate with third-party providers to offer our customers safety services such as training, program development and testing.

Grainger's safety solutions are focused on keeping people safe, healthy and secure.

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# Supplier Relationships and Strategic Alliances
*PARTNERING WITH AN EXTENDED NETWORK OF SUPPLIERS TO STRENGTHEN SUPPLY CHAINS*

For more than two decades, Grainger has forged strategic partnerships with a wide range of businesses to help our customers build resilient supply chains and meet their purchasing goals.



### Supplier Network

Grainger's Supplier Program is designed to help customers meet their purchasing goals through a combination of products, services and expertise.

At the heart of this program is a carefully vetted network of over 6,000 small-business suppliers. These include veteran-, HUBZone- and disabled person-owned businesses, as well as other disadvantaged enterprises that bring both scale and specialization to our customer solutions.

In 2024, we continued to expand this network by engaging in small and veteran-owned business fairs and supplier matchmaking events to identify new partners and bolster our supplier pipeline.

We also strengthened our supplier ecosystem by enhancing program processes, increasing supplier diversification and driving continuous improvement. This proactive approach helps to mitigate sourcing and supply

> Our supplier relationships and strategic alliances provide both scale and specialized expertise to help customers achieve their procurement goals.

chain disruption risks while ensuring a steady flow of high-quality products across categories such as cleaning, safety, hardware, tools, fasteners, cutting tools and trash bags.

### Strategic Alliances

Grainger's Strategic Alliances team partners with value-added local, small and veteran-owned resellers and service providers to support our customers' needs.

These alliances enhance our ability to deliver tailored, high-touch solutions to help customers meet their operational efficiency and regulatory compliance objectives.

Grainger's Supplier Program and Strategic Alliances create a competitive advantage for our customers, offering reliable products, mitigating supply risk and helping them achieve procurement targets with a focus on business impact, resilience and results.

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# Energy and Emissions
*REDUCING OUR IMPACT ON THE PLANET*

We are committed to conducting business in an environmentally responsible manner and we work to continuously improve our sustainability performance to contribute to a greener planet.

At Grainger, we believe strong business performance and sustainability are connected. We actively look for ways to reduce our emissions, boost efficiency and create long-term value.
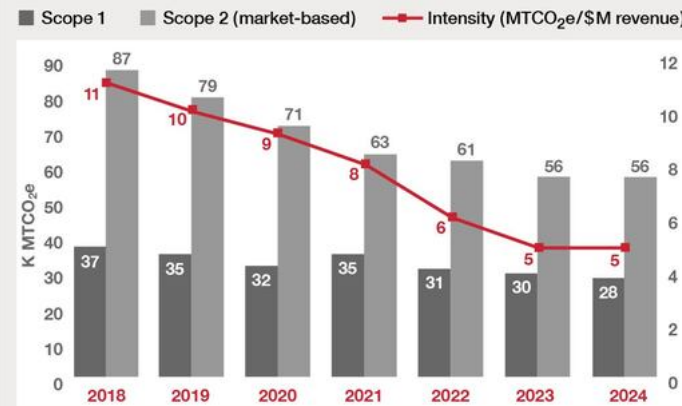
### Emissions
Since we have achieved our prior goal, Grainger's new 2030 emissions target seeks to reduce our global absolute Scope 1 and Scope 2 emissions by 50% from a 2018 baseline. In 2024, we continued to see significant progress toward our target. For the year, our total Scope 1 and Scope 2 (market-based) emissions totaled nearly 84,000 metric tons of $CO_2$e, placing us over 64% of the way to meeting our target.

Beginning in 2009, Grainger has annually disclosed to the CDP. For more details on our approach to managing our energy and emissions, as well as how we assess environmental business risks and opportunities, please review our latest CDP report available at Invest.Grainger.com.

### Scope 3
Scope 3 emissions considers all indirect emissions (not included in Scopes 1 & 2) that occur upstream and downstream from our operations. For Grainger, the majority of Scope 3 impact resides in the product-use phase, or the energy required to operate the products we sell. Our Scope 3 emissions disclosure can be found in the appendix of this report.



**Total Global Scope 1 & 2 Absolute Emissions in thousands of MTCO$_2$e and Emissions Intensity**

Legend: ■ Scope 1  ■ Scope 2 (market-based)  —■— Intensity (MTCO$_2$e/$M revenue)

| Year | Scope 1 | Scope 2 | Intensity |
|------|---------|---------|-----------|
| 2018 | 37 | 87 | 11 |
| 2019 | 35 | 79 | 10 |
| 2020 | 32 | 71 | 9 |
| 2021 | 35 | 63 | 8 |
| 2022 | 31 | 61 | 6 |
| 2023 | 30 | 56 | 5 |
| 2024 | 28 | 56 | 5 |

**The following are some of the ways we are increasing efficiencies and reducing our carbon and waste footprint in our operations and throughout our value chain:**

### Solar Energy
Across our network, Grainger utilizes solar to improve sustainability and leverage renewable energy. We have nearly 15 megawatt direct current (MW DC) solar panel installations at our U.S. distribution centers and more than 0.3 MW DC at our U.S. branches. In addition, we have nearly 0.3 MW DC through Power Purchase Agreements (PPAs) across our network. These solar installations resulted in nearly 7,000 megawatt hours (MWh) of renewable energy produced in 2024 at our distribution centers and nearly 80 MWh produced at our branches.

### Building Management Systems
Our Building Management Systems (BMS) help us achieve our energy efficiency goals by enabling us to monitor a building's energy usage in real time and adjust for maximum efficiency. Our BMS footprint was extended to all U.S. distribution centers and branches in 2023, resulting in 10-15% energy and cost savings upon installation and bringing us closer to achieving a comprehensive view of energy use in our buildings across the enterprise. In 2024, nearly 69% of our North American footprint was maintained with a BMS.

### Life Cycle Replacements
Once equipment has reached the end of its useful life, we upgrade to more energy efficient equipment through initiatives such as LED retrofits with occupancy sensors and HVAC upgrades.

### Hydrogen Fuel Cell Technology
We leverage hydrogen fuel cell technology in most of our distribution centers to power our Powered Industrial Equipment (PIE), which reduces emissions and improves operational efficiencies by eliminating the need to charge batteries.

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# Inclusion, Opportunity and Community
## *CREATING OPPORTUNITIES FOR ALL AND STRENGTHENING OUR COMMUNITIES*

Our differences and unique experiences make us stronger. Bringing together varied perspectives helps us better understand our customers, makes work more rewarding and enables us to fulfill our purpose.

At Grainger, our success is driven by our dedicated and knowledgeable team members. We believe in building a culture that values each team member, and we are committed to being a place where everyone can have a fulfilling, meaningful career if they are willing to work hard and perform well.

### Fostering Connections Across Our Team Members
Grainger launched its first Business Resource Groups (BRGs) more than a decade ago. BRGs, which are open to all team members, are focused on fostering connection and strengthening our communities. Recognizing and valuing the uniqueness of all our team members improves the customer experience and enhances our ability to attract and engage the best talent, improving team member retention and business results. Our Grainger Edge® principles, together with our Business Conduct Guidelines, outline the expectations for our commitment to a fair and inclusive workplace.



### Making a Difference Where We Work and Live
Investing in our communities is core to our culture and doing the right thing. Our programs and partnerships are aligned to three focus areas where we believe we can make the most impact.

- **Supporting Disaster Resilience and Relief:**
  Grainger's logistics network, Supplier Program and knowledgeable team members enable us to provide vital resources to customers in times of crisis. We extend that expertise to our communities by collaborating with nonprofits that support disaster preparedness and relief.

- **Advancing the Emerging Workforce:**
  We recognize that today's learners are tomorrow's leaders, and gaining access to careers in technology and skilled trades can transform lives. Grainger continues to support programs that help individuals develop the skills, confidence and credentials necessary to build successful careers in these fields.

- **Empowering Our Communities:**
  We are proud to invest in the places we operate and where our team members call home by supporting programs that promote long-term well-being, create pathways for growth and increase access to opportunities. By focusing on the unique needs of local communities, we aim to contribute to strong, sustainable outcomes that go beyond a single donation or volunteer event.



One of our key partners is ToolBank USA, a nonprofit that supports local communities with equipment after a disaster. During the 2024 Bucket Build, over 700 Grainger volunteers packed more than 4,000 five-gallon buckets with cleaning supplies and hand tools. These kits were staged in ToolBank warehouses across seven U.S. locations for deployment when a disaster strikes.

### Our Impact
In 2024, Grainger contributed nearly $63 million in cash and product donations to nonprofit organizations.

Our efforts include grants, in-kind donations, skilled volunteerism, nonprofit board placements and our Grainger Matching Charitable Gifts Program, which provides a 3-1 match for U.S. team member contributions to eligible nonprofits, up to $7,500 annually. In 2024, Grainger granted more than $3 million in matching gift contributions to over 1,400 nonprofit organizations.

Additionally, in 2024, U.S. team members logged approximately 23,000 volunteer hours to support the communities in which we live and work.

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# Working Safely and Securely
## ENSURING A SAFE ENVIRONMENT FOR OUR TEAM MEMBERS

Safety is foundational to how we work at Grainger. It guides how we operate and shapes how we train, support and engage our team members.

Our commitment to the safety and security of our team members and customers is grounded in our Global Environmental, Health and Safety (EHS) Policy, which focuses on three key priorities:

- Safe people and processes for our operations worldwide;
- Safe environments through proper product handling, storage and waste minimization for all business areas; and
- Safe distribution by properly transporting hazardous materials



**Fostering a Culture of Safety**

We know that integrating a safety mindset across our operations is essential to creating a safe and healthy workplace. To foster this culture, we provide ongoing team member safety training and communications, including onboarding programs, weekly safety communications and regular role-specific safety training. We also complete regular safety observations and assessments to systematically and proactively monitor our workplace conditions.

We collect and analyze our safety performance data through our EHS Management System. Tracking real-time incident data and safety trends allows us to prioritize areas for intervention and proactively mitigate hazards before they result in incidents. The system dashboard also provides Grainger team members with visibility to our safety data, so they are informed and engaged in maintaining a safe workplace.

We know it takes all of us working together to create a safe workplace. At Grainger, we act as one team by engaging team members in our safety programs, encouraging new ideas and empowering everyone to play an active role in promoting safety across our operations.



Our U.S.-based business safety performance includes all operational and non-operational full-time and part-time team members. Grainger experienced a total recordable incident rate of 1.3 for 2024 and a lost-time incident rate of 0.5, with zero work-related fatalities. Our totals are favorable to the wholesale industry average of 2.3 and 0.9, respectively, as defined by the U.S. Bureau of Labor Statistics (BLS).

To share our expertise and learn from others, Grainger engages in several external partnerships, including with the Campbell Institute of the National Safety Council and the American Society of Safety Professionals (ASSP).

Our facilities are designed to create safe environments. We drive a culture of safety through ongoing training so every team member understands their role in keeping themselves, colleagues, customers and communities safe.

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# Forward-Looking Statement

All statements in this report other than those relating to historical facts are "forward-looking statements" under the federal securities laws. Forward-looking statements can generally be identified by their use of terms such as "aim," "anticipate," "believe," "commit," "could," "drive," "estimate," "ensure," "expect," "forecast," "goal," "intend," "may," "mission," "plan," "predict," "project," "seek," "strategy," "strive," "target," "will" or "would" and similar terms and phrases, including references to assumptions. In particular, such statements may include but are not limited to: (1) statements which may relate to our purpose, ambitions, aims, commitments, targets, plans, and objectives, and sustainability goal progress; (2) environmental, health, and safety (EHS) data as it relates to the environment, safety performance, management systems, implementation, and regulatory compliance, including data collection systems at applicable sites that track and collect EHS data through the corporate-wide EHS reporting systems; (3) social data as it relates to employee metrics, social practices, and community engagement programs derived from our various databases; (4) responsible sourcing of materials and the related responsible sourcing systems and data; and (5) statements about actions of suppliers and partners or our work with them.

Grainger cannot guarantee that any forward-looking statement will be realized and achievement of future results is subject to risks and uncertainties, many of which are beyond Grainger's control, which could cause Grainger's results to differ materially from those that are presented. Important factors that could cause actual results to differ materially from those presented or implied in the forward-looking statements include, without limitation: inflation, higher product costs or other expenses, including operational and administrative expenses; a major loss of customers; loss or disruption of sources of supply; changes in customer or product mix; increased competitive pricing pressures; changes in third-party practices regarding digital advertising; failure to enter into or sustain contractual arrangements on a satisfactory basis with group purchasing organizations; failure to develop, manage or implement new technology initiatives or business strategies, including with respect to Grainger's eCommerce platforms and artificial intelligence; failure to adequately protect intellectual property or successfully defend against infringement claims; fluctuations or declines in Grainger's gross profit margin; Grainger's responses to market pressures; the outcome of pending and future litigation or governmental or regulatory proceedings, including with respect to wage and hour, anti-bribery and corruption, environmental, regulations related to advertising, marketing and the internet, consumer protection, pricing (including disaster or emergency declaration pricing statutes), product liability, compliance or safety, trade and export compliance, general commercial disputes, or privacy and cybersecurity matters; investigations, inquiries, audits and changes in laws and regulations; failure to comply with laws, regulations and standards, including new or stricter environmental laws or regulations; government contract matters; the impact of any government shutdown; disruption or breaches of information technology or data security systems involving Grainger or third parties on which Grainger depends; general industry, economic, market or political conditions; general global economic conditions including existing, new, or increased tariffs, trade issues and changes in trade policies, inflation, and interest rates; currency exchange rate fluctuations; market volatility, including price and trading volume volatility or price declines of Grainger's common stock; commodity price volatility; facilities disruptions or shutdowns; higher fuel costs or disruptions in transportation services; effects of outbreaks of pandemic disease or viral contagions,

global conflicts, natural or human induced disasters, extreme weather, and other catastrophes or conditions; effects of climate change; failure to execute on our efforts and programs related to environmental, social and governance matters; competition for, or failure to attract, retain, train, motivate and develop executives and key team members; loss of key members of management or key team members; loss of operational flexibility and potential for work stoppages or slowdowns if team members unionize or join a collective bargaining arrangement; changes in effective tax rates; changes in credit ratings (or outlook); Grainger's incurrence of indebtedness or failure to comply with restrictions and obligations under its debt agreements and instruments; and other factors that can be found in Grainger's filings with the Securities and Exchange Commission ("SEC"), including Grainger's most recent periodic reports filed on Form 10-K and Form 10-Q, which are available under "Financials" in the Investor Relations section of Grainger's website at http://invest.grainger.com.

The preceding list is not intended to be an exhaustive list of all of the factors that could impact Grainger's forward-looking statements. Caution should be taken not to place undue reliance on Grainger's forward-looking statements. Historical, current, and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future. The information included in, and any issues identified as material for purposes of, this document shall not be considered material for SEC reporting purposes. As such, in the context of this report, the term "material" is distinct from, and should not be confused with, such term as defined for SEC reporting purposes. Website references and hyperlinks throughout this report are provided for convenience only, and the content on the referenced websites is not incorporated by reference into this report, nor does it constitute a part of this report. Grainger undertakes no obligation to update or revise any of its forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

This report represents our current policy and intent and is not intended to create legal rights or obligations. The standards of measurement and performance contained in this report are developing and based on assumptions, and no assurance can be given that any plan, initiative, projection, goal, commitment, expectation, or prospect set forth in this report can or will be achieved. This report may contain or incorporate by reference public information not separately reviewed, approved, or endorsed by us, and we make no representation, warranty, or undertaking as to the accuracy, reasonableness, or completeness of such information. This report contains examples of savings and results achieved by us, our customers and our partners that may or may not be representative of what other companies could achieve in similar circumstances. Inclusion of information in this report is not an indication that the subject or information is material to our business or operating results. "Material" for the purposes of this report should not be read as equating to any use of the word in our other reporting or filings with the U.S. Securities and Exchange Commission. No part of this report or our website constitutes, or shall be taken to constitute, an invitation or inducement to invest in us or any other entity and shall not be relied upon in any way in connection with any investment decisions.

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# About this Report

The contents of this report are informed by the outcomes of our most recent materiality assessment conducted in 2024. Further details on our 2024 materiality assessment are provided on page 13. We also align disclosures in this report to the Task Force on Climate-related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB), and we provide a Global Reporting Initiative (GRI) content index to indicate the location(s) of particular topics and data. The data in this document is for the reporting period January 1, 2024, to December 31, 2024, unless otherwise specified. Throughout this report, data figures are rounded and approximate.

## Boundary

Although Grainger's commitments apply throughout the world, this report is primarily focused on Grainger's major operations in North America.[1] These operations currently represent more than 80% of Grainger's business based on percentage of revenue and number of team members. In this report, the specific geographic and business unit boundaries are referenced as following:

- "Total company", "Grainger", "global" or "globally" refer to W.W. Grainger, Inc. and its subsidiaries, except where the context makes it clear that the reference is only to W.W. Grainger, Inc. itself and not its subsidiaries.

- "High-Touch Solutions N.A." refers to Grainger's High-Touch Solutions segment in North America, which provides value-added MRO solutions that are rooted in deep product knowledge and customer expertise. The high-touch solutions model serves customers with complex buying needs. This segment includes the Grainger-branded businesses in the United States (U.S.), Canada, Mexico and Puerto Rico.

- "High-Touch Solutions U.S." refers to Grainger-branded businesses in the U.S. that form part of the High-Touch Solutions model.

- "Endless Assortment" refers to Grainger's Endless Assortment segment that provides a streamlined and transparent online platform with one-stop shopping for millions of products. The Endless Assortment segment includes Zoro Tools, Inc. (Zoro) and MonotaRO Co., Ltd. (MonotaRO) online channels which operate predominately in the U.S. and Japan, respectively.

- Stated geographies such as "U.S." or "North America" refer to all of Grainger's operations in the stated geographies. Both reportable segments, High-Touch Solutions N.A. and Endless Assortment, are included.

## External Assurance

Grainger engages with Apex Companies, LLC, for verification of our Scope 1, Scope 2 and Scope 3 greenhouse gas emissions, energy consumption, waste generation and water withdrawal data. We have included our emissions assurance in this report on page 34. You can view all of our verification statements at Invest.Grainger.com. Additionally, Grainger receives ongoing verification of its environmentally preferable SKU designation from a third-party provider.

## Data Validation

Since 2022, Grainger has maintained a team within our Controllership department that is dedicated to reviewing Impact data and helping to ensure accuracy, completeness and consistency in external reporting. Prior to disclosure, each metric in this report underwent internal validation.

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[1] High-Touch Solutions North America and Zoro U.S.

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# Materiality Assessment

At Grainger, we conduct materiality assessments to maintain a sharp, thoughtful focus on the topics most critical to our business and key stakeholders. The results of the assessments inform our Grainger Impact program and overall strategy. We routinely update our assessment to stay current, with our most recent materiality assessment completed in 2024.

**2024 Materiality Assessment Approach**
In 2024, we engaged a third-party consulting firm to assist with our updated materiality assessment. The assessment adopted a double-materiality-informed approach, which differed from previous years by considering not only the financial significance of topics on our business, but also the impact Grainger may have on the environment, people and society more broadly.
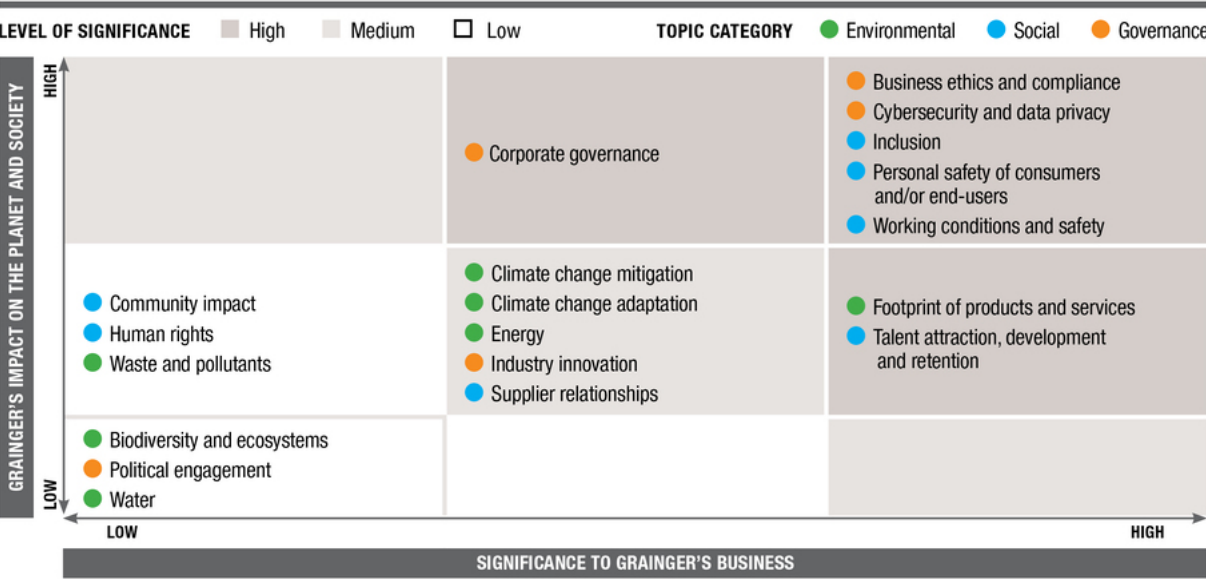
To begin the process, we identified a list of relevant topics by benchmarking against reporting standards for our industry, such as GRI, SASB, Institutional Shareholder Services Inc. (ISS), MSCI and TCFD, as well as our peers. The identified topics were then mapped to the European Sustainability Reporting Standards subtopics. With the finalized list of topics, we completed a value chain mapping exercise to identify dependencies and impacts on people and the environment.

Grainger engaged key internal and external stakeholders, calling on senior leaders, team members, customers, investors and community partners to gather feedback and insights on the financial and impact materiality of topics. Feedback collection occurred through a variety of channels including live interviews, group workshops and surveys.

**2024 Materiality Assessment Matrix and Results**
Our stakeholder engagement results were aggregated into a double materiality-informed matrix, which Grainger's Leadership Team reviewed and approved during a standard update meeting. The 2024 assessment results were similar to 2021, which served to validate our understanding of and continued focus on our most significant topics. On the whole, the materiality matrix helps inform our Impact strategy and go-forward focus areas, which have been identified and aggregated as the following topics:

- Customer Sustainability Solutions[2]
- Supplier Relationships and Strategic Alliances[3]
- Energy and Emissions[4]
- Inclusion, Opportunity and Community[5]
- Working Safely and Securely[6]



LEVEL OF SIGNIFICANCE ▦ High ▦ Medium ☐ Low  TOPIC CATEGORY ● Environmental ● Social ● Governance

GRAINGER'S IMPACT ON THE PLANET AND SOCIETY (HIGH / LOW)

- ● Corporate governance
- ● Business ethics and compliance
- ● Cybersecurity and data privacy
- ● Inclusion
- ● Personal safety of consumers and/or end-users
- ● Working conditions and safety
- ● Community impact
- ● Human rights
- ● Waste and pollutants
- ● Climate change mitigation
- ● Climate change adaptation
- ● Energy
- ● Industry innovation
- ● Supplier relationships
- ● Footprint of products and services
- ● Talent attraction, development and retention
- ● Biodiversity and ecosystems
- ● Political engagement
- ● Water

SIGNIFICANCE TO GRAINGER'S BUSINESS (LOW / HIGH)

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[2] Customer Sustainability Solutions aligns to the "Footprint of products and services" topic in our materiality matrix.
[3] Supplier Relationships and Strategic Alliances aligns to the "Supplier relationships" topic in our materiality matrix.
[4] Energy and Emissions aligns to the "Climate change mitigation" and "Energy" topics in our materiality matrix.
[5] Inclusion, Opportunity and Community aligns to the "Inclusion," "Talent attraction, development and retention," and "Community impact" topics in our materiality matrix.
[6] Working Safely and Securely aligns to the "Working conditions and safety" topic in our materiality matrix.

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# Product Safety and Quality

Although Grainger does not manufacture the products we distribute to customers, we take product safety seriously. Our company has established a Product Safety Committee made up of senior leadership from the Product Compliance, Legal and Merchandising teams.

### National Brands

At Grainger, we offer a wide selection of national brand products sourced from our trusted supplier partners, who are experts in their respective industries. To ensure we are partnering with suppliers that represent socially responsible procurement practices, all vendors are required to acknowledge our supplier handbook. In the event of a safety or recall issue, the Product Safety team convenes and partners with the supplier to determine the best course of action. If required, the team promptly implements a stop sale into the Grainger system, which prevents the shipment of these products to customers. Grainger then works with the supplier to determine how to resolve the issue. Once the situation is resolved to the satisfaction of the supplier and Grainger, the stop sale is lifted.

### Private Label

To ensure high-quality private label products, our engineering team conducts product evaluation and testing, while also directly engaging with suppliers to ensure they have standards and processes in place to deliver consistent quality products. If quality issues arise, the engineering team conducts an investigation, performs appropriate product testing and summarizes its findings. Those findings may lead to corrective action, including, but not limited to, supplier improvement in tools and/or processes, applying a stop sale, sending product back to supplier for rework and recalling product.

# Supply Chain Transparency

The company takes steps to help ensure that the products it distributes are manufactured with high ethical standards in accordance with our Supplier Code of Ethics and Human Rights Principles. The company's Supplier Code of Ethics, which is also included in the company's Business Conduct Guidelines, focuses on responsible sourcing along the dimensions of human rights, labor, environment and anti-corruption. The company's Human Rights Principles include the company's commitment to providing a safe and fair workplace that upholds and respects international human rights standards. These principles are approved and monitored regularly by senior leadership. The company's Supplier Code of Ethics and Human Rights Principles are available under "Governance" in the Investor Relations section of our website at http://invest.grainger.com.

# Conflict Minerals

Grainger's commitment to human rights extends to all levels of the supply chain. In keeping with this ethos, our Conflict Minerals Policy supports the aim of the Dodd-Frank Act to prevent armed groups in the Democratic Republic of the Congo (DRC) and the surrounding region from benefiting from the extraction and trade of minerals including tantalum, tin, gold, or tungsten sourced from the DRC or the surrounding region. The company's Conflict Minerals Policy is available under "Governance" in the Investor Relations section of our website at http://invest.grainger.com.

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# Team Member Learning

To support a stable workforce with deep functional, product and customer knowledge, we invest in learning and development so our team members can have a fulfilling career at Grainger. To meet the unique needs of our global population, we segment our learning into three enterprise portfolios, which allow us to target learning by audience and need:

**Professional and career development** offers learning opportunities for all team members to build essential business and personal skills, and to explore and work toward their career goals. Example:

- The Elevate Badging Program gives team members the opportunity to earn five badges aligned to core business skills. In 2024, 2% of global full-time team members participated in the program.

- In 2024, 94% of the North American workforce received career or skill-based training.

**Leadership development** focuses on building and reinforcing people leadership skills for current and high-potential people leaders. Examples:

- Leadership Essentials is an eight-week blended learning program that equips new people leaders with the knowledge and tools they need to effectively coach, develop and provide feedback to their team members. In 2024, 2% of global full-time employees completed the program. Nearly 72% of current North America people leaders at Grainger have completed the program.

- Aspiring Leader is a six-week blended learning program that prepares high-potential team members (future leaders) to accelerate their capacity and capability for growth.

**Senior Leadership development** focuses on building and reinforcing business and leadership skills for Senior-level people leaders. Examples:

- Grainger's End-to-End (E2E) Leader Program provides the Directors and above with a hands-on way to increase their understanding and experiences across the business.

- In 2024, we launched End-to-End Essentials, targeted to our Senior Manager population. The program was created to extend end-to-end business knowledge to a broader audience.

# Information Security and Data Privacy

Grainger's Information Security team is committed to safeguarding the company's global information and technology assets. This commitment aligns with Grainger's Enterprise Risk posture and adheres to the principles of the National Institute of Standards and Technology (NIST) Cybersecurity Framework.

The Information Security team proactively monitors emerging cyber risks and regularly updates its technologies, processes and services to address advancing threat tactics. As part of our proactive defense strategy, Grainger conducts regular tabletop exercises and simulation drills with the Information Security team to evaluate readiness, strengthen incident response and reinforce cross-functional coordination during cyber events.

Team members also receive ongoing cybersecurity education. This includes targeted training for developers and recurring simulated phishing campaigns designed to build awareness and strengthen the organization's ability to detect and respond to real-world threats. Senior leadership plays an active role in sustaining a strong security culture by reviewing training outcomes and supporting continuous improvement.

Oversight and accountability are core to Grainger's security posture. A Security Governance Council, composed of executive level cross-functional leaders, regularly reviews the security program to ensure it remains aligned with organizational priorities and industry best practices. Additionally, the company's Audit Committee receives quarterly updates on cybersecurity risks, mitigation efforts and program performance.

Grainger follows globally recognized privacy standards with privacy and data protection principles built into our systems and processes by design. The Personally Identifiable Information (PII) we collect during normal business activities to help us fulfill customer orders, provide team member benefits and better serve our stakeholders is something we're committed to protecting from unauthorized access, usage or disclosure. Annual privacy training is mandatory for all team members, and those responsible for processing sensitive personal information receive supplemental role-based training. We regularly assess our practices around record maintenance and actively work to minimize retention of both physical and digital records where possible.

Notice regarding our data collection, usage, sharing and storage practices is published via our Privacy Policy.

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# Data Transparency Table

| | 2022 | 2023 | 2024 |
|---|---|---|---|
| **GRAINGER** | | | |
| Total revenue ($ billions) | 15.2 | 16.5 | 17.2 |
| Total team members | 26,000 | 26,000 | 26,000 |
| Total full-time team members | 23,000 | 23,200 | 23,500 |
| Total part-time team members | 3,000 | 2,900 | 3,000 |
| Total U.S. team members | 19,000 | 19,000 | 19,000 |
| **THE GRAINGER TEAM: LIFE AT GRAINGER** | | | |
| **Team Member Development[1]** | | | |
| Total training hours completed by team members (hours) | 360,000 | 361,000 | 400,000[3] |
| Average training hours per team member (hours)[2] | 12 | 11 | 13[3] |
| Percentage of workforce receiving career or skill-based training (%) | Not stated | 69 | 94[3] |
| **Ethics** | | | |
| Percentage of global team members that completed Business Conduct Guidelines training (%) | 100 | 100 | 99 |
| **Operating Sustainably** | | | |
| Global non-hazardous waste landfilled (thousand pounds) | 24,000 | 24,000 | 22,000 |
| Percent of non-hazardous waste landfilled (%) | 25 | 25[4] | 26 |
| Global non-hazardous waste recycled (thousand pounds) | 72,000 | 72,000[4] | 63,000 |
| Percent of non-hazardous waste recycled (%) | 75 | 75[4] | 74 |
| U.S. hazardous waste disposed (thousand pounds) | Not stated | 58 | 42 |
| Global total water use/water withdrawn (cubic meters) | 504,000 | 538,000 | 468,000 |
| Percent change from prior year in global water usage | (4) | 7 | (13) |
| **Impacting Communities** | | | |
| Cash and product contributions to non profit organizations ($ million) | 47 | 56 | 63 |
| U.S. team member volunteer hours (hours) | 12,000 | 16,000 | 23,000 |

1. North American team members only.
2. Denominator used for calculating average training hours per team member includes all team members taking courses throughout the calendar year, accounting for both turnover and new hires. This methodology began in 2022.
3. Year-over-year data not comparable due to using different methodologies.
4. Non-hazardous waste numbers reflect corrections from last year's report.

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# Data Transparency Table (continued)

| | 2022 | 2023 | 2024 |
|---|---|---|---|
| **PROGRAM FOCUS AREAS** | | | |
| **Customer Sustainability Solutions** | | | |
| Sustainability Solutions revenue ($ billion)[5] | Not Stated | 2 | 2 |
| Percent revenue from Sustainability Solutions (% of High-Touch Solutions N.A. revenue) | Not Stated | 16 | 16 |
| **Supplier Relationships and Strategic Alliances[6]** | | | |
| Spend with all small businesses ($ billion) | 2 | 2 | 2 |
| Number of small businesses part of Grainger's Supplier Program | 7,000 | 6,000 | 6,000 |
| **Energy and Emissions[7]** | | | |
| Total energy consumption from renewable and non-renewable sources (MWh) | 327,000 | 309,000 | 297,000 |
| Energy intensity (MWh / $M) | 21 | 19 | 17 |
| Change in energy usage from prior year due to emissions reduction activities (MWh) | 19,000 | 18,000 | 13,000 |
| Non-renewable energy usage – branches (MWh) | Not stated | 89,000 | 84,000 |
| Non-renewable energy usage – corporate offices (MWh) | Not stated | 40,000 | 41,000 |
| Non-renewable energy usage – distribution centers (MWh) | Not stated | 118,000 | 116,000 |
| Non-renewable energy usage – other (data center & warehouse) (MWh) | Not stated | 31,000 | 26,000 |
| Percentage renewable energy (%) | 4 | 10 | 10 |
| Renewable energy produced (MWh) | 8,000 | 8,000 | 7,000 |
| Percentage grid electricity (%) | 603,335 GJ, 51.2% of total (167,593 MWh) | 591,000 GJ, 53% of total (164,000 MWh) | 571,000 GJ, 53% of total (159,000 MWh) |
| Total electrical power consumption (MWh) | 168,000 | 164,000 | 162,000 |
| Non-renewable electrical power (MWh) | 154,000 | 136,000 | 134,000 |
| Electrical power consumption – branches (MWh) | 36,000 | 32,000 | 29,000 |
| Electrical power consumption – corporate offices (MWh) | 28,000 | 27,000 | 29,000 |
| Electrical power consumption – distribution centers (MWh) | 97,000 | 95,000 | 94,000 |
| Electrical power consumption – other (data centers & warehouses) (MWh) | 7,000 | 11,000 | 10,000 |
| Scope 1 & Scope 2 emissions (market-based) (MTCO$_2$e) | 92,000 | 86,000 | 84,000 |
| Scope 1 & Scope 2 emission intensity (MTCO$_2$e / $M) | 6 | 5 | 5 |
| Reduction of Scope 1 & Scope 2 emissions since 2018 (%) | 26 | 31 | 32 |

5. Grainger High-Touch Solutions U.S.; Includes products and services.

6. Grainger High-Touch Solutions U.S.; Includes veteran-, HUBZone- and disabled person-owned businesses, as well as other disadvantaged enterprises.

7. Total global data.

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# Data Transparency Table (continued)

| | 2022 | 2023 | 2024 |
|---|---|---|---|
| **PROGRAM FOCUS AREAS** | | | |
| **Energy and Emissions[8]** | | | |
| Scope 1 emissions (MTCO$_2$e) | 31,000 | 30,000 | 28,000 |
| Scope 1 emissions – branches (MTCO$_2$e) | 13,000 | 11,000 | 11,000 |
| Scope 1 emissions – corporate offices (MTCO$_2$e) | 3,000 | 3,000 | 2,000 |
| Scope 1 emissions – distribution centers (MTCO$_2$e) | 9,000 | 8,000 | 8,000 |
| Scope 1 emissions – other (data center, warehouses, refrigerants, generators and fleet fuel ) (MTCO$_2$e) | 6,000 | 8,000 | 7,000 |
| Scope 2 emissions (market-based) (MTCO$_2$e) | 61,000 | 56,000 | 56,000 |
| **Inclusion, Opportunity and Community** | | | |
| Global percent of women team members (%) | | | |
| Global percent of women in leadership positions (%) | | | |
| Global percent of women on executive leadership team (%) | | | |
| Percent of women board of directors (%) | Relevant information can be found in our EEO-1 Report and 2025 Proxy Statement located on our Investor Relations page. | | |
| U.S. percent of racially and ethnically diverse team members (%) | | | |
| U.S. percent of racially & ethnically diverse leaders (%) | | | |
| U.S. percent of racially & ethnically diverse members of executive leadership team (%) | | | |
| Percent of racially & ethnically diverse board of directors (%) | | | |
| **Working Safely and Securely** | | | |
| Lost time injury rate – all employees (lost time incidents per 100 team members in a year) | 0.4 | 0.4 | 0.5 |
| Lost time injury rate – contractors (lost incidents per 100 team members in a year) | Not Stated | 0.0 | 0.0 |
| Total recordable incidence rate – all employees (OSHA recordable incidents per 100 team members in a year) | 1.3 | 1.3 | 1.3 |
| Total recordable incidence rate – contractors (OSHA recordable incidents per 100 team members in a year) | Not Stated | 0.0 | 0.0 |
| Total number of fatalities – all employees | 0 | 0 | 0 |
| Total number of fatalities – contractors | 0 | 0 | 0 |

8. Total global data.

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# Task Force on Climate-Related Financial Disclosures (TCFD) Index

The Task Force on Climate-related Financial Disclosures (TCFD) developed voluntary, consistent climate-related financial risk disclosures for use by companies in providing meaningful information to stakeholders, which is now being overseen by the IFRS Foundation through incorporation into the ISSB standards. We are committed to providing transparency on our climate change risk management, governance and performance. In line with this commitment, we have provided responses to the TCFD recommendations below, along with references to sources where you can find additional details and disclosures. Please note, at the time of publishing this index, our 2024 CDP Climate Change Assessment covering FY2023 is available. Our 2025 CDP response will be made available later in 2025, according to the CDP's timeline, and will cover FY2024. Please check Invest.Grainger.com for our latest reports and resources, including our CDP submissions and assurance statements.

| RECOMMENDED DISCLOSURE | GRAINGER RESPONSE | 2025 REFERENCES |
|---|---|---|
| Governance | | |
| Describe the board's oversight of climate related risks and opportunities. | The Board has oversight of Grainger's Enterprise Risk Management (ERM) program and processes, including with respect to risks related to Grainger's Impact program. Both the Board and Audit Committee regularly review Grainger's risk assessment and management processes and policies and receive regular updates from Grainger's management team members who are responsible for the effectiveness of Grainger's ERM program. The Board Affairs and Nominating Committee (BANC), which is comprised of all of the Board's independent directors, assists the Board in oversight of Impact programs, including climate-related topics. The BANC annually reviews Grainger's strategy, programs and reporting, which includes climate-related topics. In addition to the annual review received by the BANC, the BANC receives reports and updates on Grainger's Impact programs and climate matters on an as-needed basis. Additionally, the Audit Committee (AC) has oversight to Grainger's Impact focus areas as it relates to SEC disclosure requirements, as applicable. | CDP<br>2025 Impact Report, Our Approach<br>2025 Proxy Statement, pages 1-2 |
| Describe management's role in assessing and managing climate-related risks and opportunities. | Grainger has a Leadership Team that is led by the CEO and composed of management team members. The Grainger Leadership Team sets the strategic direction of Grainger's Impact program, which includes climate-related topics, identifies ways to incorporate initiatives into our operations and strategy, and provides updates to the BANC and information to the Board. Members of the Grainger Leadership Team regularly receive updates on Grainger's climate matters, provide strategic direction, monitor progress and manage and assess climate-related risks and opportunities brought forth as part of Leadership Team updates. Cross-functional Working Groups comprised of subject matters experts manage and implement strategic guidance from the Grainger Leadership Team on climate-related topics. | CDP<br>2025 Impact Report, Our Approach<br>2025 Proxy Statement, page 26 |

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| RECOMMENDED DISCLOSURE | GRAINGER RESPONSE | 2025 REFERENCES |
|---|---|---|
| **Strategy** | | |
| Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.<br><br>Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning | As part of Grainger's climate risk assessments, Grainger considers both physical and transition risks. For transition risks, Grainger has identified potential and/or actual climate-related transition risks associated with current and emerging regulations, technology, legal issues, market conditions and reputation. On the physical risk side, Grainger has identified both acute and chronic physical risks with potential to impact our business. Further details outlining these risks can be found in our latest CDP Climate Change Assessment.<br><br>Grainger has also identified climate-related opportunities with a potential to positively impact our business. Our ability to provide customers with a robust offering of Sustainability Solutions (products, services and resources) is critical to meeting key customer needs and represents a growing sales segment for Grainger worth more than $2 billion in annual revenue.[9] Our Sustainability Solutions offering helps customers manage their energy, air quality, waste and water. Additionally, Grainger's Emergency Management Programs help communities prepare for and respond to emergencies such as extreme weather. Solutions consist of products from local branches that help communities before, during and after an emergency, and internal and external resources to assist impacted areas. There is potential for increased demand of our Emergency Management programs as part of adaptation to climate change that includes increased weather severity that results in more emergencies.<br><br>Grainger has also identified opportunities to improve energy efficiency and reduce dependency on non-renewable energy within our own operations. This includes solar installations that have had measurable financial returns, as well as initiatives such as high-efficiency lifecycle replacements and building management systems that have decreased our energy consumption and costs, as well as reduced our emissions. This helps to prevent increases in energy costs and availability, increases in costs related to potential carbon taxes/pricing and any future reputational risks in the transition to a lower carbon economy.<br><br>Climate-related risks and opportunities have influence on Grainger's strategy and financial planning. We developed our Sustainability Solutions offering and Emergency Management Programs as a way to meet key customer needs and expect it to remain integral to our business and overall strategy. Grainger continues to make climate-related R&D investments, such as building management systems to improve our resource efficiencies and monitor site-level trends and climate risks. We consider our operations and supply chain, with the understanding that the inability to provide customers with the products they want when they want them because of climate risks could significantly impact our business results. We conduct business impact assessments to understand the potential impact of key facilities and locations on our business and supply chain and evaluate how we might mitigate impacts. Grainger engages with suppliers to understand their own climate risks, opportunities, targets and performance. | CDP<br>2025 Impact Report, Energy and Emissions<br>2024 Annual Report, pages 13-18 |

9. Includes High-Touch Solutions U.S. revenue from products and services.

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| RECOMMENDED DISCLOSURE | GRAINGER RESPONSE | 2025 REFERENCES |
|---|---|---|
| **Strategy** | | |
| Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | Grainger conducts climate-related scenario analysis in a qualitative and quantitative manner to help inform our climate strategy. For the transition scenario, we evaluated a 1.5° Celsius scenario, with results of the analysis showing that our current emissions target and performance are aligned for Scope 1 & Scope 2, but our Scope 3 emissions would not be aligned with a 1.5° Celsius temperature trajectory. Grainger is pursuing continued improvement of Scope 3 through improvements in our data and calculation methodologies and engagement with suppliers and customers to collectively progress on sustainability and emissions goals. To assess our physical risk exposure, in addition to RCP 2.6, we also evaluated the 'business as usual' RCP 8.5 scenario, in which long-term climate shifts are likely to lead to severe weather events, disrupting supply chains and impact revenue. In this scenario, there are increased risks to our assets, as well as higher risks to critical infrastructure in surrounding communities. A business impact analysis revealed that losing a distribution center would affect Grainger's operations and business results; however, we have the ability to mitigate some impacts through rerouting products, drop-shipping, overtime work and other strategies. | CDP |
| **Risk Management** | | |
| Describe the organization's processes for identifying and assessing climate-related risks. | Climate-related risks are incorporated in Grainger's overall Enterprise Risk Management (ERM) processes. The ERM team uses the company's Enterprise Risk Management Framework (RMF) to define, measure and monitor risk across the organization. External benchmarking is conducted to determine applicable short-term, medium-term and long term risks for the organization. As part of this framework, there is an enterprise risk rating scale that provides guidelines for risk scoring/magnitude, which includes both quantitative and qualitative metrics across multiple dimensions. There is a quantitative metric that covers the financial dimension of risk. The risk rating scale quantifies risk magnitude through consideration of impact and likelihood ratings. Applying ratings to each risk helps to commonly measure and prioritize them in a consistent manner. | CDP<br>2025 Proxy Statement, pages 25-26 |
| Describe the organization's processes for managing climate-related risks. | | |
| Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management. | Additionally, Grainger leaders and climate-related subject matter experts throughout the company support the identification of relevant climate risks. There is a cross-functional team that collaborates to assess any identified emerging or evolving risks related to climate on an ongoing basis. The assessment process for a climate risk may include, but is not limited to, reviewing the risk and likelihood, evaluating the potential or actual financial significance, benchmarking, engaging with key stakeholders, leveraging third-party consultant perspectives, understanding current risk management activities and tracking the current state. Grainger has implemented a specific process to track the financial impact of severe weather events on our business in order to better understand risks and opportunities related to such events. Grainger's Board and management team are engaged in assessing identified material risks and determining the appropriate response and prioritization. | |

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| RECOMMENDED DISCLOSURE | GRAINGER RESPONSE | 2025 REFERENCES |
|---|---|---|
| **Metrics** | | |
| Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.<br><br>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. | • Scope 1 emissions: 28,000 $MTCO_2e$<br>• Scope 2 emissions, location-based: 62,000 $MTCO_2e$<br>• Scope 2 emissions, market-based: 56,000 $MTCO_2e$<br>• Scope 1 & Scope 2 (market-based) emissions: 84,000 $MTCO_2e$<br>• Scope 1 & Scope 2 (market-based) emissions intensity: 5 $MTCO_2e$ / $M<br>• Scope 3 emissions:<br>  ◦ Category 1 – Purchased goods and services: 2,000,000 $MTCO_2e$<br>  ◦ Category 2 – Capital goods: 43,000 $MTCO_2e$<br>  ◦ Category 3 – Fuel-and-energy-related activities (not included in Scope 1 or 2) 16,000 $MTCO_2e$<br>  ◦ Category 4 – Upstream transportation and distribution: 370,000 $MTCO_2e$<br>  ◦ Category 5 – Waste generated in operations: 10,000 $MTCO_2e$<br>  ◦ Category 6 – Business travel: 39,000 $MTCO_2e$<br>  ◦ Category 7 – Employee commuting: 45,000 $MTCO_2e$<br>  ◦ Category 8 – Upstream leased assets: 1,000 $MTCO_2e$<br>  ◦ Category 11 – Use of sold products: 39,000,000 $MTCO_2e$<br>  ◦ Category 12 – End of life treatment of sold products: 473,000 $MTCO_2e$<br>• Customer Sustainability Solutions Revenue[10]: $2 billion<br><br>Scope 1, 2 and 3 emissions methodology and assurance statements can be found on our Invest.Grainger.com website. | CDP<br><br>2025 Impact Report, Emissions Reporting: Assurance<br><br>2025 Impact Report, Energy and Emissions<br><br>Invest.Grainger.com |
| Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. | **Scope 1 and Scope 2 Target**: Since we have achieved our prior goal, Grainger's 2030 new emissions target seeks to reduce our global absolute Scope 1 and Scope 2 emissions by 50% from a 2018 baseline. In 2024, we continued to see significant progress towards our target.<br><br>**Performance Against Target:** Since 2018, we have reduced global absolute Scope 1 and Scope 2 emissions by 32%. For the year, our total Scope 1 and Scope 2 (market-based) emissions totaled nearly 84,000 metric tons of $CO_2e$, placing us over 64% of the way to meeting our target. | CDP<br><br>2025 Impact Report, Energy and Emissions |

10. Includes High-Touch Solutions U.S. revenue from products and services.

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# 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.

| ACCOUNTING METRIC | DATA TYPE | CODE | GRAINGER DISCLOSURE |
|---|---|---|---|
| **Energy Management In Retail & Distribution** | | | |
| (1) Total Energy Consumed | Quantitative | CG-MR-130a.1 | 1,070,000 GJ (297,000 MWh) |
| (2) Percentage grid electricity | Quantitative | CG-MR-130a.1 | 571,000 GJ, 53% of total (159,000 MWh) |
| (3) Percentage renewable | Quantitative | CG-MR-130a.1 | 109,000 GJ, 10% of total (30,000 MWh) |
| Description of approach to identifying and addressing data security risks | Qualitative | CG-MR-230a.1 | 2024 Annual Report, pages 20-21, 24<br>2025 Impact Report, Information Security and Data Privacy<br><br>**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. In addition to scanning assets, the Information Security Architecture team reviews security designs and identifies security risks and communicates with the Governance, Risk and Compliance (GRC) team to ensure the risks are remediated prior to the implementation of the technology asset or service.<br><br>**Information Security Risk Management:** The 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.<br><br>**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 advice on the appropriate controls is given to ensure that the adequate Information Security contractual obligations are in place. |

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| ACCOUNTING METRIC | DATA TYPE | CODE | GRAINGER DISCLOSURE |
|---|---|---|---|
| **Data Security** | | | |
| Description of approach to identifying and addressing data security risks | Qualitative | CG-MR-230a.1 | **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.<br><br>**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.<br><br>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's Information Security organization executes monthly companywide Information Security education and 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. |
| (1) Number of data breaches, (2) Percentage involving personally identifiable information (PII) (3) Number of users affected | Quantitative | CG-MR-230a.2 | While Grainger does not currently disclose all of those metrics, further information on data security can be found in the following: 2024 Annual Report on pages 20-21, 24. |
| **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 currently disclose this information. |
| (1) Voluntary and (2) Involuntary turnover rate for all employees | Quantitative | CG-MR-310a.2 | |
| Total amount of monetary losses as a result of legal proceedings associated with labor law violations | Quantitative | CG-MR-310a.3 | Material legal proceedings are disclosed in our 2024 Annual Report for the fiscal year ended December 31, 2024, on page 36, but Grainger does not currently disclose this specific metric. |

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| ACCOUNTING METRIC | DATA TYPE | CODE | GRAINGER DISCLOSURE |
|---|---|---|---|
| **Workforce Diversity & Inclusion** | | | |
| Percentage of gender and diversity group representation for (a) executive management, (b) non executive management and (c) all other employees | Quantitative | CG-MR-330a.1 | Relevant information can be found in our EEO-1 Report located on our Investor Relations page. |
| Total amount of monetary losses as a result of legal proceedings associated with employment discrimination | Quantitative | CG-MR-330a.2 | Material legal proceedings are disclosed in our 2024 Annual Report, for the fiscal year ended December 31, 2024, in Note 13, but Grainger does not disclose this specific metric. |
| **Product Sourcing, Packaging, & Marketing** | | | |
| Revenue from products third-party certified to environmental and/or social sustainability standards | Quantitative | CG-MR-410a.1 | $2 billion in High-Touch Solutions U.S. Customer Sustainability Solutions revenue, which includes certified and validated environmentally preferable products, supporting sustainability services and Other Sustainability Related Products (OSRPs). OSRPs do not explicitly highlight specific environmental attributes and may not meet sustainability criteria; however, while these products may not have a stated sustainability benefit, they still play a role in supporting sustainability goals by offering solutions that may contribute to broader environmental, health, and safety benefits, including energy management, waste management, air quality management, and water management. OSRPs can encompass a wide range of product categories and can potentially help advance sustainability initiatives without the explicit certifications found in CEPPs and EPPs. 2025 Impact Report, Customer Sustainability Solutions |

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| ACCOUNTING METRIC | DATA TYPE | CODE | GRAINGER DISCLOSURE |
|---|---|---|---|
| Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products | Discussion and Analysis | CG-MR-410a.2 | **Products**: 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. 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. We continue to increase the number of products in our portfolio with environmental certifications and attributes, such as GreenGuard, EPA Safer Choice and "Plastic-Free Packaging," helping consumers identify and consider these products while shopping. We also continue 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.

**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 and GHS standard. The Hazardous Material Shipping Compliance Guidelines Acknowledgment must be signed by the appropriately trained members of Grainger's Management Teams at the DC and Branch locations. |
| Discussion of strategies to reduce the environmental impact of packaging | Discussion and Analysis | CG-MR-410a.3 | 2025 Impact Report, Operating Sustainably |
| **Activity Metric** | | | |
| Number of: (1) retail locations and (2) distribution centers | Quantitative | CG-MR-000.A | Retail locations (branches): 397<br>Distribution centers: 34<br>Further details can be found in our 2024 Annual Report, page 25 |
| Total area of: (1) retail space and (2) distribution centers | Quantitative | CG-MR-000.B | Retail locations (branches): 8,000,000 square feet<br>Distribution centers: 17,000,000 square feet<br>Further details can be found in our 2024 Annual Report, page 25 |

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# GRI Content Index

Grainger has reported the information cited in this GRI content index for the period January 1, 2024, to December 31, 2024, unless otherwise specified. Grainger applies the GRI standards in the below GRI content index as a means of indicating where particular topics and disclosures can be found.

Please note, at the time of publishing this index, our 2024 CDP Climate Change Assessment covering FY2023 is available. Our 2025 CDP response will be made available later in 2025, according to the CDP's timeline, and will cover FY2024. Please check Invest.Grainger.com for our latest reports and resources, including our CDP submissions and assurance statements.

GRI 1 used — **GRI 1: Foundation 2021**

| GRI STANDARD | DISCLOSURE | LOCATION |
|---|---|---|
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | W.W. Grainger, Inc.<br>2024 Annual Report, pages 1, 5-10, 25 |
| | 2-2 Entities included in the organization's sustainability reporting | 2025 Impact Report, About this Report |
| | 2-3 Reporting period, frequency and contact point | Reporting period: Fiscal year 2024 (January 1, 2024, to December 31, 2024), unless otherwise noted.<br>Reporting frequency: Annual<br>Contact: GraingerImpact@Grainger.com |
| | 2-4 Restatements of information | Details of restatements can be found in footnotes of respective sections.<br>2025 Impact Report |
| | 2-5 External assurance | 2025 Impact Report, About this Report and Emissions Reporting: Assurance<br>GHG Assurance Letter on Invest.Grainger.com |
| | 2-6 Activities, value chain and other business relationships | 2024 Annual Report, pages "About Us", iv, 5-10 |
| | 2-7 Employees | 26,000 total team members<br>2024 Annual Report, pages 8-10<br>2025 Impact Report, Team Member Learning<br>EEO-1 Report |
| | 2-8 Workers who are not employees | Grainger does not currently disclose this information. |
| | 2-9 Governance structure and composition | 2025 Proxy Statement |
| | 2-10 Nomination and selection of the highest governance body | 2025 Proxy Statement, pages 1-23 |
| | 2-11 Chair of the highest governance body | 2025 Proxy Statement, page 21 |

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# GRI Content Index (continued)

| GRI STANDARD | DISCLOSURE | LOCATION |
|---|---|---|
| GRI 2: General Disclosures 2021 | 2-12 Role of the highest governance body in overseeing the management of impacts | 2025 Proxy Statement, pages 1-2, 9-28 |
| | 2-13 Delegation of responsibility for managing impacts | 2025 Proxy Statement, pages 17-20, 24-28 |
| | 2-14 Role of the highest governance body in sustainability reporting | 2025 Proxy Statement, pages 24-28<br>2025 Impact Report, Our Approach |
| | 2-15 Conflicts of interest | 2025 Proxy Statement, pages 4,8<br>Business Conduct Guidelines, pages 10-11 |
| | 2-16 Communication of critical concerns | 2025 Proxy Statement, pages 27-28<br>www.GraingerCodeofConduct.com |
| | 2-17 Collective knowledge of the highest governance body | 2025 Proxy Statement, pages 5-16 |
| | 2-18 Evaluation of the performance of the highest governance body | 2025 Proxy Statement, pages 21-23 |
| | 2-19 Remuneration policies | 2025 Proxy Statement, pages 29-34, 38-66 |
| | 2-20 Process to determine remuneration | 2025 Proxy Statement, pages 29-30, 38-69 |
| | 2-21 Annual total compensation ratio | 2025 Proxy Statement, page 67 |
| | 2-22 Statement on sustainable development strategy | 2025 Impact Report, Focusing on What Matters |
| | 2-23 Policy commitments | Business Conduct Guidelines<br>Conflict Minerals Policy<br>Supplier Code of Ethics<br>Human Rights Principles<br>Global Environmental, Health and Safety Policy |
| | 2-24 Embedding policy commitments | 2025 Impact Report (including, but not limited to):<br>– A Culture of Integrity<br>– Supplier Relationships and Strategic Alliances<br>– Energy and Emissions<br>– Working Safely and Securely |
| | 2-25 Processes to remediate negative impacts | 2025 Impact Report, A Culture of Integrity<br>www.GraingerCodeofConduct.com<br>Business Conduct Guidelines |

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# GRI Content Index (continued)

| GRI STANDARD | DISCLOSURE | LOCATION |
|---|---|---|
| GRI 2: General Disclosures 2021 | 2-26 Mechanisms for seeking advice and raising concerns | 2025 Impact Report, A Culture of Integrity<br>www.GraingerCodeofConduct.com<br>Business Conduct Guidelines |
| | 2-27 Compliance with laws and regulations | Material legal proceedings are disclosed in our 2024 Annual Report for the fiscal year ended December 31, 2024, on pages 25, 36, 38-39, 65 |
| | 2-28 Membership associations | 2025 Proxy Statement, page 28 |
| | 2-29 Approach to stakeholder engagement | 2025 Impact Report, Materiality Assessment |
| | 2-30 Collective bargaining agreements | Human Rights Principles |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | 2025 Impact Report, Materiality Assessment |
| | 3-2 List of material topics | 2025 Impact Report, Materiality Assessment |
| | 3-3 Management of material topics | 2025 Impact Report, Materiality Assessment<br>For further details on specific material topics, please see respective sections and metrics included in the 2025 Impact Report |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | 2024 Annual Report, pages 38-65 |
| | 201-2 Financial implications and other risks and opportunities due to climate change | 2024 Annual Report, pages 13-15, 18<br>CDP |
| | 201-3 Defined benefit plan obligations and other retirement plans | 2024 Annual Report, pages 54-57 |
| GRI 203: Indirect Economic Impacts 2016 | 203-2 Significant indirect economic impacts | 2024 Annual Report, pages 8-10, 22<br>2025 Impact Report:<br>– Customer Sustainability Solutions<br>– Supplier Relationships and Strategic Alliances<br>– Inclusion, Opportunity and Community |
| GRI 204: Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers | 2025 Impact Report, Supplier Relationships and Strategic Alliances |
| GRI 205: Anti-corruption 2016 | 205-2 Communication and training about anti-corruption policies and procedures | Business Conduct Guidelines<br>Supplier Code of Ethics |

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| GRI STANDARD | DISCLOSURE | LOCATION |
|---|---|---|
| GRI 207: Tax 2019 | 207-1 Approach to tax | 2024 Annual Report, pages 46, 60-62 |
| | 207-2 Tax governance, control, and risk management | 2024 Annual Report, pages 21-22, 30, 46, 60-62<br>Audit Committee Charter |
| GRI 301: Materials 2016 | 301-2 Recycled input materials used | 2025 Impact Report, Operating Sustainably |
| | 301-3 Reclaimed products and their packaging materials | 2025 Impact Report, Operating Sustainably |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | 297,000 MWh<br>2025 Impact Report, Data Transparency Table<br>SASB, CG-MR-130a.1 |
| | 302-3 Energy intensity | 17 MWh / $M<br>2025 Impact Report, Data Transparency Table |
| | 302-4 Reduction of energy consumption | 13,000 MWh<br>2025 Impact Report, Data Transparency Table |
| | 302-5 Reductions in energy requirements of products and services | 2025 Impact Report:<br>– Customer Sustainability Solutions<br>– Energy and Emissions |
| GRI 303: Water and Effluents 2018 | 303-5 Water consumption | 468,000 cubic meters<br>2025 Impact Report, Operating Sustainably |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | 28,000 MTCO$_2$e<br>2025 Impact Report, Energy and Emissions<br>CDP |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Market-based: 56,000 MTCO$_2$e<br>Location-based: 62,000 MTCO$_2$e<br>2025 Impact Report, Energy and Emissions<br>CDP |

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| GRI STANDARD | DISCLOSURE | LOCATION |
|---|---|---|
| GRI 305: Emissions 2016 | 305-3 Other indirect (Scope 3) GHG emissions | 2025 Impact Report, Emissions Reporting: Assurance<br>2025 Impact Report, Energy and Emissions |
| | 305-4 GHG emissions intensity | Scope 1 & scope 2 emission intensity (MTCO$_2$e / \$M): 5<br>2025 Impact Report, Energy and Emissions |
| | 305-5 Reduction of GHG emissions | 32% in Scope 1 and Scope 2 emissions reduction as of December 31, 2024 vs. 2018 baseline<br>2025 Impact Report, Energy and Emissions<br>CDP |
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | 63,000,000 lbs of waste recycled<br>22,000,000 lbs of non hazardous waste disposed<br>42,000 lbs of hazardous waste disposed in the U.S.<br>2025 Impact Report, Operating Sustainably |
| | 306-3 Waste generated | |
| | 306-4 Waste diverted from disposal | |
| | 306-5 Waste directed to disposal | |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria | Supplier Code of Ethics<br>CDP |
| | 308-2 Negative environmental impacts in the supply chain and actions taken | Supplier Code of Ethics |
| GRI 401: Employment 2016 | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | Total Rewards Website |
| | 401-3 Parental leave | Total Rewards Website |

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| GRI STANDARD | DISCLOSURE | LOCATION |
|---|---|---|
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | 2025 Impact Report, Working Safely and Securely<br>Global Environmental, Health and Safety Policy |
| | 403-2 Hazard identification, risk assessment, and incident investigation | 2025 Impact Report, Working Safely and Securely<br>Global Environmental, Health and Safety Policy |
| | 403-3 Occupational health services | 2025 Impact Report, Working Safely and Securely<br>Global Environmental, Health and Safety Policy<br>Total Rewards Website |
| | 403-4 Worker participation, consultation and communication on occupational health and safety | 2025 Impact Report, Working Safely and Securely<br>Global Environmental, Health and Safety Policy |
| | 403-5 Worker training on occupational health and safety | 2025 Impact Report, Working Safely and Securely<br>Global Environmental, Health and Safety Policy |
| | 403-6 Promotion of worker health | 2025 Impact Report, Working Safely and Securely<br>Global Environmental, Health and Safety Policy<br>Total Rewards Website |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 2025 Impact Report, Working Safely and Securely<br>Global Environmental, Health and Safety Policy |
| | 403-8 Workers covered by an occupational health and safety management system | 2025 Impact Report, Working Safely and Securely<br>Global Environmental, Health and Safety Policy |
| | 403-9 Work-related injuries | 2025 Impact Report, Working Safely and Securely<br>0.5 U.S. LTIR all employees<br>0.0 U.S. LTIR contracted employees<br>No work-related fatalities in 2024 |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | Average hours of training per team member: 13<br>2025 Impact Report, Data Transparency Table |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | 2025 Impact Report, Team Member Learning |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | 2025 Impact Report, Team Member Learning and Data Transparency Table |

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|---|---|---|
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | 2025 Impact Report, Data Transparency Table<br>EEO-1 Report<br>2025 Proxy Statement, pages 6-7 |
| | 405-2 Ratio of basic salary and remuneration of women to men | Grainger remains committed to ensuring fair and equitable compensation for all employees. In furtherance of this commitment, Grainger complies with all applicable country- and state-level requirements for mandatory compensation analyses and disclosures. |
| GRI 408: Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | 2025 Impact Report, Supply Chain Transparency<br>Human Rights Principles<br>Supplier Code of Ethics |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | 2025 Impact Report, Supply Chain Transparency<br>Human Rights Principles<br>Supplier Code of Ethics |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | 2025 Impact Report, Inclusion, Opportunity and Community |
| | 413-2 Operations with significant actual and potential negative impacts on local communities | Grainger has not identified any operations where there are significant actual or potential negative impacts on local communities. |
| GRI 414: Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria | Human Rights Principles<br>Supplier Code of Ethics |
| | 414-2 Negative social impacts in the supply chain and actions taken | 2025 Impact Report, Supplier Relationships and Strategic Alliances<br>Human Rights Principles<br>Supplier Code of Ethics |
| GRI 415: Public Policy 2016 | 415-1 Political contributions | Business Conduct Guidelines |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories | 2025 Impact Report, Customer Sustainability Solutions |
| GRI 418: Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Material items would be disclosed in our 2024 Annual Report for the fiscal year ended December 31, 2024. |

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# Emissions Reporting: Assurance

## VERIFICATION OPINION DECLARATION GREENHOUSE GAS EMISSIONS

To: The Stakeholders of W. W. Grainger, Inc.

Apex Companies, LLC (Apex) was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by W. W. Grainger, Inc. (Grainger) for the period stated below. This opinion declaration applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of Grainger. Grainger is responsible for the preparation and fair presentation of the GHG emissions statement in accordance with the criteria. Apex's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported and on the underlying systems and processes used to collect, analyze and review the information. Apex is responsible for expressing an opinion on the GHG emissions statement based on the verification. Verification activities applied in a limited level of assurance verification are less extensive in nature, timing and extent than in a reasonable level of assurance verification.

**Boundaries of the reporting company GHG emissions covered by the verification:**
- Operational Control
- Worldwide

**Types of GHGs:** $CO_2$, $N_2O$, $CH_4$, HFCs

**GHG Emissions Statement:**
- **Scope 1:** 27,642 metric tons of $CO_2$ equivalent
- **Scope 2 (Location-Based):** 61,618 metric tons of $CO_2$ equivalent
- **Scope 2 (Market-Based):** 56,179 metric tons of $CO_2$ equivalent
- **Scope 3:**
  Purchased Goods & Services: 2,409,137 metric tons of $CO_2$ equivalent
  Capital Goods: 43,401 metric tons of $CO_2$ equivalent
  Fuel- and Energy-Related Activities: 16,430 metric tons of $CO_2$ equivalent
  Upstream Transportation and Distribution: 369,102 metric tons of $CO_2$ equivalent
  Waste Generated in Operations: 9,613 metric tons of $CO_2$ equivalent
  Business Travel: 38,976 metric tons of $CO_2$ equivalent
  Employee Commuting and Working from Home: 45,323 metric tons of $CO_2$ equivalent
  Upstream Leased Assets: 1,286 metric tons of $CO_2$ equivalent
  Use of Sold Products: 38,443,334 metric tons of $CO_2$ equivalent
  End of Life Treatment of Sold Products: 473,378 metric tons of $CO_2$ equivalent.

Data and information supporting the Scope 1 and Scope 2 GHG emissions statement were primarily historical in nature, but in some cases were estimated.

Data and information supporting the Scope 3 GHG emissions statement were in some cases estimated rather than historical in nature.

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**Period covered by GHG emissions verification:**
- January 1, 2024 to December 31, 2024

**Global Warming Potential (GWP) and emission factor data sets:**
- Intergovernmental Panel on Climate Change (IPCC), Fifth Assessment Report (AR5)
- The Climate Registry Default Emission Factors, published June 2023 and February 2024
- United Nations Framework Convention on Climate Change (UNFCCC), Country-specific reports released April 2023
- United Kingdom (UK) Department for Environment Food & Rural Affairs (DEFRA), UK Government GHG Conversion Factors for Company Reporting, June 28, 2023 and October 30, 2024
- United States Environmental Protection Agency (USEPA) Emissions & Generation Resource Integrated Database (eGRID), January 31, 2023 and January 30, 2024
- United States Environmental Protection Agency (USEPA) Emission Factor Hub, 2024
- USEPA EEIO Factors v1.3, 2024
- International Energy Agency (IEA) Emission Factor Database (2021 data), 2023 and Emission Factor Database (2022 data), 2024
- Canada National Inventory Report, published April 14 2023 and May 2, 2024
- Utility-specific emission factors, sourced from EEI 2023 and EEI 2024
- Green-E Residual Mix Emission Rates (2021 data), December 12, 2023
- Association of Issuing Bodies (AIB) European Residual Mixes 2023, June 4, 2024
- EcoInvent V3.10
- Country-specific emission factors

**Criteria against which verification was conducted:**
- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2)
- WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3)

**Reference Standard:**
- ISO 14064-3 Second Edition 2019-04: Greenhouse gases -- Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

**Level of Assurance and Qualifications:**
- Limited
- This verification used a materiality threshold of ±5% for aggregate errors in sampled data for each of the above indicators.

**GHG Verification Methodology:**

Evidence-gathering procedures included but were not limited to:
- Interviews with relevant personnel of Grainger and their consultants;
- Review of documentary evidence produced by Grainger and their consultants;

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- Review of Grainger data and information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions; and
- Audit of sample of data used by Grainger to determine GHG emissions.

**Verification Opinion:**

Based on the process and procedures conducted, there is no evidence that the GHG emissions statement shown above:
- is not materially correct and is not a fair representation of the GHG emissions data and information; and
- has not been prepared in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2), and WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3).

It is our opinion that Grainger has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

**Statement of independence, impartiality and competence**

Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services.

No member of the verification team has a business relationship with Grainger, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of Apex's standard methodology for the verification of greenhouse gas emissions data.

**Attestation:**

Mary E. Armstrong-Friberg, Lead Verifier
ESG Senior Program Manager
Apex Companies, LLC
Cleveland, Ohio

Trevor Donaghu, Technical Reviewer
ESG Director
Apex Companies, LLC
Pleasant Hill, California

August 7, 2025

*This verification opinion declaration, including the opinion expressed herein, is provided to Grainger and is solely for the benefit of Grainger in accordance with the terms of our agreement. We consent to the release of this statement by you to the public or other organizations but without accepting or assuming any responsibility or liability on our part to any other party who may have access to this declaration.*

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Overview   Focusing on What Matters   Our Approach   A Culture of Integrity   Operating Sustainably   Customer Sustainablility Solutions   Supplier Relationships and Strategic Alliances   Energy and Emissions   Inclusion, Opportunity and Community   Working Safely and Securely   **Appendix**

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# Emissions Reporting: Accompanying Disclosures

Grainger's Scope 1 and Scope 2 emissions are reported in $CO_2e$ and are substantially comprised of $CO_2$. Beyond $CO_2$ emissions, other greenhouse gas types are immaterial.

In alignment with the Greenhouse Gas Protocol Corporate Standard requirement, Grainger applies a significance threshold of 5% of the base year's total Scope 1 & 2 emissions to trigger a baseline recalculation.

| | BASE YEAR 2018 | 2024 |
|---|---|---|
| Scope 1 | 37,000 | 28,000 |
| Scope 2 market-based | 87,000 | 56,000 |
| Scope 2 location-based | 91,000 | 62,000 |
| Scope 1 & Scope 2 market-based | 124,000 | 84,000 |

| | BASE YEAR 2024 |
|---|---|
| Scope 3 Category 1 – Purchased goods and services | 2,000,000 |
| Scope 3 Category 2 – Capital goods | 43,000 |
| Scope 3 Category 3 – Fuel-and-energy-related activities (not included in Scope 1 or 2) | 16,000 |
| Scope 3 Category 4 – Upstream transportation and distribution | 369,000 |
| Scope 3 Category 5 – Waste generated in operations | 10,000 |
| Scope 3 Category 6 – Business travel | 39,000 |
| Scope 3 Category 7 – Employee commuting | 45,000 |
| Scope 3 Category 8 – Upstream leased asset | 1,000 |
| Scope 3 Category 11 – Use of sold products | 39,000,000 |
| Scope 3 Category 12 – End of life treatment of sold products | 473,000 |

Overview | Focusing on What Matters | Our Approach | A Culture of Integrity | Operating Sustainably | Customer Sustainability Solutions | Supplier Relationships and Strategic Alliances | Energy and Emissions | Inclusion, Opportunity and Community | Working Safely and Securely | **Appendix**

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# 2025 Impact Report

For our most up-to-date news and company information, visit [Invest.Grainger.com](Invest.Grainger.com). For questions, contact GraingerImpact@grainger.com.