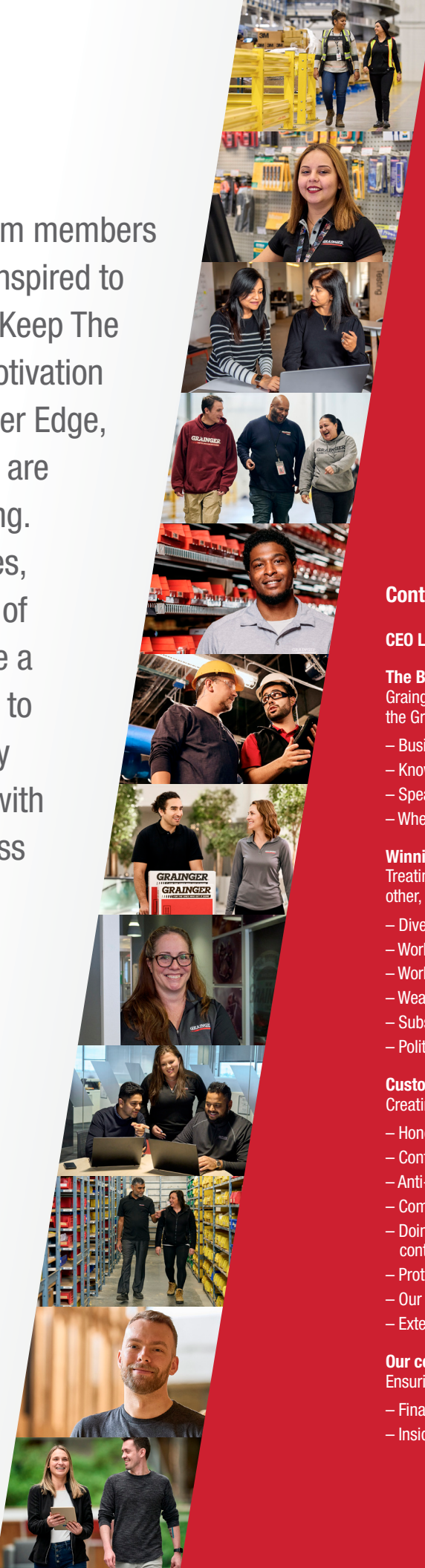


# The Business Conduct Guidelines: Grainger's Code of Conduct



Each day, Grainger team members around the world are inspired to fulfill our purpose, We Keep The World Working®. Our motivation is fueled by the Grainger Edge, which defines who we are and where we are going. It outlines our principles, which are at the heart of how we work. We have a personal responsibility to do the right thing every day when interacting with our customers, business partners, communities and each other.



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**“Doing the right thing is a team sport – each of us is responsible for upholding and strengthening Grainger’s reputation each day.”**

**To All Team Members:**

Every day our purpose – We Keep The World Working® – motivates us to do our best for our customers, communities, and each other.

We know that *how* we get things done is just as important as *what* we do. Since opening our doors in 1927, doing the right thing has been key to our continued success – it’s in the brick and mortar of our facilities and the hearts and souls of our team members. Our customers and suppliers stay with us because they trust us to be fair and keep our word; our communities and shareholders value our track record of acting with the highest level of ethics and integrity; and our team members thrive by working for a company they believe in, one that is focused on creating a welcoming workplace that supports meaningful careers today and into the future.

Doing the right thing is a team sport – each of us is responsible for upholding and strengthening Grainger’s reputation each day. We do this by complying with all laws, following ethical practices and speaking up to report concerns. We are committed to protecting each team member’s right to voice concerns so that Grainger remains an ethical and safe workplace where everyone can be themselves and feel safe reporting Code of Conduct violations.

Each year, we each pledge to read, understand and stay true to Grainger’s Business Conduct Guidelines which define our Code of Conduct – it’s one of the most important things we can do to strengthen our culture and our company. No document can cover every situation we face, and we must use common sense to make sound, principled decisions. We have many avenues to seek out support when we have questions or need help.

What we do and say matters, and consistently learning and growing will be key to our continued success. Thank you for committing to our company and to our Code of Conduct, and for upholding the high standards that define Grainger.

D.G. Macpherson

Chairman of the Board and Chief Executive Officer



D.G. Macpherson



# The Business Conduct Guidelines:

## Grainger's Code of Conduct and The Grainger Edge

### Grainger's Code of Conduct and Your Responsibility

#### Policies and Guidelines for Team Members

Grainger has a number of policies to support the Business Conduct Guidelines. A complete list of company policies is available [here](#).

Operating with the highest standards of ethics and integrity defines who we are as a company. We strengthen our culture and reputation by furthering the Grainger Edge, complying with all laws and regulations, and following ethical practices. The Business Conduct Guidelines apply to all Grainger team members, inclusive of position, status, role, or responsibilities and defines our shared expectations of how we work together, serve customers and business partners, and honor our commitments to shareholders everywhere we do business.

Each year, all team members, contractors, executive officers and members of our Board of Directors are required, as a condition of employment, to certify that we've read, understand and will comply with the Business Conduct Guidelines. This includes following Grainger's Code of Conduct, supporting others to do so and speaking up when there is a suspected violation. All reports of Code of Conduct violations are taken seriously, investigated thoroughly and addressed promptly. Violators may face serious repercussions, up to and including termination from the company.

There are many resources to help you understand the Code of Conduct and how to report any concerns. The following are available so you can choose those that best fit the situation:

- Your supervisor or manager
- Your Human Resources Business Partner or Advisor
- The Legal or Ethics and Compliance Department
- Environmental Health and Safety
- Security and Loss Prevention
- Anonymous reporting through the company's toll-free and web-based hotlines.  
These hotlines are operated by an outside professional resource:
  - U.S. Number: 1(888) 873-3731
  - Global phone numbers are listed at [www.GraingeriCareLine.com](http://www.GraingeriCareLine.com)
  - Report through the web portal and globally: [www.GraingeriCareLine.com](http://www.GraingeriCareLine.com)
- The Audit Committee of the Board of Directors at:  
Board of Directors  
W.W. Grainger, Inc.  
P.O. Box 66  
Lake Forest, IL 60045-0066

### Your Responsibility

Ask yourself:

- Do I fully understand Grainger's Code of Conduct?
- Do I know how Grainger's Code of Conduct links to our principles?
- Do I know how the Code of Conduct links to my daily work and my interactions with others?
- Have I taken the required training?
- Do I know where to go for help if I have questions or concerns?



## The Business Conduct Guidelines: Grainger's Code of Conduct and The Grainger Edge

### Speak up with Support

Raising a question or concern requires courage. We appreciate and support those who, in good faith, speak up to strengthen our company. When you make your voice heard to better our work environment, you are improving the experience you and your team have at Grainger, enhancing our ethical practices, and keeping people and our culture safe.

The reporting and investigative process is transparent and fair. Grainger does not retaliate or permit retaliation against anyone for making an inquiry, raising a question, initiating a complaint or participating in an investigation. We will maintain anonymity to the extent permitted by law. If you believe you face retaliation, please report this immediately to your manager, your Human Resources Business Partner, or the Legal or Ethics and Compliance Department.

If you are a people leader, you are responsible for creating an environment where your team feels comfortable coming to you with an issue or concern without fear of retaliation. By reinforcing our ethical and inclusive culture, hearing team member concerns, maintaining confidentiality and taking appropriate action, you support Grainger's Code of Conduct while building trust with your team.



### Not Sure How to Respond to a Situation?

The process below can help you think through a situation. Ask yourself:



If the answer is **YES**, the action appears appropriate. If the answer is **NO**, the action may have serious consequences and should not be pursued. If you still have a question, use the resources listed in this section.

When you make your voice heard to better our work environment, you are improving the experience you and your team have at Grainger, enhancing our ethical practices, and keeping people and our culture safe.

## The Business Conduct Guidelines: Grainger's Code of Conduct and The Grainger Edge



### ***Why am I required to certify to the Business Conduct Guidelines and our Code of Conduct every year?***

The global business, and social and legal environments we operate in are always changing, and laws and customer requirements are becoming more complex. The Business Conduct Guidelines and our Code of Conduct provide defined standards and expectations for how we must work as we execute the Grainger Edge. It is your personal responsibility to understand, follow and certify your compliance every year.



### ***What should I do if I get a request from a team member in a different country that I believe violates Grainger's Code of Conduct?***

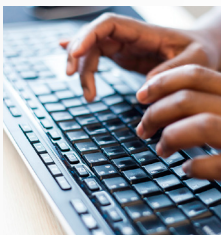
Although local customs may vary, Grainger's Code of Conduct provides a common definition of how we are all expected to work and behave, regardless of location. Discuss your concerns with your manager and escalate as needed.

## WHEN YOU CALL THE Grainger iCareLine

When you contact the Grainger iCareLine through the company's toll-free and web-based hotlines ([www.GraingeriCareLine.com](http://www.GraingeriCareLine.com)) here is what you can expect.



**1 |** The representative will ask for information about the incident or concern, including parties involved, location, and other key details. You can choose to respond, or not, to any questions, but please provide enough information so your concern can be fully investigated. You can provide your name or remain anonymous.



**2 |** The representative will submit a report to the Grainger investigations team and you will receive a report ID number you can use to check on the status of your report. If you decide to remain anonymous, you will not be identified in the report and the report ID number will be the only way to receive information.

If you provide your name or other identifying information, anonymity cannot be guaranteed. In certain situations, Grainger may have a legal obligation to provide this information to investigators, including government officials.



**3 |** The Grainger investigations team will review the report and assign it to a designated person for further action. This person may need additional information. If you file the report anonymously, please check back to see if more information is needed. You are expected to cooperate in any investigation and can be confident you will not experience any retaliation for raising a concern in good faith or for participating in an investigation.

Grainger is committed to thoroughly reviewing all incidents, concerns, or other issues raised or reported and will keep confidentiality to the extent possible by law or other policies. If Grainger takes action, the company will act in a consistent and respectful manner. The specific outcome of any investigation will not be shared to protect confidentiality.

# Winning through teamwork

Treating each other with respect and keeping each other, our customers, suppliers and visitors safe



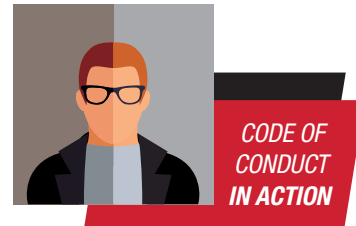
## Diversity, Equity and Inclusion

At Grainger, we believe our differences make us stronger. To serve customers of all sizes across multiple industries and geographies better than anyone else, we need team members with different experiences, perspectives and capabilities. Diversity, equity and inclusion (DEI) are integral to winning as one team, and we are committed to fostering a welcoming environment where all team members feel safe, respected and encouraged to voice their opinions. We value all people — inclusive of sex, gender, race, color, religion, national origin, age, disability, veteran status, sexual orientation, gender expression or experiences — and are committed to ensuring fair treatment, opportunity, and advancement so all team members are comfortable to share who they are and can be their best.

## Workplace Behavior – Freedom from Harassment and Discrimination

We are all responsible for creating and maintaining a productive and respectful work environment free from any kind of inappropriate conduct, including harassment, discrimination or bullying.

Harassment and discrimination can take many forms, including conduct that can lead to interfering with our work, diminishing a team member's dignity or creating an intimidating, hostile or offensive work environment. Any type of harassment, including physical, sexual, verbal, or online will not be tolerated and can result in disciplinary actions, up to and including termination, and subject to applicable law.



**Q** Yuri wants to promote a member of his team to replace one who just retired. He thinks since David is 50 years old and nearing retirement age, and Elena is only 35 years old and may stay with the company for many years, it would be better to promote Elena. After all, the company will invest in training and he wants this investment to be used wisely. Is this a good decision?

**A** No. Yuri is making this decision in part based on age discrimination which is illegal, against our values and never acceptable. As a leader, Yuri is modeling the wrong behavior and is putting his position and the company at risk. Yuri needs to make decisions regarding team member promotion based on individual merits and qualifications. Yuri can consult his manager and Human Resources if he has questions with the hiring process.



**Q** When interviewing candidates for a position on her team, Nina confides to Anita, her HR Business Partner, that although she thinks Gregory has the needed skills and experience, she is not hiring him because of his accent. Does Anita need to speak up?

**A** Anita should counsel Nina it is our policy to hire the best candidate for the role based on his/her/their qualifications. Not doing so is a violation of the Business Conduct Guidelines.

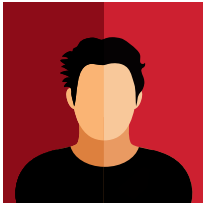


## Winning through teamwork



### *If I wear company logo gear after work, what are my responsibilities?*

If you're wearing company logo gear after hours, act in the same way you would at work. When you wear company logo gear, you are representing the company. If you don't plan to act as you do at work, don't wear the gear. Additionally, do not wear Grainger gear to any political rally or event.



### CODE OF CONDUCT IN ACTION

**Q** Jake, a distribution center associate, confidentially reports a safety concern to his supervisor. In the weeks that follow, he notices his manager is overly critical and distant with him. Recently, Jake was reassigned to a different shift that his manager Jake knows he cannot work due to previously communicated family obligations. What can Jake do?

**A** Jake did the right thing by reporting the safety issue. By doing so, he is helping make the work environment safer for him and his team. If Jake believes he is experiencing retaliation for reporting his concern, he should immediately contact Human Resources, the Legal or Ethics and Compliance Department, his distribution center leader or the [Grainger iCareLine](#). The company will investigate the concern and will not tolerate retaliation against any team member who seeks advice, raises a concern, or reports suspected misconduct in good faith.



## Workplace Safety

Our company is committed to a safe and secure workplace. Everyone must comply with relevant health and safety laws, regulations, and company policies which are designed to maintain a safe workplace. Any condition or work practice that could result in personal injury, illness, and/or damage to property, must be reported immediately to appropriate management.

We have a zero-tolerance policy when it comes to acts or threats of violence, either internal or external to the workplace. Be alert about what is going on around you, observe good security practices and promptly report any concerns to management, the Security and Loss Prevention team, or local law enforcement, e.g., 911 for emergency assistance or 988 for suicide and crisis intervention.

## Weapons

Weapons of any kind or nature are prohibited on any company property, in any company facility, at any company-sponsored event, or at any customer or vendor facility.

## Substance Abuse – Alcohol and Drugs

You are expected to perform your job alcohol and drug free. Being in possession of or working under the influence of drugs or alcohol can create a safety hazard and affect your judgment and performance. We recognize that on occasion, alcohol may be provided at a company-sponsored event or with a business meal. Ensure that your consumption of alcohol does not impair your performance and judgment.



## Winning through teamwork

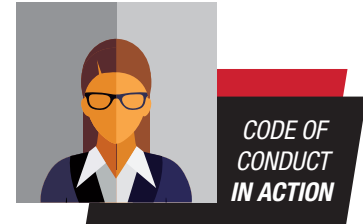
### Political Activities and Political Donations

Grainger does not make contributions of any kind to political parties or candidates, even when allowed by law. This includes supplying funds, property or services to a political campaign. Grainger will not match any personal contributions you may make to a political party or candidate. Prior to donating to a nonfederal political party candidate, verify your contribution is compliant with applicable Pay-To-Play laws and regulations and contact the Legal or Ethics and Compliance Department to ensure your donation is permissible.

We encourage all team members to engage in lawful political processes. However, all political activities must be kept separate from work responsibilities.

No company assets such as vehicles, facilities, or Grainger-branded merchandise can be used to support political activities or to make contributions to political parties, candidates or campaigns. If you engage in political activities (such as attending a campaign event or running for elected office), do so on your personal time, using your own resources, and in non-work attire (e.g., not a Grainger shirt) to avoid any impression you are representing Grainger or acting on the company's behalf. Since Grainger is a government contractor and its customer base includes both government and commercial customers subject to diverse ethics and procurement integrity regulations and laws, before running for any elected office or accepting any appointed, volunteer or board position, contact the Legal or Ethics and Compliance Department to confirm your participation is permissible.

Additionally, if you are supporting a candidate or a political issue on your personal social media channels, please ensure your post does not in any way represent the company. Grainger also prohibits you from asking other team members to contribute to or support a political party or candidate.



**Q** Lina, a marketing manager, is passionate about a particular political candidate and often posts videos of herself talking about the candidate's achievements on her social media channels. In some of them, she is wearing a Grainger cap. Since she never mentions that she works for Grainger, this is acceptable, right?

**A** No. Even though Lina never mentions she is a Grainger team member, wearing a cap with the Grainger logo can give the impression Grainger endorses her views.



**Q** George's sister-in-law is running for mayor of their small town and wants to meet her constituents to win their vote. George, a branch manager, invites her to the branch so she can say a few words at his team meeting. Was George correct in doing this?

**A** No. George is in violation of Grainger's Code of Conduct because he is using a Grainger facility and company time to further the interests of a political candidate. In addition, as a leader, he is implicitly putting pressure on his team members to support the candidate.

### Your Responsibility

Ask yourself:

- Am I treating others at work the way I would like to be treated?
- Am I open to diverse perspectives, workstyles, and experiences?
- Am I upholding our safety standards so everyone feels physically and psychologically secure at my workplace?
- Am I ensuring my political views and activities remain separate from work and the Grainger brand?



[Grainger's Guide to Speaking Up](#)  
[Workplace Behavior – Harassment Policy](#)  
[Workplace Violence Prevention Policy](#)  
[Drug – Alcohol Free Workplace Policy](#)  
[Civic and Political Activity Policy](#)

# Customers and Business Partners

## Building strong relationships every day



**Q** Lauren is impressed with how her leader, Dave, consistently achieves his sales goal. One day she sees him do something with a customer that seems contrary to our Code of Conduct and she asks Dave about it. His response is, “It’s not illegal.” What is the best course of action for Lauren?

**A** Lauren should share her concerns with her Human Resources representative, the Legal or Ethics and Compliance Department or use the [Grainger iCareLine](#). All team members are required to follow the Business Conduct Guidelines. Additionally, wrongdoing is not always a question between right and wrong. It can also be a choice between doing what is right or doing what is easy. People who rationalize their behavior often use phrases such as those below. These are good indicators of a wrong decision.

- I deserve this
- This is the only way I can achieve my goal
- Everyone else is doing it
- It’s not illegal
- I’m not hurting anyone
- It’s a trick of the trade
- This is how we do things here
- This is how it’s done at other companies
- It’s just for this one time



**Find out more!**

[Gifts and Entertainment Policy](#)

[Purchasing Policy](#)

[Employment of Relatives Policy](#)

### Honest and Fair Business Dealings

Everywhere we operate around the world, we will be honest and fair in dealings with our customers, suppliers, fellow team members, competitors, the community, and each other. Our behavior must reflect the principles embedded in the Grainger Edge and align to our company’s standards for ethics and integrity.

We are the go-to partner when we start with our customers and act with intent as we help keep their facilities running and people safe. Our customers have a wide variety of needs, processes, systems and requirements. We win their trust by understanding their priorities, working with them to find the best solutions, and delivering on our commitments with integrity.

### Avoid Conflicts of Interest

Conflicts of interest may occur in two different forms: **Organizational** and **Personal**.

An **Organizational Conflict of Interest** happens when Grainger is unable to provide impartial or unbiased service or advice to a customer. It’s also when Grainger has an unfair competitive advantage.

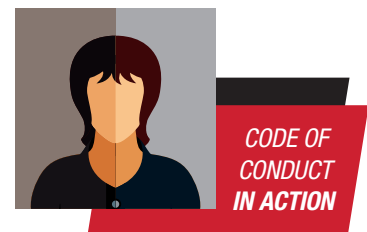
A **Personal Conflict of Interest** occurs when a team member’s personal relationship(s) or interest(s) interfere with their commitments to the company. This conflict arises when personal factors, such as financial gain, relationships, or other benefits, could potentially influence or appear to influence a person’s judgment or actions in a way that is not in the best interest of their Grainger responsibilities.



#### **What does a conflict of interest look like?**

A conflict of interest can occur when:

- You supervise a friend, relative or anyone you have a close personal relationship with.
- You have financial interest in a customer, supplier, business partner or competitor.
- You have a second job or business that would be a competitor to Grainger or impact your ability to do your Grainger job.
- You use the Grainger name in an unapproved manner for personal gain.
- You have a personal friendship or relationship with a government customer.



**Q** Saimeh is invited to sit on the Board of another for-profit company. Does she need to seek approval from Grainger before she accepts this position?

**A** Yes, she needs to inform her manager and the Legal or Ethics and Compliance Department to review the situation for any potential conflicts of interest.

## Customers and Business Partners

The employment of family members, or others whose living arrangements approximate family relationships, within the same functional area or business reporting unit can undermine and compromise a productive work environment and may create an actual or perceived conflict of interest. As such, a person may not work in the same functional area or business reporting unit where they will directly or indirectly supervise or be supervised by an immediate relative

If a team member is aware or becomes aware of an Organizational or Personal Conflict of Interest, the team member needs to disclose the conflict, or potential conflict, to the Legal or Ethics and Compliance Department. When determining whether or not a conflict of interest may exist, here are some questions to ask:

- Does it interfere with the work I do for the company?
- Am I using company resources, relationships or assets for my own personal benefit?
- Could it appear to be a conflict of interest to someone else?
- Does it compete with the company's interests?

## Anti-Corruption, Improper Payments and Bribes

To align with Grainger's ethical and legal standards, you are prohibited from offering, providing, receiving or accepting bribes or anything of value to gain business, establish business relationships, influence decisions in the company's favor or for any other reason. You must also avoid practices that could create the appearance of a bribe. The simple rule is do not offer, pay, receive or accept a bribe from anyone, anytime, anywhere. Our company is committed to compliance with all applicable laws and regulations including but not limited to, the U.S. Foreign Corrupt Practice Act ("FCPA"), the U.K. Bribery Act, and other laws and regulations that relate to corruption, bribery, money laundering, or support for terrorism.

All team members involved in international transactions must consult trade compliance policies for proper guidance on all import and export transactions and follow international trade and export control laws. Country prohibitions, boycotts and embargoes, denied parties and restricted goods requirements must be followed before engaging in international transactions.



### ***What if a bribe or making a payment seems like the only option?***

No matter the country or business, a bribe is never an option at Grainger. If you believe a bribe is necessary or someone pressures you to bribe, then you must speak up so Grainger can respond appropriately. We will decline any business opportunities that would require a bribe.



### ***What is bribery?***

Bribery occurs when a person offers something of value to another person to get what they want without following rules and regulations. Grainger has zero tolerance for bribery of any kind.



### ***How do we define gifts and entertainment?***

Gifts and entertainment can mean many different things, from logo pens and apparel to sports tickets and dinners. The main point is gifts and entertainment cannot be used to influence the people we do business with nor your professional objectivity. When interacting with Grainger commercial customers, always use good judgment and avoid anything extravagant, not customary or that could embarrass fellow team members or the company. Remember Grainger's gift-giving and receiving policy with government customers is far more restrictive. If you have questions about our gifts and entertainment policy, reach out to your manager or the Legal or Ethics and Compliance Department.



- [Anti-Corruption Policy](#)
- [Import Compliance Policy](#)
- [Export Compliance Policy](#)
- [Restricted Countries Policy](#)
- [ITAR and Military Goods Policy](#)
- [U.S. Antiboycott Regulations Policy](#)



## Customers and Business Partners



**Q** When engaged in a contract negotiation with a government customer, the government contracting officer sends Priya unsolicited information about a competitor's pricing. Since it was unsolicited, can Priya use it when putting together her proposal?

**A** No. To protect procurement integrity, government contractors have strict rules against providing or accepting non-public information on a competitor. Priya should escalate this matter to her manager and legal and be prepared to inform the government customer: (i) she believes the information was sent to her in error; (ii) she has or will delete/destroy the information; and (iii) confirm Grainger will not use the information for any purposes.



**Q** Sheila, a government account manager, hears during a contract negotiation her customer is retiring soon and is open to exploring another job. She offers to put him in touch with someone on Grainger's recruitment team. Was Sheila wrong?

**A** Yes. There are restrictions that prohibit the recruitment and hiring of current government personnel, especially those engaged in procurement. The correct course of action was for Sheila to suggest her customer review Grainger's job openings online and apply for any suitable role using the online application process, as any other candidate would.

## Competition, Procurement Integrity and Antitrust

We do not take any action that would prevent fair and open competition. To comply with applicable laws that promote fair competition in a free market:

- Do not discuss Grainger's non-public business information with competitors including:
  - Economic terms
  - Pricing
  - Market plans
  - Staffing, hiring, recruiting and service arrangements
- Do not enter agreements with competitors that include:
  - Arrangements to fix prices
  - Arrangements to fix territories or divide customers
  - Arrangements to prevent other competitors from entering the market
- Do not make false or misleading statements or comments about our competitors or their products or services.
- Do not arrange to fix team member wages, terms of compensation, or recruitment / hiring.
- Make sure all statements and claims about our products and services are accurate and complete.

If you plan to be in meetings with competitors or participate in trade association meetings, please work with the Legal Department to ensure any antitrust concerns are managed.

## Conducting Business with Government, Healthcare, Education-based, and Government Contractor Customers

Our worldwide government, healthcare, education-based, and government contractor customers are an important part of our business and serving them is a public trust. We are committed to partnering with them with the highest levels of integrity as outlined in Grainger's Code of Conduct, and following their specific requirements, which may be different and stricter than those of other customers. In addition, we will never take any action that would create even the appearance of a conflict of interest.

Team members serving these customers are expected to know and follow all procurement and ethics laws and regulations for the country and the customers they serve. Grainger contractors, consultants and suppliers are also aware of these laws, including their regulations and requirements to comply. Team members must follow strict regulations in several areas including:

**Gifts:** There are very strict rules which prohibit or limit the ability to give or receive anything of significant value to or from government, healthcare, education-based, and government contractor customers' employees or family members. This includes offering or receiving money, gratuities, services, favors or entertainment. It also applies to Grainger-hosted events that include benefits offered to government customers at no charge. Exceptions include nominal gifts such as Grainger or government customer-branded pens and light refreshments during a business meeting. Any other gifts or activities that exceed the scope of this guidance must be approved in advance by the Legal Department.

**Donations:** Providing or offering to provide a Grainger donation of any kind, including materials or money, to a government customer could be considered giving something of value to the customer. All donations to government customers must be approved in advance by the Legal Department.

## Customers and Business Partners



**Contract Pricing, Performance and Administration:** All products and services must be priced according to the contract terms and meet contractual requirements, and all documentation must be prepared and maintained accurately and completely. Compliance with all aspects of contract performance includes reading, understanding and adhering to the terms and conditions of the contract; ensuring all products and services are priced in accordance with contract terms; maintaining all required contract documentation; and abiding by all applicable laws and regulations regarding goods and services offered.

**Procurement Integrity:** Do not get a bid, proposal or attempt to source selection information from anyone prior to awarding a government contract or subcontract. Grainger team members are also not allowed to try to obtain any sensitive, proprietary, or otherwise inappropriate information regarding a Grainger competitor or a government contractor. In addition, all Grainger team members must comply with any agreement where Grainger receives confidential or proprietary information from the government or any other third party.

**Recruitment and Hiring:** There are laws and regulations that prevent companies from trying to hire current government employees and there are also laws that limit the types of jobs government employees can apply for, even when they no longer work for the government. If a government employee, past or present, is interested in getting a job with Grainger and reaches out to you, contact your leader and the Legal or Ethics & Compliance Department before having any conversations to make certain there are no conflicts of interest.

**Government Investigations & Audits:** The Legal Department is responsible for determining when disclosure to a government agency, contract officer, inspector general, and/or other government officials is required or otherwise appropriate. Grainger will promptly investigate any issue that may require disclosure and team members are expected to cooperate in any investigation conducted by Grainger and government authorities.

In addition, team members who work with government, healthcare, education-based and government contractor customers are required to complete training on additional government ethics, business conduct and procurement integrity.



***In my part of the world, it is customary to give a substantial gift to a customer for a special occasion, such as a birthday. Can I do that?***

The Business Conduct Guidelines apply to all Grainger team members around the world. While local customs, including Grainger's government gift-giving and receiving policy, vary, we must all abide by our Code of Conduct, which prohibits giving or accepting significant or extravagant gifts to or from all customers.



**Q** Jesse is working with Indirect Procurement to select a new service provider from three potential vendors. When she arrives at work on Tuesday, she finds an elaborate gift basket from one of the vendors. It includes all her favorite things such as chocolates, wine and tickets to a sporting event. What's the right thing for Jesse to do?

**A** Jesse should alert the procurement team and work with them to return the gift basket with all items. The procurement team will then alert the vendor that gifts like this are not acceptable, and the gift needs to be reported to our Ethics and Compliance Department.

## Customers and Business Partners



### ***How are we protecting our data as generative Artificial Intelligence (AI) tools become more prevalent?***

A new technology like AI brings benefits and risks. Grainger continues to assess these tools and has put in place policies and procedures to help guide those who may want to use them, including steps for receiving pre-approval. At a high level, remember anything generated by an AI tool may be biased, inaccurate and must be reviewed carefully before being added to a business document.

In addition, any information put into an AI tool may be used by the tools and generated for use by others, so do not include any confidential information, including personal information or code, or anything Grainger may want to protect by copyright or patent. These tools may also be vulnerable to being hacked or breached. To protect the company and our information, use Grainger-standard security systems and follow our Information Security policy.

## Intellectual Property

Grainger's intellectual property (IP) gives us a competitive advantage. It's the creative solutions and proprietary processes that solve customer problems and make it easy to be the go-to for any customer. IP can include inventions, new products and functionality, ideas, copyrightable works (such as software, websites, publications and marketing materials), trademarks (including images, symbols, logos, brand names and tag lines), domain names, business and technical confidential information, and trade secrets. These assets are valuable to the company, and we protect our IP through patents, trademarks, trade secret protection, and by taking precautions to prevent unintended disclosure, use, or loss of such information. We enforce our rights as a company and we expect our team members to do the same while respecting the IP rights of others.

## Safeguarding Data Privacy and Confidential Information and Trade Secrets

Grainger recognizes the importance of team member, customer and supplier personally identifiable information (PII) that helps us fulfill orders, serve customers and provide benefits to our team members. We are trusted with this asset and when we collect, process and/or store PII, we commit to protect it consistent with globally recognized privacy principles. We all play a key role in keeping this data safe and Grainger provides training on how to collect, use, share, store and destroy PII in an appropriate manner.

Everyone has an obligation to ensure the company's confidential information and trade secrets are properly protected. This includes all non-public information that, if disclosed, might be of use to competitors, or when disclosed might be harmful to the company. This includes pricing strategies, corporate strategic and marketing plans, financial information, customer information and lists, team member records, supplier and logistics information, databases, software and all other proprietary information and data.



### ***How do we protect our intellectual property and trade secrets?***

We all have an obligation to properly protect the company's proprietary information and trade secrets, even after leaving the company. As a Grainger team member, any documents and information you create are company assets and cannot be taken to or used with/at other companies. Taking these assets violates the Business Conduct Guidelines and can result in legal action, including voiding employment or incentive agreements.



[Acceptable Use Policy](#)

[Mobile Device and Mobile Media Policy](#)

[Information Security and Protection Policy](#)

[Privacy Policy for Protecting Personal Information](#)

[Guidelines for Use of AI Tools](#)



## Customers and Business Partners



To protect all company information and assets, it is your responsibility to follow the Team Member Handbook which provides guidance for creating, using or disclosing intellectual property, including confidential information and trade secrets. Precautions include:

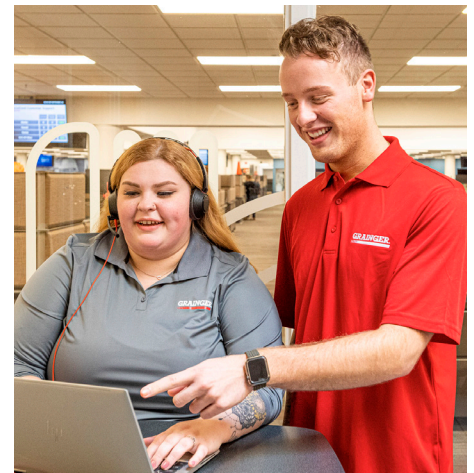
- Follow company processes and only access systems you are authorized to access so that you are not inadvertently putting the company at risk.
- Do not discuss proprietary company business in public places and where you could be overheard.
- Always in personal possession of your company-issued electronic devices and your passwords are complex, changed frequently, and limited to authorized work systems. Do not allow anyone access to Grainger-issued or personal devices authorized for work purposes.
- Do not transfer Grainger information from protected company systems to USBs, portable hard drives or personal online file sharing services.
- Do not forward work-related emails to your personal email address
- Immediately report any loss or compromise of company systems or confidential information.

Contact Information Security or the Legal/Ethics & Compliance Department if you have questions or concerns regarding disclosure of information.



### ***What is personal identifiable information?***

Personal identifiable information or PII is any information that can be used to identify a specific individual such as a person's name, address, email, date of birth, driver's license number, financial account numbers, passport or other government identification number. While one item alone may not be damaging, hackers seek several pieces of data to compose a complete picture of the person they are targeting.



## Customers and Business Partners

### Our Environment

We work to improve our environmental performance across our entire value chain from our suppliers through our operations and to our customers. All team members are expected to be good stewards of the environment to help us eliminate waste, reduce our carbon footprint, and gain efficiencies. More information about the company's sustainability efforts can be found at [www.graingeresg.com](http://www.graingeresg.com)

### Your Responsibility

Ask yourself:

- Am I following all our obligations to customers with integrity?
- Am I following the specific requirements of my government customers?
- Am I avoiding conflicts of interest?
- Am I safeguarding our environment?
- Am I protecting our data and intellectual property?
- Do I know and follow our external communications protocols?

 **Find out more!**

[Supplier Code of Ethics](#)

[Conflict Minerals Policy Statement](#)

[Human Rights Policy](#)



### Responsible Sourcing

Grainger is committed to a responsible supply chain that complies with all applicable rules and standards related to sourcing, manufacturing and labor, including the International Labour Organization (ILO) convention and its forced labor indicators. We expect our suppliers to source responsibly and to ban the use of forced and child labor in any of their operations. Team members must adhere to internal sourcing policies for the selection and evaluation of our suppliers.

## Customers and Business Partners

### External Communications and Social Media

To ensure we are speaking with one voice in support of our purpose – We Keep The World Working® – all team members must contact [Communications and Public Affairs](#) before communicating on behalf of the company externally. This includes media interviews, speaking engagements or presentations, as well as authoring articles, videos or podcasts.

You are encouraged to share and repost public information approved by the company on social media and interact with our social media accounts, but team members cannot speak on behalf of Grainger on social media without Communications and Public Affairs approval. To strengthen and demonstrate our welcoming culture, we all have a responsibility to be respectful and make sure our statements don't negatively impact the company or others.

Helpful tips:

- Do not post proprietary or confidential information.
- While you are welcome to engage in productive discussion regarding team member-related topics such as upcoming volunteer or community engagement events, or participating in activity protected by the National Labor Relations Act or other employment and labor laws, posts must express your personal opinion and not be interpreted as representing the views of the company.
- At Grainger, we win as one team. Do not use social media or post anything online that would harass, intimidate or threaten another team member, their family or any Grainger customers, contractors or suppliers. In addition, do not post anything that would violate the company's Equal Employment Opportunity Policy, Workplace Behavior Policy or Workplace Violence Prevention Policy.
- Contact the [Communications and Public Affairs](#) team with any questions. If you become aware of an actual or potential conflict with our principles, or misuse of our brand, immediately report it through one of our many reporting channels.



***What should I do if I overhear something or see a post on social media that relates to a team member harming themselves or being harmed by others?***

Whether you see a concern like this on social media or hear about it in the workplace or elsewhere, immediately contact a leader, supervisor or member of the Security and Loss Prevention or Human Resources departments.



***Can I use social media to support our company?***

Yes. You are encouraged to share Grainger-approved messages (via reposting or sharing) from Grainger's social media accounts (Facebook, Instagram, LinkedIn) with your own personal networks. If you are interested in posting, be sure it doesn't violate Grainger's social media guidelines. Remember, if you're online, you're on the record. What you write is ultimately your responsibility.

#### **SOME TIPS:**

**Be Cautious:** If you're unsure about something you would like to post, check with Communications and Public Affairs for guidance. A good rule of thumb is if in doubt, don't post. Topics that are always off limits include: legal or personnel matters, non-published financials and unreleased product or protected company information.

**Be Respectful:** Do nothing that could undermine your credibility or damage Grainger's brand or reputation. Do not criticize Grainger's competitors, customers or suppliers.

**Be Mindful of our Brand:** Do not use the word "Grainger" or any company trademark or logo as part of your screen name, user ID, page, group or site name or photo. Do not use Grainger logos, images, brand names or trademarks without permission from [Communications and Public Affairs](#). Do not alter or modify any other Grainger intellectual property. For example: do not open a Twitter account using a name such as @JohnSmith-GraingerOklahoma.

As a reminder, if you have listed yourself as a Grainger team member in your profile, people may see you as a representative of the company.



**Find out more!**

[Social Media Policy](#)



# Our Commitment to Shareholders

## Ensuring financial practices are sound



**Q** Sue overhears a team member boasting about receiving reimbursement from the company for some office supplies they purchased for their child. Later, Sue shares her concern privately with her manager Karen. Karen listens carefully and thanks Sue for her courage in speaking up. What are the appropriate next steps for Karen?

**A** After assuring Sue that her concern will be addressed, (kept anonymous if requested) and confidential, Karen should escalate this allegation of fraudulent conduct to the Security and Loss Prevention Department for investigation. Karen may not be able to share details about the investigation, but it's important she remain in contact with Sue so she is engaged in the process and to reinforce the appropriate resources are bringing her concern to resolution. By being fair, objective and responsive to Sue's concern, Karen can create a trusting environment where Sue and others feel safe to voice concerns.

### Your Responsibility

Ask yourself:

- Am I promptly and accurately recording and submitting financial information related to my customers, such as sales and pricing reports?
- Am I promptly and accurately submitting reports related to my job, such as time sheets and expense reports?
- Am I following the right protocols when I trade stock?

### Financial Records

Accurate financial records are required to provide relevant, reliable and timely information to support company business decisions. Accurate financial records also are critical for demonstrating the company's compliance with internal and external reporting requirements. All financial records must be complete, accurate, up-to-date and managed through a robust system of internal controls. This includes financial statements, sales data and purchasing records, inventory management records, business metrics, performance-related records, travel and expense records and worktime reporting among many others.

### Insider Trading Restrictions

It is illegal to trade stock if you have "material non-public information" (whether about Grainger or another company you learn about through your job at Grainger) or to share any of this information with others who may trade including family, friends, colleagues, neighbors, among others. Insider or material, non-public information can include:

- Non-public financial information
- Expectations of substantially higher or lower earnings
- Gain or loss of a substantial customer or supplier
- Significant cybersecurity breach or incident
- Actual or threatened significant litigation or inquiry by a governmental or regulatory authority
- New business model, markets or strategies
- Proposed business acquisitions, dispositions, joint ventures or mergers
- Changes in key team member roles and responsibilities

Grainger's Insider Trading Policy prohibits anyone from trading in derivatives (e.g., puts, calls, options) and engaging in short sales, or hedging or monetizing transactions (e.g., collars, exchange funds) linked to Grainger stock. Directors and officers are subject to additional restrictions, including a prohibition on stock pledging. Team members must ensure their transactions in Grainger stocks or derivatives and any sharing of confidential information is done in accordance with the Insider Trading Policy. If you are considering selling, purchasing or exercising company stock or derivatives and have questions, please contact the Legal Department.



### When am I restricted from trading stock?

Any time you have information that is not public and that could be important to any investment decision. Good judgment and laws prevent using this information to buy or sell securities, or "tipping" others (your spouse, coworker, friend, broker, and so on) with that information. The Corporate Secretary group of the Legal Department is ready to help you understand insider trading and related topics and answer any questions you may have.



**Find out more!**

[Insider Trading Policy](#)



“Every day our purpose –  
We Keep The World Working® –  
motivates us to do our best for  
our customers, communities,  
and each other.”

— D.G. Macpherson