



PARKER HANNIFIN AUSTRALIA HOLDING PTY LIMITED (ACN 117 010 107)

PARKER HANNIFIN (AUSTRALIA) PTY. LIMITED (ACN 008 446 893)

MODERN SLAVERY STATEMENT 2024

This joint statement is made on behalf of the boards of Parker Hannifin Australia Holding Pty Limited ACN 117 010 107 and Parker Hannifin (Australia) Pty. Limited ACN 008 446 893 (together '**Parker**') with regards to the *Modern Slavery Act 2018* (Cth) which imposes a requirement for companies above the established threshold to be transparent about their efforts to identify and mitigate slavery and human trafficking in their business and supply chains for the year ended 30 June 2024.

For the purpose of compliance with the *Modern Slavery Act 2018* (Cth), this statement covers the operations and business of Parker for the period 1 July 2023 to 30 June 2024.

The Directors of each of the entities are based in Australia and are members of the Australasian Management Team.

STRUCTURE, OPERATIONS AND SUPPLY CHAIN

The ultimate parent of the reporting entities is Parker-Hannifin Corporation ('PHC') (NYSE: PH). PHC is a global leader in motion and control technologies. Leveraging a unique combination of interconnected technologies, we design, manufacture, and provide aftermarket support for highly engineered solutions that create value for customers primarily in aerospace and defence, in-plant & industrial equipment, transportation, off-highway, energy, and HVAC and refrigeration markets around the world. It was incorporated in Ohio in 1938 and its principal executive offices are located at 6035 Parkland Boulevard, Cleveland, Ohio 44124-4141, United States of America.

PHC values having a decentralized operating structure that fosters deeper connections with our customers and greater engagement among our team members. To align our operations and achieve our goal of top quartile performance, we deploy

The Win Strategy™ business system which establishes goals and strategies for engaged people, customer experience, profitable growth and financial performance. Underpinning this business system is our culture of safety, collaboration, continuous improvement, and team-based problem solving. Together our goals, strategies, and culture help us to fulfill our purpose - Enabling Engineering Breakthroughs that Lead to a Better Tomorrow. We credit the Win Strategy with leading PHC through a period of sustained operational excellence and transformation and believe it is the foundation for achieving our future goals.

Our interconnected technologies and solutions provide value for customers across our market verticals including aerospace and defence, in-plant & industrial equipment, transportation, off-highway, energy, and HVAC and refrigeration. We serve several hundred

thousand OEM and distribution customer locations. No single customer accounted for more than four percent of our total net sales for the year ended June 30, 2024.

PHC's operations report across a Diversified Industrial reporting segment and a separate Aerospace Systems reporting segment. The Australasian operations form part of the Diversified Industrial reporting segment. Parker has a subsidiary in New Zealand which also operates as part of the Diversified Industrial segment.

PHC operates in highly competitive markets and industries. We offer our products over numerous, varied markets through our divisions operating in 43 countries. Our global scope means that we have hundreds of competitors across our various markets and product offerings. Our competitors include U.S. and non-U.S. companies. These competitors and the degree of competition vary widely by product lines, end markets, geographic scope and/or geographic locations. Although each of our segments has numerous competitors, given our market and product breadth, no single competitor competes with PHC with respect to all the products we manufacture and sell.

The Diversified Industrial Segment sells products manufactured by PHC to both original equipment manufacturers ("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. In addition to this, Parker provides product and services to the mining industry.

The Diversified Industrial Segment products consist of a broad range of motion-control and fluid systems and components.

Diversified Industrial Segment products include standard products, as well as custom products which are engineered and produced to OEM specifications for application to particular end products. Standard and custom products are also used in the replacement of original products. Marketing of Diversified Industrial Segment products is primarily through field sales employees and independent distributor locations throughout the world.

PHC has over 61,000 employees worldwide, of whom approximately 30,000 are employed by foreign subsidiaries.

Parker has had a presence in Australia since the 1960's and currently employs approximately 400 people over 10 locations that cover manufacturing, value add, distribution, engineering and mining services.

Australian Supply Chain

PHC has many thousands of suppliers globally with over 500 providing products and services to the Australian business.

Parker sources a diverse range of raw materials, finished goods and services, in its manufacture of industrial motion and control products, and provision of related services.

PHA manufactures the following products in Australia:

- PVC Hose:
 - Raw material: PVC Compound (sourced locally from external suppliers).
- Fluid connector fittings:
 - Raw material: Steel (sourced locally from external suppliers);

- Raw material: Steel forging (sourced from Parker Hannifin locations in the United States of America).
- Cylinders:
 - Raw materials: Componentry (sourced from Parker Hannifin locations in the United States of America).
- Power units:
 - Raw materials: Componentry (sourced from Parker Hannifin locations in the United States of America).

Parker purchases 72% of its finished goods and components from other Parker Hannifin locations worldwide, with 116 suppliers primarily from:

- United States of America;
- United Kingdom and Europe
- South Korea;
- China;
- India.

Parker receives services from Parker Hannifin locations located in the following countries:

- Switzerland (treasury and administrative services);
- Poland (administrative services);
- China (administrative services);
- United Kingdom (information technology services);
- United States of America (information technology services).

Parker performs the following value-add services in Australia:

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

A total of 62 external international suppliers make up 4% of the total supply chain spend. They are located predominantly in the following countries:

- United States of America
- South Korea
- China
- United Kingdom and Europe

The balance comes from 369 local unrelated parties who 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.

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

ASSESSMENT OF RISKS OF MODERN SLAVERY

Parker is committed to combating modern slavery and human trafficking. We understand that this can take many forms including forced labour, child labour, domestic servitude, sex trafficking, workplace abuse and human trafficking.

Parker has a rigorous supplier assessment process where consideration is given to risks linked to modern slavery practices and the industries, types of products and services procured and geographic locations from which these are procured. For better understanding use was made of the Global Slavery Index 2024 and the Corruption Perception Index 2024.

Products and services within the operations and supply chains of Parker that carry a higher risk of Modern Slavery have been identified as including electronics, cleaning contractors and subcontractors, outsourcing and labour hire for services. These form will be part of the detailed review that is undertaken in relation to products and services sourced from certain countries with poor indicators in respect of governance of human rights.

Countries identified as requiring further review of risk:

- South Korea (products) – regional risk ranking 20th out of 27
- China (products and services) - regional risk ranking 19th out of 27
- India (products) - regional risk ranking 6th out of 27

DUE DILIGENCE – POLICIES, PROCESSES AND PROCEDURES, GOVERNANCE AND CONTINUOUS IMPROVEMENT

Parker has addressed expectations in relation to Modern Slavery in the Code of Conduct, in the Supplier Code of Conduct and in Human Resources Policies. It is compliant with the UK Modern Slavery Act 2015. Operating in the Asia Pacific, Parker understands, that with purchasing the majority of goods from our overseas related parties, we are not immune to risk in our extended supply chain.

Parker has implemented policies and processes to minimise the risk of modern slavery in its business operations and supply chain, understanding that slavery and modern trafficking can occur in the form of forced labour or other servitude, human trafficking, forced marriage, debt bondage, child labour and in deceptive recruitment of labour and services.

All Parker policies and codes apply to every Parker subsidiary including Parker and its subsidiaries.

Code of Conduct

Parker respects all human rights and has established a Global Labour Relations Programme.

The Code of Conduct sets out Parker's expectation and commitment to human rights. The requirements are as follows:

Parker respects all human rights and has established a Global Labour Relations Programme to support human rights based on global standards. Parker's policy is designed to align with various international organisation that promote and protect the human rights of workers around the world (including, but not limited to, the United Nations Guiding Principles on Business and Human Rights) and the UK Modern Slavery Act 2015.

In accordance with its own and these organisations' various human rights principals, it is Parker's expectation that all team members are treated with respect and dignity and work in an environment

free from unlawful discrimination and harassment and in which there is compliance with all laws and regulations regarding forced or indentured labour, human trafficking, child labour, working hours, wages and benefits, and health and safety, and conflict minerals.

Parker expects our suppliers and direct contractors to demonstrate a serious commitment to the health and safety of their workers, and operate in compliance with human right laws. Furthermore, Parker expects its suppliers to operate in agreement with the standards describes in Parker's "Supplier Code of Conduct", and take reasonable steps to ensure such compliance in doing business with such entities.

These requirements are further expanded in the Supplier Code of Conduct with specific application to supply chain considerations.

Code of Business Conduct

The Parker Global Code of Business Conduct (GCBC) sets forth minimum requirements and expectations with respect to compliance with laws and acceptable business conduct for PHC's suppliers. Suppliers are encouraged to introduce and maintain policies, standards, procedures or codes that are stricter than these requirements and expectations.

The GCBC applies to all PHC team members, independent contractors, suppliers (and those of all subsidiaries), agents, representatives and Board of Directors, regardless of location. It supplements, rather than replaces, any additional requirements of suppliers under any other contract or agreement with PHC. PHC reserves the right to audit or review supplier compliance with this Code.

All team members as charged with approaching any challenge on the following basis:



Upon receipt of information that a supplier has failed to observe this Code, PHC will notify the supplier's management and discuss any remedial or corrective actions. Non-compliance with the Code will be considered a material breach of the supplier's obligations to PHC and may result in remedies including termination of the business relationship with PHC.

The GCBC requires that suppliers ensure their operations are being performed in a manner that is appropriate, as it applies to their ethical, legal, environmental, and social responsibilities. Minimum basic requirements include:

- Ethics and Anticorruption

Suppliers will conduct their business in a manner consistent with the Global Code of Business Conduct of Parker Hannifin Corporation.

- **Non-Discrimination**

Suppliers shall not discriminate against race, colour, ethnicity or national origin, gender or gender identity, sexual orientation, age, pregnancy, religion, political affiliation, marital status, or other defining characteristics as prohibited by local, state, and federal laws/regulations in the country of origin or performance of services.

- **Labour**

- **Child Labour** – Suppliers shall employ workers of at least minimum legal age in accordance with local, state, and federal laws/regulations in the country of origin or performance of services.
- **Forced/Indentured Labour** – Suppliers shall not practice the use of forced or indentured labour.
- **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 origin or performance of services.
- **Wages and Benefits** – Suppliers shall compensate workers in accordance with local, state, and federal laws/regulations in the country of origin or performance of services. This includes minimum legal wage, overtime wages, and benefits (as required by law).

New Suppliers must agree to Parkers Supplier Code of Conduct requirements and standards for lawful and ethical business practices that all of our suppliers must follow regardless of their geographic location or where business is conducted. Suppliers must operate as per the standards set out in the Supplier code of Conduct as applicable to them. This includes following the laws of modern slavery addressing forced labour, child labour and human trafficking. Suppliers must not participate in any practises related to wage withholding, retention of identity documents, or any actions that unjustly restrict and individual's freedom of movement.

CONTINUOUS COMPLIANCE AND IMPROVEMENTS

The Parker Management Team will continue to ensure compliance with the Parker Global Code of Business Conduct and will to assess and monitor the global supply chains with a view to mitigating the risk that exists in relation to human rights and labour.

Training of team members about the risks of Modern Slavery has been undertaken and ongoing risk assessment and analysis undertaken to identify whether any modern slavery is occurring.

Parker continues to engage with Parker locations overseas in the assessment of risk, the update of the process of supplier selection, the communication of requirements to suppliers, the supplier self-assessment questionnaire the mapping the supply chain worldwide, resourcing (where necessary), collaboration with government and non-government organizations to fight modern slavery risks, the auditing process of suppliers and the reporting and monitoring of related findings.

This process includes engaging with local suppliers utilising a Supplier Evaluation Process.

Parker is committed to continuously challenging and enhancing our internal and external supply chains. We are working to focus on the areas of high risk and to replace these suppliers were practical with others in more robust jurisdictions.

The breadth and complexity of the supply chain that exists means that identifying and assessing the risks of modern slavery will remain a significant challenge. However, Parker is committed to working with our colleagues globally on initiatives to address unacceptable practices.

At Parker an internal, cross functional committee, made of representatives from Human Resources, Legal, Supply Chain and Compliance has been established. This team has responsibility for reviewing the supply chain and operations compliance in regard to human rights and modern slavery. We will ensure that progress is made, and risk identified and resolved. Tools utilized include supplier questionnaires, data collection, review and analysis. This committee is also responsible for establishing tools to evaluate the effectiveness of our actions and to guide remediation of all identified issues.

Actions taken through our third-party due diligence and internal policies and procedures, and the monitoring and reporting of unethical behaviour or misconduct through our Parker integrity line, Internal Compliance Officer or Human Resources Department. To date we have not discovered or identified any instances of modern slavery as at 30/6/24. Due to this there been no need for any steps to correct or improve a situation until an issue or problem has been identified.

This Statement summarises the actions undertaken by Parker.


There are two Directors who hold this position across all reporting entities. They have been involved in the drafting of this statement and are part of the committee addressing the issue of Modern Slavery.

This statement has been approved by the board of Parker Hannifin Australia Holding Pty Limited on behalf of the reporting entities on 3rd September 2025 in accordance with the requirements of the *Modern Slavery Act 2018* (Cth).



Jacques Karam
Director

Parker Hannifin Australia Holding Pty Limited



Gillian Wilcox

Director

Parker Hannifin Australia Holding Pty Limited

Dated: 3 September 2025