# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

**2021**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

**A** This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

**B** This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

**C** If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

**D** Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

**E** If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. . . . . ▶ [ ]

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
W. W. GRAINGER, INC. RETIREMENT SAVINGS PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 12/12/1941

**2a** Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
W.W. GRAINGER, INC.

100 GRAINGER PARKWAY
LAKE FOREST, IL 60045-5201

**2b** Employer Identification Number (EIN) 36-1150280

**2c** Plan Sponsor's telephone number 224-317-1142

**2d** Business code (see instructions) 423800

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 09/29/2022 | LISA THOMPSON |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/07/2022 | JAY FEECE |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

**3a** Plan administrator's name and address [X] Same as Plan Sponsor

**3b** Administrator's EIN

**3c** Administrator's telephone number

**4** If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:

**a** Sponsor's name W.W. GRAINGER, INC.

**c** Plan Name W.W. GRAINGER, INC. EMPLOYEES PROFIT SHARING PLAN

**4b** EIN 36-1150280

**4d** PN 001

| | | |
|---|---|---|
| **5** | Total number of participants at the beginning of the plan year | **5** 25942 |
| **6** | Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**). | |
| **a(1)** | Total number of active participants at the beginning of the plan year | **6a(1)** 16789 |
| **a(2)** | Total number of active participants at the end of the plan year | **6a(2)** 17181 |
| **b** | Retired or separated participants receiving benefits | **6b** 381 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** 10395 |
| **d** | Subtotal. Add lines **6a(2)**, **6b**, and **6c**. | **6d** 27957 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** 170 |
| **f** | Total. Add lines **6d** and **6e**. | **6f** 28127 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** 27898 |
| **h** | Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** 1345 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2A 2E 2F 2G 2T 3F 3H 3J

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

**9a** Plan funding arrangement (check all that apply)

- (1) [ ] Insurance
- (2) [ ] Code section 412(e)(3) insurance contracts
- (3) [X] Trust
- (4) [ ] General assets of the sponsor

**9b** Plan benefit arrangement (check all that apply)

- (1) [ ] Insurance
- (2) [ ] Code section 412(e)(3) insurance contracts
- (3) [X] Trust
- (4) [ ] General assets of the sponsor

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

- (1) [X] **R** (Retirement Plan Information)
- (2) [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

- (1) [X] **H** (Financial Information)
- (2) [ ] **I** (Financial Information – Small Plan)
- (3) [ ] ___ **A** (Insurance Information)
- (4) [X] **C** (Service Provider Information)
- (5) [X] **D** (DFE/Participating Plan Information)
- (6) [ ] **G** (Financial Transaction Schedules)

## Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

**11a** If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

**11b** Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

**11c** Enter the Receipt Confirmation Code for the 2021 Form M-1 annual report. If the plan was not required to file the 2021 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2021**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

| **A** Name of plan | **B** Three-digit plan number (PN) ▶ |
|---|---|
| W. W. GRAINGER, INC. RETIREMENT SAVINGS PLAN | 001 |

| **C** Plan sponsor's name as shown on line 2a of Form 5500 | **D** Employer Identification Number (EIN) |
|---|---|
| W.W. GRAINGER, INC. | 36-1150280 |

## Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

THE VANGUARD GROUP, INC.

23-1945930

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 15 16 25 37 38 52 99 | NONE | 1063641 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

ERNST & YOUNG US LLP

34-6565596

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 10 | NONE | 44670 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes [ ] No [ ] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

| **(b)** Service Code(s) | **(c)** Relationship to employer, employee organization, or person known to be a party-in-interest | **(d)** Enter direct compensation paid by the plan. If none, enter -0-. | **(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | **(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | **(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | **(h)** Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes ☐ No ☐ | Yes ☐ No ☐ | | Yes ☐ No ☐ |

**(a)** Enter name and EIN or address (see instructions)

| **(b)** Service Code(s) | **(c)** Relationship to employer, employee organization, or person known to be a party-in-interest | **(d)** Enter direct compensation paid by the plan. If none, enter -0-. | **(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | **(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | **(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | **(h)** Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes ☐ No ☐ | Yes ☐ No ☐ | | Yes ☐ No ☐ |

**(a)** Enter name and EIN or address (see instructions)

| **(b)** Service Code(s) | **(c)** Relationship to employer, employee organization, or person known to be a party-in-interest | **(d)** Enter direct compensation paid by the plan. If none, enter -0-. | **(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | **(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | **(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | **(h)** Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes ☐ No ☐ | Yes ☐ No ☐ | | Yes ☐ No ☐ |

## Part I Service Provider Information (continued)

**3.** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

## Part II Service Providers Who Fail or Refuse to Provide Information

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **Part III** | **Termination Information on Accountants and Enrolled Actuaries (see instructions)**<br>(complete as many entries as needed) |
|---|---|

**a** Name:

**b** EIN:

**c** Position:

**d** Address:

**e** Telephone:

Explanation:

**a** Name:

**b** EIN:

**c** Position:

**d** Address:

**e** Telephone:

Explanation:

**a** Name:

**b** EIN:

**c** Position:

**d** Address:

**e** Telephone:

Explanation:

**a** Name:

**b** EIN:

**c** Position:

**d** Address:

**e** Telephone:

Explanation:

**a** Name:

**b** EIN:

**c** Position:

**d** Address:

**e** Telephone:

Explanation:

# SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

## DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2021**

**This Form is Open to Public Inspection.**

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

**A** Name of plan
W. W. GRAINGER, INC. RETIREMENT SAVINGS PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
W.W. GRAINGER, INC.

**D** Employer Identification Number (EIN)
36-1150280

**Part I** **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VFTC TARGET RET. INCOME TRUST PLUS

**b** Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 90-0735883-001 | C | 52837898 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VFTC TARGET RET. 2015 TRUST PLUS

**b** Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 90-0735891-001 | C | 57496930 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VFTC TARGET RET. 2020 TRUST PLUS

**b** Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 90-0735899-001 | C | 178688547 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VFTC TARGET RET. 2025 TRUST PLUS

**b** Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 90-0735963-001 | C | 345341602 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VFTC TARGET RET. 2030 TRUST PLUS

**b** Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 90-0735964-001 | C | 369616421 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VFTC TARGET RET. 2035 TRUST PLUS

**b** Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 90-0735965-001 | C | 347461323 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VFTC TARGET RET. 2040 TRUST PLUS

**b** Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 90-0735971-001 | C | 285506473 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VFTC TARGET RET. 2045 TRUST PLUS

**b** Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

| **c** EIN-PN 90-0735972-001 | **d** Entity code C | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 265907322 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VFTC TARGET RET. 2050 TRUST PLUS

**b** Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

| **c** EIN-PN 90-0735976-001 | **d** Entity code C | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 176661479 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VFTC TARGET RET. 2055 TRUST PLUS

**b** Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

| **c** EIN-PN 90-0735978-001 | **d** Entity code C | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 97010356 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VFTC TARGET RET. 2060 TRUST PLUS

**b** Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

| **c** EIN-PN 45-3799736-001 | **d** Entity code C | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 42216389 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VFTC TARGET RET. 2065 TRUST PLUS

**b** Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

| **c** EIN-PN 82-6204383-001 | **d** Entity code C | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 15738934 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: WW GRAINGER INC DEF CONTRIBUTION MT

**b** Name of sponsor of entity listed in (a): W. W. GRAINGER, INC.

| **c** EIN-PN 86-6746935-001 | **d** Entity code M | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1281755351 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**Part II** **Information on Participating Plans (to be completed by DFEs)**
(Complete as many entries as needed to report all participating plans)

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2021**

**This Form is Open to Public Inspection**

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

**A** Name of plan
W. W. GRAINGER, INC. RETIREMENT SAVINGS PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
W.W. GRAINGER, INC.

**D** Employer Identification Number (EIN)
36-1150280

## Part I Asset and Liability Statement

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 60143116 | |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | | |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | | |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | 46446211 | 42663639 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 1913838555 | 2234483674 |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | 1212585983 | 1281755351 |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 4977808 | 1370303 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | **(a)** Beginning of Year | **(b)** End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | 0 | |
| | **(2)** Employer real property | 1d(2) | | |
| **e** | Buildings and other property used in plan operation | 1e | | |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 3237991673 | 3560272967 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | 42840 | 45701 |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 42840 | 45701 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 3237948833 | 3560227266 |

## Part II Income and Expense Statement

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

| | **Income** | | **(a)** Amount | **(b)** Total |
|---|---|---|---|---|
| **a** | **Contributions:** | | | |
| | **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | 71879932 | |
| | **(B)** Participants | 2a(1)(B) | 72360841 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | 12206199 | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 156446972 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | | |
| | **(B)** U.S. Government securities | 2b(1)(B) | | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| | **(E)** Participant loans | 2b(1)(E) | 2234308 | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 2234308 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| | **(B)** Common stock | 2b(2)(B) | | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | 620 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 620 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| | **(B)** Other | 2b(5)(B) | | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | 244891155 |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | 165661497 |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | |
| c Other income | 2c | | 94989 |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 569329541 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 245753794 | |
| (2) To insurance carriers for the provision of benefits | 2e(2) | | |
| (3) Other | 2e(3) | 164638 | |
| (4) Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 245918432 |
| f Corrective distributions (see instructions) | 2f | | 43716 |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | |
| i Administrative expenses: (1) Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | 1088960 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 1088960 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 247051108 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 322278433 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

**(1)** [X] Unmodified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

**b** Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

**(1)** [ ] DOL Regulation 2520.103-8 **(2)** [ ] DOL Regulation 2520.103-12(d) **(3)** [X] neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

**c** Enter the name and EIN of the accountant (or accounting firm) below:

**(1)** Name: ERNST & YOUNG, LLP **(2)** EIN: 34-6565596

**d** The opinion of an independent qualified public accountant is **not attached** because:

**(1)** [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

## Part IV Compliance Questions

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | | X | |

| | | | Yes | No | Amount |
|---|---|---|---|---|---|
| **b** | Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | **4b** | | X | |
| **c** | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | **4c** | | X | |
| **d** | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | **4d** | | X | |
| **e** | Was this plan covered by a fidelity bond? | **4e** | X | | 25000000 |
| **f** | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | **4f** | | X | |
| **g** | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | **4g** | | X | |
| **h** | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | **4h** | | X | |
| **i** | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | **4i** | X | | |
| **j** | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.) | **4j** | | X | |
| **k** | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | **4k** | | X | |
| **l** | Has the plan failed to provide any benefit when due under the plan? | **4l** | | X | |
| **m** | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | **4m** | | X | |
| **n** | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3 | **4n** | | | |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No

If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| **5b(1)** Name of plan(s) | **5b(2)** EIN(s) | **5b(3)** PN(s) |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

**5c** Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2021**

**This Form is Open to Public Inspection.**

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

**A** Name of plan
W. W. GRAINGER, INC. RETIREMENT SAVINGS PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
W.W. GRAINGER, INC.

**D** Employer Identification Number (EIN)
36-1150280

## Part I Distributions

**All references to distributions relate only to payments of benefits during the plan year.**

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... | **1** |

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 23-2186884

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year ..... | **3** |

## Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

**6 a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) ..... | **6a** |

**b** Enter the amount contributed by the employer to the plan for this plan year ..... | **6b** |

**c** Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... | **6c** |

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

## Part III Amendments

**9** If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

## Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

**11 a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

**14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

| | | |
|---|---|---|
| **a** The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment) | **14a** | |
| **b** The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) | **14b** | |
| **c** The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) | **14c** | |

**15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

| | | |
|---|---|---|
| **a** The corresponding number for the plan year immediately preceding the current plan year | **15a** | |
| **b** The corresponding number for the second preceding plan year | **15b** | |

**16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

| | | |
|---|---|---|
| **a** Enter the number of employers who withdrew during the preceding plan year | **16a** | |
| **b** If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers | **16b** | |

**17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

## Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

**18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

**19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

**a** Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

**b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

**20** **PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

**a** Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

**b** If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

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Building a better working world

# Report of Independent Auditors

The Profit Sharing Investment Committee
W.W. Grainger, Inc. Retirement Savings Plan

## Opinion

We have audited the financial statements of W.W. Grainger, Inc. Retirement Savings Plan (the Plan) formerly W.W. Grainger, Inc. Employees Profit Sharing Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 31, 2021 and 2020, and the related statement of changes in net assets available for benefits for the year ended December 31, 2021, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2021 and 2020, and the changes in its net assets available for benefits for the year ended December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

## Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.



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Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.



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We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Supplemental Schedules Required by ERISA**

Our audits were conducted for the purpose of forming an opinion of the financial statements as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2021 (referred to as the "supplemental schedule"), is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the supplemental schedule is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Ernst & Young LLP

September 19, 2022



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FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE

# W.W. Grainger, Inc. Retirement Savings Plan
(formerly W.W. Grainger, Inc. Employees Profit Sharing Plan)
December 31, 2021 and 2020, and for the
Year Ended December 31, 2021
With Report of Independent Auditors

Ernst & Young LLP



W.W. Grainger, Inc. Retirement Savings Plan
(formerly W.W. Grainger, Inc. Employees Profit Sharing Plan)

Financial Statements and Supplemental Schedule

December 31, 2021 and 2020, and for the Year Ended December 31, 2021

# Contents

Report of Independent Auditors.....1

Financial Statements

Statements of Net Assets Available for Benefits.....4
Statement of Changes in Net Assets Available for Benefits.....5
Notes to Financial Statements.....6

Supplemental Schedule

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) .....18

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# Report of Independent Auditors

The Profit Sharing Investment Committee
W.W. Grainger, Inc. Retirement Savings Plan

## Opinion

We have audited the financial statements of W.W. Grainger, Inc. Retirement Savings Plan (the Plan) formerly W.W. Grainger, Inc. Employees Profit Sharing Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 31, 2021 and 2020, and the related statement of changes in net assets available for benefits for the year ended December 31, 2021, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2021 and 2020, and the changes in its net assets available for benefits for the year ended December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

## Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.



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Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.



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We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Supplemental Schedules Required by ERISA**

Our audits were conducted for the purpose of forming an opinion of the financial statements as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2021 (referred to as the "supplemental schedule"), is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the supplemental schedule is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Ernst & Young LLP

September 19, 2022



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# W.W. Grainger, Inc. Retirement Savings Plan
(formerly W.W. Grainger, Inc. Employees Profit Sharing Plan)

## Statements of Net Assets Available for Benefits

| | December 31 | |
|---|---|---|
| | **2021** | **2020** |
| **Assets** | | |
| Investments, at fair value | **$ 2,235,853,977** | $ 1,918,816,363 |
| Interest in W.W. Grainger, Inc. Defined Contribution Master Trust | **1,281,755,351** | 1,212,585,983 |
| Receivables: | | |
| Notes receivable from participants | **42,663,639** | 46,446,211 |
| Employer contributions receivable | **–** | 60,143,116 |
| Total receivables | **42,663,639** | 106,589,327 |
| Total assets | **3,560,272,967** | 3,237,991,673 |
| **Liabilities** | | |
| Accounts payable | **45,701** | 42,840 |
| Total liabilities | **45,701** | 42,840 |
| Net assets available for benefits | **$ 3,560,227,266** | $ 3,237,948,833 |

*See accompanying notes.*

# W.W. Grainger, Inc. Retirement Savings Plan
(formerly W.W. Grainger, Inc. Employees Profit Sharing Plan)

## Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2021

| | |
|---|---|
| **Additions** | |
| Contributions: | |
| Employer | $ 71,879,932 |
| Participant | 72,360,841 |
| Participant rollovers | 12,206,199 |
| Total contributions | 156,446,972 |
| | |
| Net appreciation in fair value of investments | 244,891,155 |
| Net investment gain from plan interest in W.W. Grainger, Inc. Defined Contribution Master Trust | 165,661,497 |
| Interest and dividends | 620 |
| Interest income on notes receivable from participants | 2,234,308 |
| Other income | 94,989 |
| Total additions | 569,329,541 |
| | |
| **Deductions** | |
| Benefits paid to participants | 245,962,148 |
| Administrative expenses | 1,088,960 |
| Total deductions | 247,051,108 |
| Net increase | 322,278,433 |
| | |
| Net assets available for benefits at beginning of year | 3,237,948,833 |
| Net assets available for benefits at end of year | $ 3,560,227,266 |

*See accompanying notes.*

## 1. Description of the Plan

The following description of the W.W. Grainger, Inc. Retirement Savings Plan (the Plan) provides only general information. Participants should refer to the plan document for a complete description of the Plan's provisions. Effective January 1, 2021, the Plan was amended and restated to change the name of the Plan from W.W. Grainger, Inc. Employees Profit Sharing Plan to W.W. Grainger, Inc. Retirement Savings Plan.

### General

The Plan is a defined contribution plan established by W.W. Grainger, Inc. (the Company) for the benefit of its employees and the employees of certain subsidiaries. It is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

### Eligibility and Contributions

An employee is eligible for participation in the Plan on the first day of employment with the Company or a participating subsidiary (collectively, the Employer).

The Plan allows eligible participants to defer up to 75% of their eligible compensation, as defined in the Plan. Participants age 50 and older can make additional catch-up contributions. Effective January 1, 2021, the Plan added a 3% automatic enrollment provision and annual escalation. Beginning April 2022, contributions for participants with a deferral election below 6% will generally be increased 1% annually to a maximum of 6%. Both the automatic enrollment and annual escalation are subject to the participant's ability to opt out. Effective January 1, 2021, the Plan began allowing participants to make Roth contributions. Participants may also rollover qualified distributions from a previous employer into the Plan.

The Company makes a safe harbor non-elective contribution equal to 6% of participants' eligible compensation, as defined in the Plan, into their accounts each pay period. Prior to January 1, 2021, the safe harbor non-elective contribution was 3% of participants' eligible compensation, as defined in the Plan. Both participant contributions and Company contributions are subject to certain limitations under the Internal Revenue Code (the IRC).

**1. Description of the Plan (continued)**

For plan years ending prior to January 1, 2021, the Company made profit-sharing contributions in an amount ranging from 5% to 15% of eligible participants' compensation, as defined in the Plan, based on achievement of certain performance targets. For 2020, the Company's profit-sharing contribution was 6.0% of eligible compensation. An employee qualified for a profit-sharing contribution for any plan year in which the employee worked 1,000 or more hours and was an employee of the Employer and was employed on the last day of the plan year. These requirements were waived for participants who ceased being an employee during the plan year due to retirement, death, or military service. Participants becoming disabled during a plan year did not have to be employed on the last day of the plan year to share in the profit-sharing contributions, but they must have worked at least 1,000 hours in the plan year. Effective January 1, 2021, the profit-sharing contribution was removed from the Plan provisions.

**Investment of Contributions**

Participants direct their elective contributions into various investment options offered by the Plan and can change their investment options daily. The Company's contributions are invested in the same manner as that of the participant's elective contributions. Participants can invest up to 20% of their account balances in the Grainger Stock Fund using money from Company contributions only. Participants cannot direct employee contributions into the Grainger Stock Fund.

**Participant Accounts**

Each participant's account is credited with the participant's contributions and the Company's contributions and allocations of plan earnings and is charged with an allocation of administrative expenses. Plan earnings are allocated based on the participant's share of net earnings or losses of their respective elected investment options. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**1. Description of the Plan (continued)**

**Vesting**

Participants are immediately vested in their elective pre-tax, Roth after-tax and the Company's safe harbor contributions plus actual earnings thereon. Vesting in the Company's profit-sharing contributions is based on years of continuous service. A participant is fully vested after five years of credited service. In addition, a participant's account becomes fully vested upon the occurrence of certain specified events, including attainment of age 60, death, permanent disability, or entry into the United States military service.

**Payment of Benefits**

Upon retirement, participants may elect to receive their account balance in a single lump-sum distribution, in substantially equal periodic installments over a reasonable period of time not to exceed their life expectancy or the joint life expectancy of the participant and spouse or another designated beneficiary, or in a combination of lump-sum and installment payments. Participants may elect to receive payment of the portion of their withdrawal attributable to amounts invested in the Grainger Stock Fund in the form of whole shares of the Company's common stock and cash in lieu of any fractional shares.

Any retiring or terminating participants whose vested account balance is greater than $1,000 may elect to begin distribution of their vested amount at any time or may defer distribution, but no later than the time required by law. If a participant's vested account balance is $1,000 or less, a single lump-sum distribution will be made as soon as practicable following retirement or termination of service.

The Plan allows for in-service withdrawals. In-service withdrawals are available in certain limited circumstances, as defined by the Plan. Hardship withdrawals are allowed for participants incurring an immediate and heavy financial need, as defined by the Plan. Hardship withdrawals are strictly regulated by the Internal Revenue Service (IRS).

The Grainger Stock Fund under the Plan is intended to constitute an employee stock ownership plan and provide for pass-through dividend treatment for participants who elect such treatment.

**1. Description of the Plan (continued)**

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was enacted and signed into law. This resulted in changes to the Plan for participants impacted by COVID-19 and includes the suspension of loan payments for up to one year, allowance for special in-service withdrawals from vested retirement account balances (up to $100,000 total), and eliminated the requirement for employees to take a required minimum distribution in calendar year 2020. The Plan will be amended in accordance with applicable legal deadlines to reflect these provisions.

**Participant Loans**

Participants may borrow from their account balance up to a maximum amount equal to the lesser of $50,000, reduced by the highest outstanding loan balance in the prior 12 months, or 50% of their vested account balance. Participants may have only one loan outstanding at a time. The loan repayment term may be for a period not to exceed five years, or if the purpose of the loan is to acquire a principal residence, the loan repayment term may be for a period not to exceed ten years. Loans bear interest at a rate commensurate with prevailing rates as determined by the Plan. Interest rates on all outstanding loans at December 31, 2021, ranged from 4.25% to 10.50%, which were the prevailing rates at the time of the loan. Principal and interest are paid ratably through payroll deductions.

**Forfeitures**

Upon termination of employment, participants forfeit their non-vested balances. If a participant is rehired within a five-year period, the forfeited contributions may be reinstated. The forfeiture account amounts are utilized to pay reasonable administrative expenses of the Plan, to restore eligible accounts, and to offset Company contributions. Unallocated forfeiture balances as of December 31, 2021 and 2020, were $1,089,698 and $4,980,670, respectively. For the 2021 plan year, forfeited non-vested accounts totaling $4,610,417 were utilized to offset Company contributions to eligible participants.

## 1. Description of the Plan (continued)

### Administrative Expenses

The Plan's administrative expenses are paid by either the Plan or the Company and consist primarily of trustee fees for investments held outside the W.W. Grainger, Inc. Defined Contribution Master Trust (Master Trust), as provided by the Plan's provisions. Administrative expenses related to the Master Trust are allocated to the Plan and are reflected in the net investment gain from the Master Trust. Expenses relating to purchases, sales, or transfers of the Plan's investments are charged to the particular investment fund to which the expenses relate. Expenses that are paid directly by the Company are excluded from these financial statements.

### Plan Termination

Although the Company has expressed no intent to do so, it may terminate the Plan at any time, in whole or in part, subject to the provisions of ERISA. In the event of the Plan's termination, participants become 100% vested in their accounts. Any unallocated assets of the Plan shall be allocated to participant accounts and distributed in such a manner as the Company may determine.

### Other

The Plan is intended to comply with the requirements of Section 404(c) of ERISA. Under ERISA Section 404(c), plan fiduciaries may be relieved of fiduciary liability for losses that result from the participants' independent investment decisions related to the Plan's investment funds.

## 2. Summary of Significant Accounting Policies

### Basis of Accounting

The financial statements of the Plan have been prepared under the accrual method of accounting in conformity with United States generally accepted accounting principles (U.S. GAAP) as applied to defined contribution plans. A summary of the significant policies applied in the preparation of the accompanying financial statements follows.

**2. Summary of Significant Accounting Policies (continued)**

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes and supplemental schedule. Actual results could differ from those estimates.

**Investment Valuation and Income Recognition**

The Plan's investments, including those investments held in the Master Trust, are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). See Note 4 for further discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

**Payment of Benefits**

Plan withdrawals are recorded when paid.

**Notes Receivable from Participants**

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance, plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2021 or 2020. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

**3. Risks and Uncertainties**

The Plan and the Master Trust provide for various investments that, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the accompanying statements of net assets available for benefits.

**4. Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.

Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- Quoted prices for similar assets and liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in markets that are not active
- Observable inputs other than quoted prices that are used in the valuation of the assets or liabilities (e.g., interest rate and yield curve quotes at commonly quoted intervals)
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

**4. Fair Value Measurements (continued)**

Level 3 – Unobservable inputs for the asset or liability (i.e., supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The level in the fair value hierarchy within which the fair value measurement is classified is determined based upon the lowest-level input that is significant to the fair value measurement in its entirety.

The following is a description of the valuation techniques and inputs used for each general type of investment measured at fair value by the Plan and Master Trust:

*Registered investment companies* – Valued at quoted market prices, which represent the net asset value (NAV) of shares held by the Plan at year-end.

*Common stock* – Valued at the closing price reported on the active market on which the individual securities are traded.

*Common/collective trust funds* – Valued at the NAV provided by the administrator of the funds.

The following tables set forth by fair value hierarchy level the Plan's assets carried at fair value:

| | Assets at Fair Value as of December 31, 2021 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Assets** | | | | |
| Registered investment companies | **$ 1,370,303** | **$ –** | **$ –** | **$ 1,370,303** |
| Common/collective trust funds | **2,234,483,674** | **–** | **–** | **2,234,483,674** |
| | **$ 2,235,853,977** | **$ –** | **$ –** | **2,235,853,977** |
| Plan interest in W.W. Grainger, Inc. Defined Contribution Master Trust *(Note 5)* | | | | **1,281,755,351** |
| Total assets at fair value | | | | **$ 3,517,609,328** |

## 4. Fair Value Measurements (continued)

| | Assets at Fair Value as of December 31, 2020 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Assets** | | | | |
| Registered investment companies | $ 4,977,808 | $ – | $ – | $ 4,977,808 |
| Common/collective trust funds | 1,913,838,555 | – | – | 1,913,838,555 |
| | $ 1,918,816,363 | $ – | $ – | 1,918,816,363 |
| Plan interest in W.W. Grainger, Inc. Defined Contribution Master Trust *(Note 5)* | | | | 1,212,585,983 |
| Total assets at fair value | | | | $ 3,131,402,346 |

## 5. Investment in Master Trust

Effective August 1, 2020, certain of the Plan's investments are held in a Master Trust that was established for the investment of assets of the Plan and another Company-sponsored retirement plan. The Plan has specific interests in certain investments of the Master Trust based on account balances of the participants and their investment options. The Master Trust assets are allocated among the participating plans by assigning to each plan those transactions (primarily contributions, benefit payments, and plan-specific expenses) that can be specifically identified and by allocating among all plans, in proportion to the fair value of the assets assigned to each plan, income and expenses resulting from the collective investment of the assets of the Master Trust. At December 31, 2021 and 2020, the Plan's interest in the net assets of the Master Trust was approximately 99.5%.

**5. Investment in Master Trust (continued)**

The following tables present the net assets of the Master Trust and the Plan's interest in the Master Trust:

| | December 31, 2021 | |
|---|---|---|
| | **Master Trust Balances** | **Plan's Interest in Master Trust Balances** |
| Investments: | | |
| Common/collective trust funds | **$ 1,193,873,354** | **$ 1,187,744,178** |
| Grainger stock fund | **95,581,553** | **95,579,908** |
| Total investments | **1,289,454,907** | **1,283,324,086** |
| Pending trade purchases | **(1,639,266)** | **(1,631,703)** |
| Pending trade sales | **63,349** | **62,968** |
| Net assets at end of year | **$ 1,287,878,990** | **$ 1,281,755,351** |

| | December 31, 2020 | |
|---|---|---|
| | **Master Trust Balances** | **Plan's Interest in Master Trust Balances** |
| Investments: | | |
| Common/collective trust funds | $ 1,137,277,749 | $ 1,131,367,528 |
| Grainger stock fund | 81,052,460 | 81,046,760 |
| Total investments | 1,218,330,209 | 1,212,414,288 |
| Pending trade purchases | (767,191) | (763,220) |
| Pending trade sales | 939,830 | 934,915 |
| Net assets at end of year | $ 1,218,502,848 | $ 1,212,585,983 |

**5. Investment in Master Trust (continued)**

The following table presents the net appreciation in fair value of investments and investment income of the Master Trust for the year ended December 31, 2021:

| | |
|---|---|
| Net appreciation in fair value of investments | $ 165,185,333 |
| Interest and dividend income | 1,217,034 |
| Total investment income | $ 166,402,367 |

The following tables set forth by level, within the fair value hierarchy as described in Note 4, the Master Trust's assets carried at fair value:

| | Assets at Fair Value as of December 31, 2021 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Common/collective trust funds | **$ 1,193,873,354** | **$ –** | **$ –** | **$ 1,193,873,354** |
| Grainger stock fund | **95,581,553** | **–** | **–** | **95,581,553** |
| | **$ 1,289,454,907** | **$ –** | **$ –** | **$ 1,289,454,907** |

| | Assets at Fair Value as of December 31, 2020 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Common/collective trust funds | $ 1,137,277,749 | $ – | $ – | $ 1,137,277,749 |
| Grainger stock fund | 81,052,460 | – | – | 81,052,460 |
| | $ 1,218,330,209 | $ – | $ – | $ 1,218,330,209 |

**6. Related-Party and Party-in-Interest Transactions**

The Company and Vanguard Fiduciary Trust Company (Vanguard), provider of trustee and record-keeping services, are parties-in-interest as defined by ERISA. Certain plan investments are shares of the Company's common stock, shares of registered investment companies, and units of common/collective trust funds managed by Vanguard. As such, these investments qualify as party-in-interest transactions; however, they are exempt from the prohibited transactions rules under ERISA. During 2021, the Plan received $1,216,922 in common stock dividends from the Company.

Certain administrative expenses of the Plan are paid by the Company. Members of the Committee of the Plan are employees of the Company.

**7. Tax Status**

The Plan has received a determination letter from the IRS dated June 23, 2017, stating that the Plan is qualified under Section 401(a) of the IRC, and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended and restated. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualified status. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the IRC and, therefore, believes the Plan, as amended and restated, is qualified and the related trust and Master Trust are tax-exempt.

Accounting principles generally accepted in the United States require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Plan management has analyzed the tax positions taken by the Plan and has concluded that there are no uncertain positions taken or expected to be taken. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

**8. Subsequent Events**

Management evaluated subsequent events for the Plan through September 19, 2022, the date the financial statements were available to be issued.

# Supplemental Schedule

# W.W. Grainger, Inc. Retirement Savings Plan
(formerly W.W. Grainger, Inc. Employees Profit Sharing Plan)

EIN 36-1150280 Plan #001

## Schedule H, Line 4i – Schedule of Assets
## (Held at End of Year)

December 31, 2021

| Identity of Issuer, Borrower, Lessor, or Similar Party | Description of Investment | Current Value |
|---|---|---|
| Registered investment companies: | | |
| Vanguard Group of Investment Companies* | Vanguard Federal Money Market Fund | $ 1,370,303 |
| | | 1,370,303 |
| Common/collective trust funds: | | |
| Vanguard Group of Investment Companies* | Vanguard Target Retirement Income Trust Plus | 52,837,898 |
| Vanguard Group of Investment Companies* | Vanguard Target Retirement 2015 Trust Plus | 57,496,930 |
| Vanguard Group of Investment Companies* | Vanguard Target Retirement 2020 Trust Plus | 178,688,547 |
| Vanguard Group of Investment Companies* | Vanguard Target Retirement 2025 Trust Plus | 345,341,602 |
| Vanguard Group of Investment Companies* | Vanguard Target Retirement 2030 Trust Plus | 369,616,421 |
| Vanguard Group of Investment Companies* | Vanguard Target Retirement 2035 Trust Plus | 347,461,323 |
| Vanguard Group of Investment Companies* | Vanguard Target Retirement 2040 Trust Plus | 285,506,473 |
| Vanguard Group of Investment Companies* | Vanguard Target Retirement 2045 Trust Plus | 265,907,322 |
| Vanguard Group of Investment Companies* | Vanguard Target Retirement 2050 Trust Plus | 176,661,479 |
| Vanguard Group of Investment Companies* | Vanguard Target Retirement 2055 Trust Plus | 97,010,356 |
| Vanguard Group of Investment Companies* | Vanguard Target Retirement 2060 Trust Plus | 42,216,389 |
| Vanguard Group of Investment Companies* | Vanguard Target Retirement 2065 Trust Plus | 15,738,934 |
| | | 2,234,483,674 |
| Participant loans* | Varying maturity dates with interest rates ranging from 4.25% to 10.50% | 42,663,639 |
| | | $ 2,278,517,616 |

*Indicates party-in-interest to the Plan.

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