

Living Our Purpose with Integrity

Supplier Code of Conduct



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Leadership Message

A lasting commitment to the highest standards of integrity, ethics and governance has spanned Parker's history and is key to our continued success.

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Dear Business Partners,



For more than a century, Parker has supplied precision-engineered products to meet the demands of a constantly evolving world. Our technologies play an important role in advancing society and we have successfully adapted to these changes without compromising the quality of our products.

We believe our lasting success is attributed to our engaged team members and the strong relationships we hold with our customers, suppliers, and distributors. To maintain our success, we must remain a company that leads with integrity. As such, we strive to reach the highest standards of compliance and ethics; labor and human rights; and environmental, health, and safety. These standards are incorporated in our business system, The Win Strategy, as well as our Global Code of Business Conduct and core values: Winning Culture, Passionate People, Valued Customers, and Engaged Leadership.

Parker's Supplier Code of Conduct (Code) is our blueprint for leading with integrity, which extends to our suppliers and their employees. It is the responsibility of our suppliers to implement management systems that comply with our Code and applicable laws and regulations, mitigate operational risks, and facilitate continuous improvement. Adhering to these fundamental elements is critical to our mission of leading with integrity.

We thank you for your commitment and look forward to our continued partnership.

Sincerely,

A handwritten signature in black ink that reads "Tom C. Gentile". The signature is fluid and cursive.

Tom Gentile
Vice President Global Supply Chain

Enabling Engineering Breakthroughs that Lead to a Better Tomorrow



Sustainability

As a global leader in motion and control technologies, Parker is aware of the critical role our engineering solutions play in creating a more sustainable future. We also understand the importance of cultivating a safety-first workplace and supporting our communities around the world. Parker has strategically aligned environmental, social, and governance priorities to our purpose statement - Enabling Engineering Breakthroughs that Lead to a Better Tomorrow.

These strategic priorities include initiatives to further our Win Strategy goals and are integrated into the programs, policies, and procedures in multiple functional areas of the organization, including Operations, EHS, Supply Chain, Innovation, Human Resources, and Ethics and Compliance. Strategic Initiatives include:

Environment Climate Action, Water Conservation, and Product Stewardship	Social Safe Workplace, Diversity, Equity & Inclusion, and Social Responsibility	Governance Strategy, Purpose & Values, Enterprise Risk Management
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We have made a commitment to:

- Achieve carbon-neutral operations by 2040; and
- Reduce indirect energy use by 2030 (15%) and 2040 (25%)*

Our sustainability journey is not one we take alone. Parker's Supplier Code of Conduct includes integral labor, environment, workplace, product safety, and other requirements to ensure our suppliers meet sustainability expectations. Suppliers play a key role in our global initiatives, and we encourage our suppliers to go beyond the minimum requirements as we work together to create a better tomorrow.

*Target reductions from 2019 baseline year

Our Supplier Code of Conduct

The Parker Hannifin Supplier Code of Conduct (Code) sets forth requirements and expectations for compliance with laws and outlines what is acceptable business conduct for Parker suppliers. Suppliers are encouraged to establish and maintain policies, standards, procedures, or codes that impose additional requirements and expectations.

The Code applies to all Parker consultants, independent contractors, suppliers, agents, and other supplier representatives, regardless of where they are located or doing business. It supplements, rather than replaces, any additional requirements of the supplier under any other contract or agreement with Parker. Parker reserves the right to audit or review supplier and/ or its sub-tiers compliance with this Code.

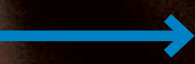
Supplier employees must report any violation of this Code to their supervisor, Human Resource department, Parker representative, or via Parker's Integrity Line website: <https://parker.ethicspoint.com>. Upon receipt of information that a supplier has failed to observe this Code, Parker will notify the supplier's management and discuss any remedial or corrective actions. Non-compliance with the Code, particularly any violation of human rights or environmental regulations, will be considered a material breach of the supplier's obligations to Parker and may result in remedies, including termination of the business relationship with Parker. Non-compliance with the Code by a sub-tier of the supplier, the same remedies shall apply.



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This Code applies to consultants, independent contractors, suppliers, agents, and other supplier representatives without exception.



Compliance and Ethics

Compliance with Law and Regulations

Suppliers must adhere to all local, state, and federal laws and regulations in each locality they reside or do business.

Ethics and Anti-Corruption

Suppliers will conduct their business in a manner consistent with the Global Code of Business Conduct of Parker Hannifin Corporation. In addition, for those suppliers contracting with Parker for U.S. Government contracts, Parker's Policy on Contracting with the United States Government shall apply. Both documents may be obtained at Parker.com, from your Parker procurement representative, or via Parker's PHConnect Supplier portal.

Suppliers shall keep accurate books and records of all activities relating to their work, and must never offer, provide, promise, or accept anything of value that could be perceived as payment for obtaining any improper business advantage. Facilitation payments (e.g., nominal

payments to expedite routine, non-discretionary government action) also are prohibited.

Suppliers shall comply with the U.S. Foreign Corrupt Practices Act, the U.S. Anti-Kickback Act, the U.K. Bribery Act, and the anti-bribery and anti-corruption laws of all countries where they reside or do business.

Fair Competition and Antitrust

Suppliers are required to conduct their business in full compliance with all applicable fair competition and antitrust laws and regulations in the jurisdictions in which they operate.

Conflicts of Interest

Suppliers must conduct business openly and transparently. Suppliers should avoid and disclose any conflicts of interest, like significant relationships that include, but are not limited to, spouses, dating or physical relationships, and close friends employed by Parker.

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Fraud

Suppliers will not commit any act that involves theft, fraud, falsification, embezzlement or misappropriation of any Parker or customer asset. Suppliers shall not engage in any such misconduct including, but not limited to:

- The theft of funds or property.
- Misusing resources for private purposes.
- Making or submitting false claims.
- Forging invoices or creating fraudulent reports or documentation.
- Misrepresenting the nature of transactions.
- Intentionally filing false financial records or statements.

Giving or Receiving Gifts, Travel, or Entertainment

Suppliers shall ensure that any gifts, travel, and entertainment are permissible under this Code, Parker's Global Code of Business Conduct, and all applicable laws and that they are always modest and infrequent, reasonable, properly recorded, and for a legitimate

purpose. Gifts, travel, and entertainment that give the appearance of impropriety or which are illegal, lavish, frequent, vulgar, and/or in exchange for an improper business advantage are strictly prohibited.

Money Laundering/Financing of Criminal Activity

Suppliers shall comply with applicable anti-money laundering and anti-terrorism laws. Suppliers shall avoid and not facilitate money laundering or the financing of criminal activity, including terrorism.

Suppliers shall take steps to prevent inadvertent use of business resources for these purposes and shall be watchful for unusual or suspicious activities or transactions. These may include attempted payments in cash or from unusual financing sources, arrangements that involve the transfer of funds to or from countries or entities unrelated to the transaction or customer, unusually complex deals that do not reflect a real business purpose or attempts to evade recordkeeping or reporting requirements.

Compliance and Ethics

Insider Trading

Suppliers should ensure that non-public information obtained during the course of their business relationship with Parker is not used for any improper purpose, including trading in Parker stock or the securities of any other entity. Suppliers should ensure their employees, family members, and other related parties never trade shares in any company based on inside information or encourage anyone to trade shares based on inside information.

Trade Laws

Suppliers are required to comply with all applicable laws, including those of the U.S. and other countries, that govern the import, export, and re-export of goods, services, software, and technology. These laws include but are not limited to trade embargoes; economic sanctions; export control regulations; U.S. anti-boycott regulations; tax regulations; and cargo security requirements. Suppliers must obtain prior export authorization for controlled products to be supplied as required and shall not use, maintain, transfer, ship, or re-export any products to Parker in connection with business dealings, either directly or indirectly, with restricted or sanctioned countries or with any denied or prohibited party subject to trade restrictions under U.S., U.K., E.U. or other applicable export regulations. For the complete list of restricted or sanctioned countries, refer to Parker's Export Compliance Letter posted on Parker.com.

Intellectual Property and Confidentiality

Suppliers shall respect Parker's intellectual property and proprietary information, not disclose it to any third party without Parker's consent, and only use information as directed by Parker or for the benefit of Parker. Further, suppliers shall respect intellectual property rights and confidential information belonging to third parties and shall take appropriate actions to avoid infringing on the intellectual property rights of others.

Integrity in Action

Suppliers shall not make changes or substitutions to products or services, drawings, specifications, standards, or other applicable documents without prior written authorization by Parker.

Cyber Security

Suppliers shall ensure they meet Parker's cyber security requirements based on evolving industry standards. Suppliers must implement risk management systems and establish network security processes while supporting clear and transparent communication between each party.

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Data Privacy

Suppliers shall protect the personal information of Parker employees and other affiliated parties. Suppliers must comply with and not cause Parker to be in violation of applicable laws and regulations on the transfer, processing, protection, and retention of personal information, including, without limitation, the EU General Data Protection Regulation (GDPR). The foregoing establishes compliance expectations only and is not intended to provide or imply consent to the use or processing of such personal information.

Conflict Minerals

No product, at the time supplied by suppliers, shall contain any mineral that directly or indirectly finances an armed group that has been identified as a perpetrator of human rights abuses, including, without limitation, those defined as conflict minerals in the rules issued under Section 13(p) of the United States Securities Exchange Act of 1934.

Code of Conduct and Policy Enforcement

Suppliers must verify and monitor compliance with this Code at their operations and sub-tier source operations.





Labor and Human Rights

Compliance with Labor and Human Rights Regulations

Suppliers must adhere to all local, state, and federal labor and human rights laws and regulations in each locality they reside or do business.

Human Rights

Suppliers must uphold the human rights of workers and treat them with dignity and respect. This applies to all workers including

temporary, migrant, student, contract, direct employees, and any other type of worker.

Non-Discrimination

Suppliers shall not discriminate based on race, color, ethnicity or national origin, social origin, disability, health status, gender or gender identity, sexual orientation, age, pregnancy, religion, political affiliation, marital status, or other defining characteristics and shall always comply with all laws prohibiting such discrimination.

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Anti-Harassment

Suppliers are required to maintain a workplace free of harassment and abuse, including but not limited to physical, verbal, psychological, and sexual harassment.

Anonymous Complaints and Whistleblower Protection

Suppliers shall create and maintain an anonymous system for workers to report workplace complaints or concerns. Additionally, whistleblower confidentiality and non-retaliation rights must be maintained.

Substance Abuse

Suppliers must create and maintain a workplace free from the illegal use, possession, sale, or distribution of controlled substances.

Labor

Child Labor – Suppliers shall not employ any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. All local, state, and federal child labor laws and regulations must be followed in each locality where the supplier resides or performs business.

Forced/Indentured Labor and Human Trafficking – Suppliers shall not use forced or indentured labor or trafficked persons. All forms of slavery or any form of domination in the workplace is prohibited. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction, or fraud for labor or services. No product supplied by the supplier shall be directly or indirectly connected to the Xinjiang Uyghur Autonomous Region (XUAR) as defined in the Uyghur Forced Labor Prevention Act.

Freedom of Movement – Suppliers shall not enforce unreasonable restrictions on workers' freedom of movement in facilities, including unreasonable restrictions on entering or exiting facilities.

Work Hours/Days – Suppliers shall not exceed the daily and weekly working hours as permitted by local, state, and federal laws/regulations in the country of performance of services.

Wages and Benefits – Suppliers shall compensate workers in accordance with local, state, and federal laws/regulations in the country of performance of services. This includes minimum legal wage, overtime wages, and benefits requirements.

Recruitment Fees – Suppliers shall not charge workers recruitment or other related employment fees.

Retention of Personal Items – Suppliers shall not hold, destroy, conceal, confiscate, or deny workers access to their identity or immigration documents, such as government-issued identification, passports, or work permits, unless such holdings are required by law.

Integrity in Action

Parker's Supplier Diversity Program is committed to expanding the opportunities given to businesses owned, managed, and controlled by women, disabled people, veterans, racial and ethnic minorities, as well as small and disadvantaged businesses through the inclusion in the procurement process.



Environmental, Health, and Safety



Compliance with Environmental, Health, and Safety Laws

Suppliers' services, along with the maintenance and operations of their manufacturing/production facilities and processes, must adhere to all applicable local, state, and federal Environmental, Health, and Safety laws/ regulations, in each locality they reside or do business.

At no time shall any Parker person be exposed to hazardous materials or unsafe conditions as a result of supplier services or shipments to a Parker location or while visiting a supplier's location. For items with inherent hazards, safety notices must be visible, and other proper safety protocols must be followed.

When applicable, suppliers must also provide documented safety handling and protection information.

Occupational Safety, Injury, and Illness

Suppliers shall ensure employees are provided workplace health and safety training prior to initiating any work activity and regularly thereafter.

Suppliers shall identify, assess, and control employee exposure to potential safety hazards

in conformance with applicable laws and regulations and through design, engineering, and administrative controls, preventative maintenance, safe work procedures, ongoing safety training, and appropriate personal protective equipment.

Suppliers shall possess procedures and systems to manage, track, and report occupational injury and illness, including provisions to encourage employee reporting, classify and record injury and illness cases, investigate cases and implement corrective actions to eliminate their causes, and facilitate the return of the employee to work.

Product Safety

Products and services supplied to Parker must be designed, produced, and delivered with the utmost consideration for the health and safety of suppliers' employees and customers. Products and services must meet or exceed all quality and safety standards required by applicable law and Parker's quality requirements.

In all instances where a product is manufactured to a new design, for a new system, or new application, the supplier and Parker must allocate responsibility to ensure all performance, endurance, maintenance, safety, and warning requirements are met.

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Suppliers are expected to create a safety-first workplace and shall conform to all applicable health and safety laws and regulations.

Emergency Prevention

Suppliers must identify, assess, develop, and implement emergency response procedures that include, but are not limited to, fire drills, exit and evacuation areas, fire detection and suppression equipment, and recovery plans to minimize harm to life and property.

Preventative methods, such as fire alarms, must be tested regularly to ensure they are in working order.

Integrity in Action

Suppliers should have a business continuity plan which would allow for the safeguarding, storage, and recovery of engineering drawings, electronic media, and production tooling in the event of damage or loss.

Permits and Reporting

All required environmental, health, and safety permits and registrations are to be obtained, maintained, and kept current, and their operational and reporting requirements are to be followed.

Hazardous Substances

Chemicals and other materials posing a hazard to humans or the environment are to be identified, labeled, and managed to ensure their safe handling, movement, storage, use, recycling, or reuse and disposal.

The production of mercury-containing products, the use of mercury and mercury compounds in manufacturing processes, and the unlawful treatment of mercury waste in accordance with the Minamata Convention is prohibited.

Wastewater and Solid Waste Management

Suppliers must monitor, treat, control, manage, and properly dispose of wastewater and solid waste. Suppliers must also comply with all local, state, and federal waste management laws and regulations in each locality they reside or do business.

Air Emissions

Suppliers are expected to conduct routine monitoring of the performance of air emission control systems and must identify, manage, reduce, and properly dispose of air emissions that pose a hazard to the environment.

EU RoHS, EU REACH, Proposition 65, IMDS

Suppliers' products must comply with the EU RoHS and EU REACH Directives and Proposition 65 of California. Upon request from Parker, suppliers shall provide the chemical composition of their products to support statements of compliance with EU RoHS and REACH. When applicable, suppliers shall provide IMDS files for their supplied products, along with recording the file numbers on their Production Part Approval Process (PPAP) document.





Management Systems

Compliance with Management Systems Laws and Regulations

Suppliers must implement management systems that comply with our Code and applicable laws and regulations, mitigate operational risks, and facilitate continuous improvement.



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Key Elements of Supplier Management Systems Include:

Company Commitment and Management Accountability

Policy statements affirming suppliers' commitments to compliance and identifying representatives responsible for ensuring implementation of the management systems and associated programs.

Legal Requirements

Processes to identify, monitor, and comply with all applicable laws and regulations.

Risk Assessment and Risk Management

Processes to identify risks associated with suppliers' operations, which include but are not limited to legal, environmental, health and safety, labor practice, and ethics. Suppliers must determine the relative significance of each risk and implement appropriate controls to ensure compliance.

Training

Training programs for managers and employees to implement supplier policies, procedures, and continuous improvement objectives and meet applicable legal and regulatory requirements.

Audits and Assessments

Self-evaluations to ensure conformity to legal and regulatory requirements, the Code, and contractual requirements.

Corrective Action Processes

Timely correction of deficiencies identified by internal or external assessments, inspections, investigations, and reviews.

Documentation and Records

Maintenance of documents and records to ensure regulatory compliance and compliance with this Code and company requirements.

Communication

Processes to communicate Code requirements and monitor compliance.



ENGINEERING YOUR SUCCESS.