

Leadership Message

Deeply embedded in our operations and guided by our purpose and values, the responsible use of our natural resources and the protection of the environment is central to Parker's global operations.

Despite an extraordinarily difficult year with the effects of inflation, supply chain constraints, labor shortages, the war in Ukraine, and the lasting effects of the COVID-19 pandemic, we made significant progress toward achieving our carbon reduction goals and safety performance.

We have also taken many steps forward on diversity, equity and inclusion within our company. Throughout our 105-year history, we have been committed to building a welcoming and inclusive workplace that respects every team member's unique perspective. In 2022, we continued to put the leadership, strategy and resources in place to continually build upon our global team to be reflective of the communities in which we do business.

Reinforcing our commitment to be transparent about our progress, this year's Sustainability Report is aligned with our fiscal year reporting cycle. We have also significantly

expanded the number of disclosures in our report to create a more complete picture of the impact of our operations and the progress we are making.

Importantly, the broader trend of public and private investment in clean technologies and renewable energy to achieve net zero carbon emissions creates an opportunity for Parker technologies to have an even greater impact on the world. These trends anticipate a staggering level of investment during the next two decades. Parker technologies play a critical role in helping the world achieve these clean energy goals.

We support a clean energy future through the development of new products and technologies and through acquisitions that add complementary capabilities. In August 2021, we reached an agreement on the terms of a recommended cash acquisition of Meggitt PLC, a global leader in aerospace and defense technologies. Meggitt will greatly expand our aerospace business and enhance our position in the development of next generation, sustainable aviation.

Guided by our purpose and values we have created a team of highly engaged team members, and our overall engagement score is in the top 8% of companies across all industries according to our survey supplier's benchmark. To better support their desire to give back to the communities we call home and build upon our social responsibility initiatives, this year we launched a global volunteer program that grants paid time off to serve our communities and matching donations from the Parker Foundation.

Our volunteer program is just one of many ways in which our team members and our company see our role as having much more impact in creating a better tomorrow for everyone. It's this great team of people that make our continued progress possible and we thank them for living up to our purpose.

Sincerely,



Thomas L. Williams

Chairman and Chief Executive Officer



Lee C. Banks

Vice Chairman and President