



# FUELING GROWTH AND SUCCESS THROUGH TALENT INVESTMENTS

SUMMARY INFO FROM LIVE SESSION

Grainger's approach to building leaders with an enterprise mindset to deliver business results today and into the future





**Susana Sipes**

Sr Mgr, Talent Management & Org Effectiveness



Houston, TX



**Don Stanley**

Director, Learning & Leadership Development



Lake Forest, IL



## AGENDA

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- Summarize a framework for organizing leaders
- Learn about Grainger's learning solutions for all team members
- Understand Grainger's enterprise leader framework for aspiring senior leaders
- Discover how executive leaders invest in high potential and diverse talent



FOR THE ONES WHO GET IT DONE



+26,000  
team members



+4.5 million  
active customers

W.W. Grainger, Inc., is a leading broad line distributor with operations primarily in North America, Japan and the United Kingdom. With \$16.5B in sales, We Keep The World Working<sup>®</sup> by serving customers worldwide with products delivered through innovative technology and deep customer relationships.

>30 million  
products offered  
globally



\$16.5 billion  
in sales in 2023



52  
consecutive years of  
dividend increases



+5,000  
primary suppliers

As of December 31, 2023

Total Company Customer End-Markets<sup>1</sup>



30%	Manufacturing	4%	Retail
16%	Government	4%	Transportation
9%	Wholesale	3%	Utilities
8%	Commercial Services	3%	Warehousing
6%	Contractors	11%	Other <sup>2</sup>
6%	Healthcare		

Total Company Product Assortment



16%	Safety and Security	5%	Hand Tools
10%	Material Handling and Storage	4%	Power Tools
9%	Pumps, Plumbing, and Test Equip.	4%	Specialty Brands
8%	Cleaning and Maintenance	3%	Fluid Power
8%	Metalworking	3%	Lighting
6%	HVAC/R	2%	Power Transmission
5%	Electrical	1%	Motors
		16%	Custom Products/Other

Common Stock NYSE | GWW

2 - Includes industries that are not material individually, including hospitality, restaurants, property management and natural resources

# Go-To-Market **Business Models**

To achieve our purpose, the Company operates under two business models that leverage our scale and supply chain to support customers of all types. Both the High-Touch Solutions and Endless Assortment models have unique value propositions that create a great experience for their customers.

**HIGH-TOUCH SOLUTIONS N.A.<sup>3</sup> | 2023 Revenue – \$13.3 B**



## **CUSTOMER TYPE**

Large to mid-size customers with highly complex operations/processes

## **SEGMENT VALUE PROPOSITION**

Compelling value-added MRO solutions delivered through our team of specialists and curated digital experiences.

## **NUMBER OF PRODUCTS**

~ 2 million

## **PRIMARY GEOGRAPHIES**

North America

**ENDLESS ASSORTMENT<sup>3</sup> | 2023 Revenue – \$2.9 B**



## **CUSTOMER TYPE**

Smaller customers with less complex operations/processes

## **SEGMENT VALUE PROPOSITION**

Business purchasing made easy through a streamlined and transparent online relationship that provides access to everything a customer needs

## **NUMBER OF PRODUCTS**

>22 million (MonotaRO) and >13 million (Zoro)

## **PRIMARY GEOGRAPHIES**

Japan, U.S., United Kingdom

<sup>3</sup> Grainger's two reportable segments are High-Touch Solutions N.A. and Endless Assortment. The remaining businesses, which includes the Company's Cromwell business in the U.K., are classified as Other to reconcile to consolidated results. These businesses individually and in the aggregate do not meet the criteria of a reportable segment. Other accounted for approximately \$0.3B of Total Company revenue for the full year December 31, 2023.



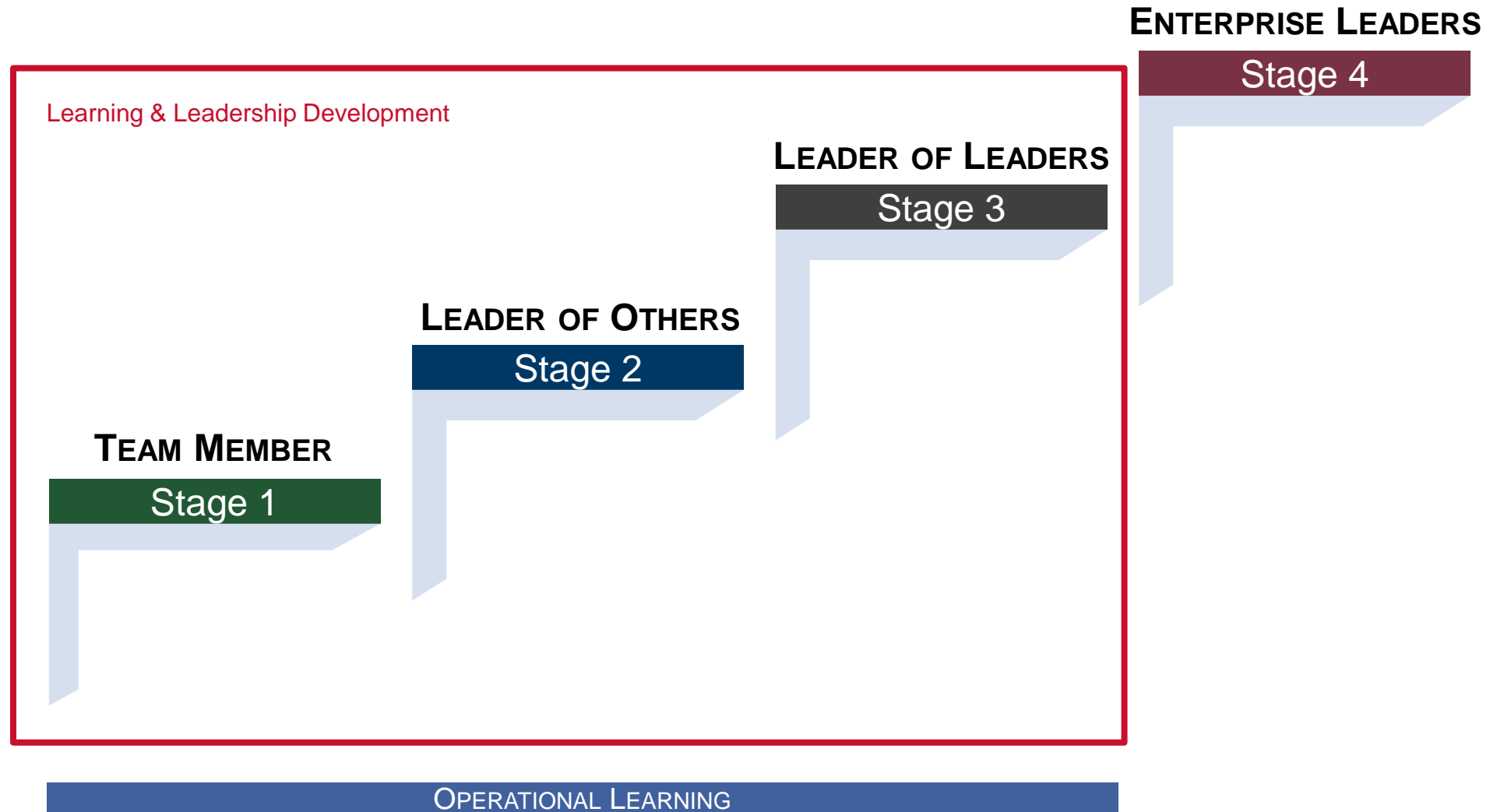
# Grainger's Award-Winning Culture



Share examples of how your organization is developing leaders with an enterprise mindset.



# STAGES OF LEADERSHIP



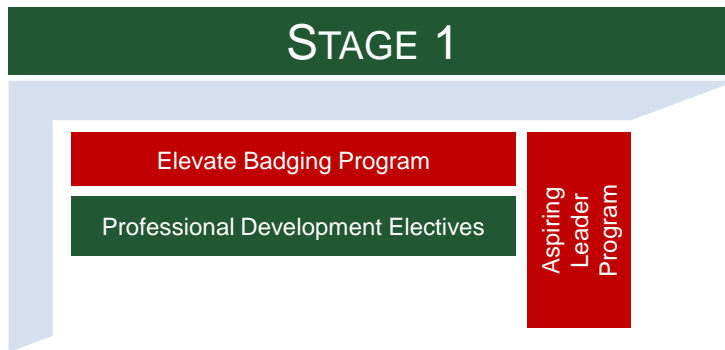


# STAGES OF LEADERSHIP (STAGES 1 – 3)

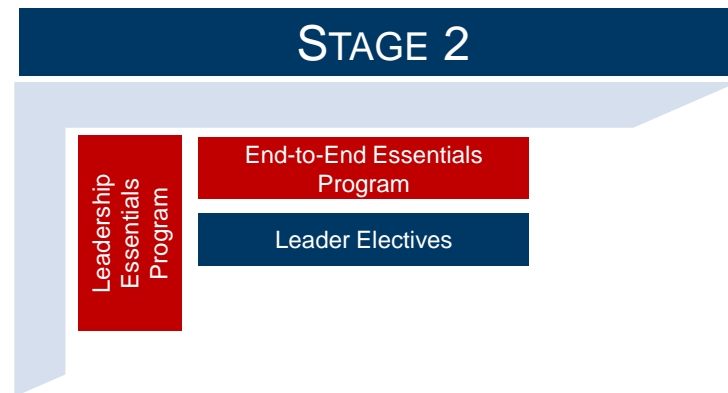
## LEGEND

- TEAM MEMBER – Individual contributors who do not manage others
- LEADER OF OTHERS – First-level leaders responsible for directing activities and efforts of individual contributors
- LEADER OF LEADERS – Mid-level leaders responsible for directing the activities and efforts of first-level leaders

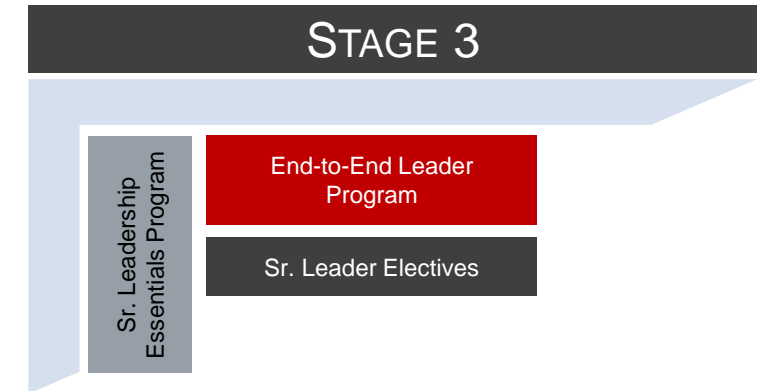
## TEAM MEMBER



## LEADER OF OTHERS



## LEADER OF LEADERS



## LEADER NETWORK

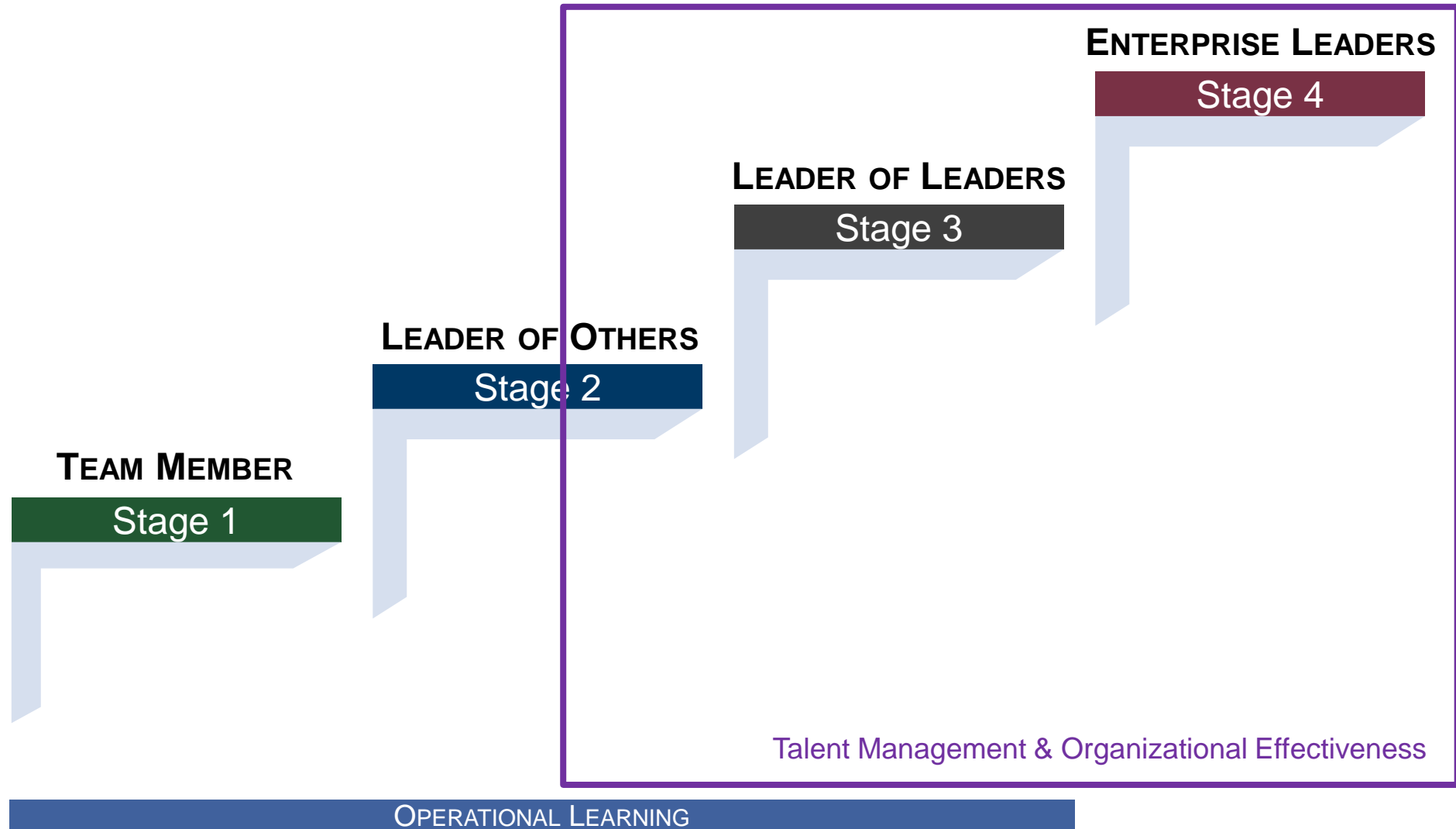
NEW HIRE ORIENTATION • DEVELOPMENT PLANNING PROCESS • EDUCATIONAL ASSISTANCE • DEI LEARNING • ETHICS & COMPLIANCE LEARNING

- Active Programs
- Future Development

How is your organization  
investing in future enterprise  
leaders?



# STAGES OF LEADERSHIP



# STAGES OF LEADERSHIP (STAGES 2 – 4)

## LEGEND

- LEADER OF OTHERS – First-level leaders responsible for directing activities and efforts of individual contributors
- LEADER OF LEADERS – Mid-level leaders responsible for directing the activities and efforts of first-level leaders
- ENTERPRISE LEADERS – VP+ leaders responsible for the direction of the organization

## LEADER OF OTHERS

### STAGE 2

Emerging Talent Committee (ETC)

## LEADER OF OTHERS

### STAGE 3

Talent Steering Committee (TSC)

## ENTERPRISE LEADERS

### STAGE 4

VP Talent Discussions

GLT Talent Discussions

DIFFERENTIATED DEVELOPMENT • EXECUTIVE COACHING • ASSESSMENTS • EXECUTIVE MBAs

■ Active Processes

# Talent Committees | High Level Overview



## Purpose of the Talent Committees

- Accelerate the development of our talent pipeline
- Build enterprise leaders
- Help inform our talent strategy



## Focus on High Potential Talent

- Showcase newly identified leaders:
  - ETC: Senior Managers
  - TSC: Directors to Senior Directors
- Check-in on previously discussed talent



## Success Measures

- Internal mobility
- Retention
- High Engagement

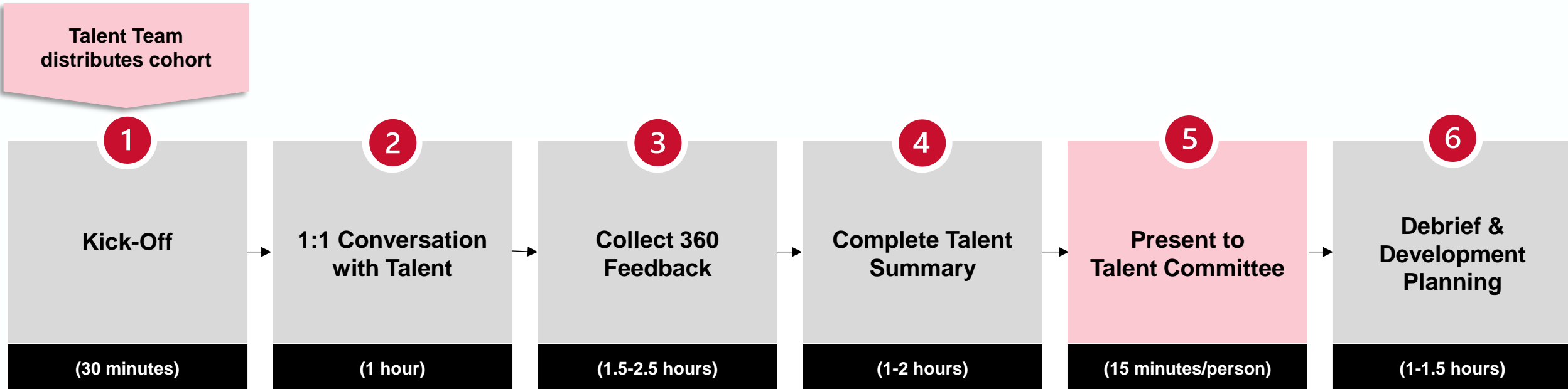
## Benefits for High Potential Talent

- ✓ Expand network/sponsorship from VP in another business
- ✓ Receive personal feedback from a “coach” that helps identify development needs
- ✓ Understand core experiences needed to be an enterprise leader
- ✓ Enhance self-awareness through insights from other feedback providers

## Benefits for Talent Advocates

- ✓ Expand network and build deeper relationships
- ✓ Increase knowledge of high-potential talent and cross-functional peers
- ✓ Build muscle in talent development by helping to support and accelerate development of high-potential talent
- ✓ Provide input into Grainger’s talent strategy and programs

# Talent Committees | Process Overview





What questions do you have  
about Grainger or how we build  
leaders with an enterprise  
mindset?

Don Stanley: [donald.stanley@grainger.com](mailto:donald.stanley@grainger.com)  
Susana Sipes: [susana.c.sipes@grainger.com](mailto:susana.c.sipes@grainger.com)

