



PARKER-HANNIFIN MODERN SLAVERY STATEMENT - CANADA

ABOUT THIS STATEMENT

This statement has been prepared in accordance with the Canadian Fighting Against Forced Labor and Child Labor in Supply Chains Act, on behalf of Parker-Hannifin Corporation (NYSE: PH), our U.S. based parent entity, and the following significant Canadian-based subsidiaries (collectively, “Parker”, “we”, “our”, “us”):

- **Name:** Parker Canada Holding Co
Type: Holding Company
Address: 1300-1969 Upper Water St. Halifax, Nova Scotia B3J 3R7 Canada
Employees: 0
- **Name:** Parker Canada Investment Co
Type: Investment Company
Address: 1300-1969 Upper Water St. Halifax, Nova Scotia B3J 3R7 Canada
Employees: 0
- **Name:** Parker-Hannifin Canada
Type: Operating
Address: 160 Chisholm Drive, Milton, Ontario, L9T 3G9 Canada
Employees: 650
- **Name:** Meggitt Canada Enterprises Inc.
Type: Operating
Address: 6140 Henri-Bourassa Blvd West, Saint-Laurent, QC H4R 3A6
Employees: 4

This statement details the actions taken by Parker in the fiscal year ending June 30, 2023, to combat modern slavery—specifically forced labor, child labor, and human trafficking—across our business operations and supply chains.

OUR COMMITMENT

Parker remains steadfast in our commitment to upholding labor and human rights, firmly prohibiting any form of modern slavery within our operations and supply chain. Such standards are implemented through our Global Code of Business Conduct, Supplier Code of Conduct, Distributor Code of Conduct, and Human Rights and Labor Standards Statement, and are integrated into various internal policies applicable to our team members throughout the world. Our commitment is framed by applicable laws and regulations in the jurisdictions in which we operate, as well as by principles set forth by

various international organizations that promote and protect the human rights of workers.

CORPORATE STRUCTURE, OPERATIONS AND SUPPLY CHAIN

Parker is a leading worldwide diversified manufacturer of motion and control technologies and systems, providing precision engineered solutions for a wide variety of mobile, industrial and aerospace markets. Our principal executive offices are located at 6035 Parkland Boulevard, Cleveland, Ohio 44124-4141 U.S.A.

We employ approximately 62,730 individuals that we refer to as “team members”, of whom approximately 30,940 are employed outside the U.S.A., including approximately 654 in Canada.

Our manufacturing, service, sales, distribution and administrative facilities are located in 39 states within the United States and in 43 other countries, including Canada. We sell our products as original and replacement equipment through sales and distribution centers worldwide. We take our products to market through direct-sales, independent distributors, and independent sales representatives. We supply products to approximately 548,000 customers in virtually every significant manufacturing, transportation and processing industry.

Parker operates in two distinct business segments:

Aerospace Systems Segment: sells products primarily in the commercial and military aerospace markets to both original equipment manufacturers (“OEMs”) and to end users for maintenance, repair and overhaul. Meggitt Canada Enterprises Inc. is a part of the Aerospace Systems Segment.

Diversified Industrial Segment: sells products to both OEMs and distributors who serve the replacement markets in manufacturing, packaging, processing, transportation, mobile construction, refrigeration and air conditioning, agricultural and military machinery and equipment industries. Parker Canada Holding Co, Parker Canada Investment Co, and Parker-Hannifin Canada are a part of the Diversified Industrial Segment.

Our supply chain encompasses a variety of raw materials, parts, and services that we procure globally for our business segments. We source our materials from a broad spectrum of suppliers, ranging from large multinational corporations

to small and medium-sized enterprises, including those classified as diverse suppliers. Our suppliers might depend on a network of sub-tier suppliers, placing Parker several steps removed from the original source of materials in our purchased components. As a result, we are committed to ensuring our suppliers have comprehensive due diligence programs to monitor and mitigate supply chain risks effectively.

Meggitt Canada Enterprises Inc. Supply Chain

Meggitt Canada does not engage in product manufacturing. The entity provides value-added services, which include:

- Commissioning
- Product support
- Training

Parker-Hannifin Canada Supply Chain

Parker-Hannifin Canada manufactures the following products:

- Cylinders:
 - Raw material - Steel (sourced from Parker locations in Canada and the United States of America)
 - Componentry (sourced from Parker locations in the United States of America)
- PVC Hose:
 - Raw material - PVC Compound (sourced locally from external suppliers)

Parker-Hannifin Canada distributes products and components on behalf of the following Parker groups:

- Aerospace
- Engineered Materials
- Filtration
- Fluid Connectors
- Motions Systems

Parker-Hannifin Canada purchases most of its finished goods and components from other Parker locations worldwide, primarily from:

- China
- European Union and Schengen Zone member states (primarily France, Germany, Italy and Sweden)
- India
- Korea
- Malaysia
- Mexico
- United Kingdom
- United States of America

Parker-Hannifin Canada purchases services from Parker locations located in the following countries:

- Switzerland (treasury and administrative services)
- Poland (administrative services)
- United States of America (information technology services)

Parker-Hannifin Canada performs the following value-add services:

- Conversions and repairs
- Hose manufacturing and kitting
- Tube bending
- Hydraulic systems build

Parker-Hannifin Canada purchases a small quantity of products and services from external suppliers internationally, and in Canada. Local suppliers provide the following goods and services:

- Information technology products and services
- Office and shipping supplies
- Recruitment services
- Facilities cleaning and maintenance (including, amongst others, gardening, and waste solutions)
- Security and facility monitoring
- Transport and logistics
- Miscellaneous corporate services (legal support, tax consultancy, or others)

These goods and services primarily support daily operational activities and are not resold.

POLICIES

Human Rights and Labor Policy: Parker's Human Rights and Labor Policy applies to all our team members, and our temporary agency workers, and independent contractors throughout the world. Our policy is framed by applicable laws and regulations in the jurisdictions in which we operate, as well as by principles set forth by various international organizations that promote and protect the human rights of workers, such as the United Nations Guiding Principles on Business and Human Rights, the UK Modern Slavery Act of 2015, and the California Transparency in Supply Chains Act. Principles covered within the policy include forced and compulsory labor, child labor, working hours, labor conditions, and workplace safety.

Global Code of Business Conduct: Parker’s Global Code of Business Conduct (the “Code”) embodies our commitment to integrity, ethics, respect, and fairness across all aspects of our operations. Crafted to set clear expectations for behavior, the Code applies to our team members, consultants, independent contractors, suppliers, agents, representatives, and Board of Directors. The Code incorporates many of Parker’s key policies such as anti-bribery, antitrust, and human rights, and is translated into 24 languages and made available to team members worldwide. The Code provides a thorough framework for ethical conduct covering essential topics such as discrimination, harassment, conflicts of interest, insider trading, corruption, confidentiality, and fair competition. The Code mandates compliance with all relevant laws and regulations pertaining to labor practices, including those related to forced or indentured labor, human trafficking, child labor, working hours, wages and benefits, health and safety, and the sourcing of conflict minerals, and often establishes expectations that exceed the requirements of the laws and regulations.

Supplier Code of Conduct and Distributor Code of Conduct: Parker’s Supplier Code of Conduct and Distributor Code of Conduct sets forth the foundational requirements and standards for lawful and ethical business practices that all our suppliers and distributors must adhere to, regardless of their geographic location or where they do business. We actively encourage our partners to adopt policies, standards, procedures, or codes that exceed the baseline provided by Parker. Suppliers and distributors must implement employment practices that are in full compliance with the legal standards of every jurisdiction in which they operate as well as the standards set forth in the Supplier Code of Conduct and Distributor Code of Conduct, as applicable to them. This includes adherence to laws concerning modern slavery, such as those addressing forced labor, child labor, and human trafficking. Additionally, they must not participate in any practices related to wage withholding, retention of identity documents, or any actions that unjustly restrict an individual’s freedom of movement.

Policy on Contracting with the United States Government: Parker’s Policy on Contracting with the United States Government applies to all team members, consultants, and third-parties involved in doing business with the U.S. Government. It is intended to serve as a general framework for understanding the nature of certain key government procurement practices and conflict of interest regulations. The policy outlines requirements for

topics such as payments and gratuities involving suppliers, combating human trafficking, cybersecurity threats, classified information, export and import regulations, and the department of defense whistleblower hotline.

RISKS OF MODERN SLAVERY AND HUMAN TRAFFICKING

Risk in our Operations

Parker condemns human trafficking, forced labor, and child labor. The risk of modern slavery within our workforce is low due to our approach and policies relating to human rights. We are committed to creating a workplace that is safe, fair, and respectful for everyone. Our internal policies and procedures are designed to ensure a positive workplace, comply with laws and regulations, and protect human rights.

Risk in our Supply Chain

Given our rigorous supplier and third-party due diligence, our continuous monitoring, and our purchase terms requiring legal compliance, our supply chain faces a minimal risk of modern slavery. Despite this, we recognize the possibility of forced labor practices affecting our supply chain and we’ve put in place comprehensive policies and procedures designed to minimize this risk.

DUE DILIGENCE

Our Operations

Parker’s Global Code of Business Conduct stands as the cornerstone of our organization, embodying our collective commitment to integrity, ethics, and compliance. This commitment is further reinforced by our policies and standards, helping to ensure adherence to the laws and regulations within the jurisdictions in which we operate.

Parker’s Integrated Risk Management Program reinforces a disciplined approach to identifying, assessing, and mitigating significant business risks and their potential impacts. A wide range of risk are addressed within the assessment including human rights and forced labor. Our Board of Directors, its committees and our executive leadership team oversee the program to help effectively track potential threats to our business and devise strategies to appropriately address them.

The Corporate Compliance Office and Human Resources departments oversee investigations into any breaches of Parker’s Global Code of Business Conduct, as well as violations of laws and regulations. The Audit Committee of our Board of Directors receives quarterly updates on compliance training, submissions into our Integrity Line, and investigation statistics.

Globally, our Compliance Officers are strategically positioned across all divisions to ensure adherence to our Code, policies, and ESG (Environmental, Social, and Governance) initiatives.

Our Supply Chain

Suppliers and distributors agree to adhere to Parker's Supplier Code of Conduct and Distributor Code of Conduct, as well as our terms and conditions. By agreeing to these, they are legally obligated to comply with all laws and regulations relating to human rights, environmental compliance, and other legal requirements as well as the standards set forth in the applicable Supplier Code of Conduct or Distributor Code of Conduct.

Parker reserves the right to audit and review supplier and distributor compliance with the codes of conduct, including their sub-tiers. Any non-compliance with human rights will be deemed a serious breach of the supplier's or distributor's obligations to Parker. Non-compliance may lead to remedies, including the termination of the business relationship with Parker.

Parker's global supplier portal is used by suppliers to transact business and provides Parker with visibility and control over our global supply chain. Within this portal, suppliers acknowledge that they have read and will adhere to the principles outlined in our Global Code of Business Conduct and Supplier Code of Conduct. This platform provides Parker with the capability to globally deactivate suppliers when necessary.

Parker utilizes third-party screening tools and services to actively track, assess and identify forced labor supply chain partner risk. This process ensures continuous vetting of both new and existing suppliers against government-published lists of entities and industries known to use force labor. Parker's Global Trade Compliance department has the direct responsibility to investigate and take appropriate actions on findings.

Parker incorporates a third-party due diligence screening process for distributors, sales representatives, consultants and other third-parties retained to represent Parker or interact on our behalf with suppliers, customers, or government officials. Our protocol involves conducting Standard Due Diligence for all third-parties, with an Enhanced Due Diligence process specifically for those identified as Elevated Risk. This vetting process helps inform our decisions on approvals, conditional engagements, rejections, or the need for further due diligence. It is Parker's policy to periodically re-screen Elevated Risk third-parties.

Our global supply chain team employs dual sourcing and other risk management strategies to ensure the resilience of our operations and uphold our commitment to responsible procurement practices.

Parker complies with all relevant import/export control and sanction laws. We have established a formally recognized agreement with U.S. Customs and Border Protection to ensure risks associated with forced labor are monitored and when necessary, investigated and remediated.

U.S. Government Contracting

Parker is dedicated to upholding our standards for compliance and business ethics, including in dealings with the United States Government, as well as with prime contractors and subcontractors involved in U.S. government programs. We adhere to the laws, rules, directives, and regulations that dictate the procurement of goods and services by the United States Government. This includes ensuring we are compliant with the Federal Acquisition Regulation (FAR) 52.222-50, which prohibits human trafficking, including slavery, servitude, forced, and compulsory labor. Parker ensures compliance with this regulation through our policies and procedures that are related to labor and human rights.

The FAR clause is also flowed down to our suppliers as a standard business practice in the Parker Terms and Conditions of Purchase-Government Supplement. These terms are applicable to all suppliers that provide goods and services to Parker for United States Government contracts.

Parker requires its suppliers engaged in providing products for United States Government contracts to complete an annual Representations and Certifications form. Included within this form is clause FAR Part 52.222-56 – which is a certification regarding trafficking in persons compliance plan.

Training

Parker provides comprehensive training on key compliance topics and policies, which includes our annual training on the Global Code of Business Conduct for all team members and our Board of Directors. The annual training requires certification that the individual has read and will abide by the Code, and where applicable, the Policy on Contracting with the United States Government. Parker provides ongoing forced labor training to team members involved with trade compliance activities and supply chain leadership.

Compliance Officer Forums are conducted twice a year to provide our global network of Compliance Officers with training and updates related to their roles and responsibilities. Areas of focus include conflicts of interest, third-party due diligence, and forced labor

and human trafficking. Throughout the year, compliance is also kept at the forefront through the dissemination of monthly communications, printed brochures, and videos to help reinforce our culture of ethics and integrity.

Raising Concerns

Parker urges all team members, consultants, independent contractors, suppliers, agents, distributors, representatives, and Board of Directors who observe conduct that is not aligned with Parker's Code, policies, or applicable laws or regulations to raise their concern with local leadership, the Corporate Compliance Office or through Parker's secure, 24-hour Integrity Line, which is staffed by representatives fluent in more than 150 languages. Reporters have the option of remaining anonymous where permitted by law, and Parker has policies against retaliation for concerns raised in good faith. All potential violations of the Code, law and regulations, or company policies are investigated, and appropriate action is taken on the findings.

ASSESSING OUR EFFECTIVENESS

Actions Taken

With our comprehensive supplier and third-party due diligence, internal conduct policies and procedures, and the monitoring of all Integrity Line allegations, we have not detected any instances of modern slavery in the fiscal year ending June 30, 2023. As a result, there has been no need for remedial actions on these issues.

Continuous Improvement

We are committed to enhancing our human rights efforts and refining key performance indicators to better align with our commitments.

For this fiscal year, Parker will continue to take, or plan to implement, the following measures to strengthen our efforts against modern slavery in our operations and supply chain.

- Keep policies and procedures current and compliant by monitoring new regulations and best practices.
- Increase awareness of our condemnation and prohibition of modern slavery through focused communication and training for team members and suppliers.
- Encourage the use of our Integrity Line for reporting suspicions of modern slavery in our operations or supply chain, ensuring thorough investigations and proper remediations.
- Partner with suppliers who meet our high ethical standards.

Parker has not yet implemented actions to address the loss of income experienced by vulnerable families due to efforts aimed at eradicating forced and child labor in our operations and supply chains. This concept represents a new recommendation introduced by the Canadian Fighting Against Forced Labor and Child Labor in Supply Chains Act. Moving forward, should forced labor ever be detected within our supply chain, we will consider this recommendation in our remediation plan.

CONSULTATION PROCESS

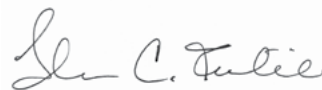
This statement was developed through collaborative consultations with key management of the reporting entities addressed herein, alongside leaders from critical corporate functional areas that support the key management, including the Office of Audit, Compliance and Enterprise Risk Management, Human Resources, Supply Chain Global Trade Compliance, and Legal.

APPROVAL

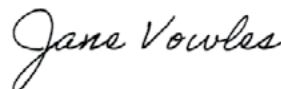
This statement has been approved by the Office of the Chief Executive of Parker-Hannifin Corporation and by the Board of Directors of each of its subsidiaries listed above.

ATTESTATION

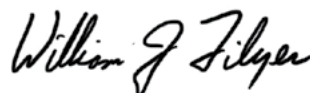
In accordance with the requirements of the Canadian Fighting Against Forced Labor and Child Labor in Supply Chains Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.



Tom Gentile
Vice President of Global Supply Chain



Jane Vowles
Financial Services Manager – FSU Canada



Jim Filyer
Manager, Global Labor Relations and Canada Human Resources

REFERENCES

[Conflict Minerals Report](#)

[FY 2023 10-K](#)

[FY 2023 Sustainability Report](#)

[Global Code of Business Conduct](#)

[Human Rights and Labor Statement](#)

[Supplier Code of Conduct](#)

[Distributor Code of Conduct](#)

[Policy on Contracting with the United States Government](#)

[Parker Terms and Conditions](#)

[Parker Terms and Conditions – Government Supplement](#)