



SUSTAINABILITY REPORT 2025





PURPOSE IN MOTION

ABOUT THIS REPORT

Parker's purpose – Enabling Engineering Breakthroughs that Lead to a Better Tomorrow – guides everything we do, and our people bring that purpose to life each day. Through their ingenuity, collaboration and passion, Parker team members innovate to make our world cleaner, safer and more sustainable. Together, we are transforming our purpose into progress and creating a brighter future for generations to come.

This sustainability report details our progress in the areas of environmental stewardship, social impact and responsible governance. It is aligned with the disclosure framework established by the Sustainability Accounting Standards Board (SASB) for the Industrial Machinery & Goods industry. All data corresponds to Parker's fiscal year 2025 (FY25), July 1, 2024, through June 30, 2025, unless otherwise noted. Environmental data in this report covers our fiscal year 2024 (FY24).

About Us

Parker Hannifin is a Fortune 250 global leader in motion and control technologies. For more than a century, Parker has engineered the success of its customers in a wide range of diversified industrial and aerospace markets.



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LEADERSHIP MESSAGE

Parker's commitment to sustainability is rooted in our purpose and embedded in our business system, The Win Strategy™. For more than a century, we have partnered with our customers to enable breakthroughs that make the world cleaner, safer and more sustainable.

Our pursuit of best-in-class performance starts with the safety of our team members. Our FY25 safety performance ranks in the top quartile in our industrial sector. We have reduced our recordable incident rate by 52% since our FY19 baseline year and are making steady progress toward our goal of becoming the safest industrial company in the world.

We strive to live up to our purpose by improving the lives of those around us. Our highly engaged team members generously support their local communities through both hands-on volunteer initiatives and by helping guide Parker's charitable contributions to organizations that make a real difference in their home regions.

We remain committed to environmental sustainability and are continuing to take proactive measures to reduce our carbon emissions, energy use and water consumption. Our Scopes 1 and 2 emissions reduction targets align with the science-based ambition of limiting the global temperature increase to 1.5°C above preindustrial levels, and in FY25 we introduced a new Scope 3 supplier engagement program and target to improve supplier data and drive meaningful progress across our value chain.

Parker's highly interconnected portfolio of motion and control solutions also uniquely positions us as a strategic partner to our customers in creating a more sustainable future. Importantly, our comprehensive approach focuses on also reducing the environmental impact of our customers across the globe. Through market-driven innovation, we form deep and lasting relationships with our customers and apply our engineering expertise to solve their most pressing challenges, which often include opportunities to reduce emissions and resource consumption. For example, our Simple by Design™ framework advances sustainable product development by reducing complexity and increasing efficiency, delivering greater performance and value for our customers.

Strategic acquisitions have further strengthened our clean technology offering. We completed the acquisition of Curtis Instruments, Inc. this year, adding a full suite of control solutions for heavy-duty electric and hybrid mobile equipment. In November 2025, we announced an agreement to buy Filtration Group Corporation, which will significantly expand our offering of filtration, separation and purification technologies for ensuring the efficiency, health and safety of equipment, all while extending its life cycle. Filtration Group will also bring new technologies to improve life science outcomes and create healthier drinking water and cleaner air.

Finally, underlying our sustainability initiatives and anchoring our success is our comprehensive approach and commitment to ensuring strong corporate governance. This is a shared responsibility of our Board, executive leadership and team members around the world, and is critical to effective oversight, management and operation of our business and upholding our values in everything we do.

We are proud of the progress we achieved this year and have highlighted in this report. As our journey continues, we are leading with purpose and embracing our responsibility to engineer a brighter future for generations to come.

Sincerely,

Jennifer A. Parmentier

Chairman of the Board and Chief Executive Officer

Andrew D. Ross

President and Chief Operating Officer

Todd M. Leombruno

Executive Vice President and Chief Financial Officer

December 2025

2025 AT A GLANCE

PARKER OVERVIEW

\$19.85 Billion Total Net Sales

~57,950 Team Members

~322 Manufacturing Plants

ENVIRONMENT

Goals¹

Scope 1 and Scope 2 Carbon Emissions:

50% Reduction by 2030

100% Reduction by 2040

148

Sites **Certified to ISO 14001** Environmental Management System Standard

62

Sites **Certified to ISO 45001** Health & Safety Management System Standard

Environmental Footprint²

Scope 1 + Scope 2 Emissions (MT CO₂): **523,964**

Emissions Reduction to FY19 Baseline: **36%**

Total Water Withdrawal: **4.5 million m³**

1,360+ Carbon Reduction Projects Initiated

Two-thirds

of our product portfolio enables clean technology solutions

SAFETY

Recordable Incident Rate: **0.27**

52% Reduction Since FY19

Lost Time Incident Rate: **0.10**

41% Reduction Since FY19

Goal

Become the **Safest Industrial Company** in the World

INCLUSION

Our Workforce Diversity^{3,4}

Segment	Demographic	FY25 Workforce
Global	Women	30% of Total Workforce
		20% of Leaders
U.S.	People of Color	34% of Total Workforce
		17% of Leaders

80% of Parker's Board of Directors is diverse based on gender, race or ethnicity⁵

ENGAGEMENT AND DEVELOPMENT

37,000+ Team members participated in a High Performance Team (HPT)

206 Functional leadership development program associates joined Parker

SOCIAL RESPONSIBILITY

>\$13 Million in Charitable Donations Globally

SUSTAINABILITY PERFORMANCE SCORES

EcoVadis: **66**

MSCI: **A**

CDP Climate: **B**

CDP Water Assessment: **C**

CDP Supplier Engagement: **A**

¹ Compared with a FY19 baseline.

² Environmental data in this report covers FY24.

³ Workforce diversity data is from FY25. Our most recent U.S. Federal Employer Information Report Form EEO-1, which uses workforce demographic data for U.S. Parker Team Members, is available for download at parker.com/sustainability/social. The EEO-1 Report uses specific categories, definitions and methodologies, which differ from our internal data management processes and may not reflect the full diversity of our workforce.

⁴ "Leaders" refers to team members who are part of a division leadership team as well as those in equivalent roles or above.

⁵ Data as of October 31, 2025.



SUSTAINABILITY AT PARKER

PURPOSE IN MOTION

Parker's approach to sustainability is all-encompassing, and it begins by empowering our people. Parker team members work to make the world a better place, engineer breakthroughs that facilitate the development of clean technologies and create efficiencies that reduce our own environmental impact. Through these efforts, we continue to make tremendous progress in reducing emissions, conserving water and limiting waste. Our people also demonstrate our commitment to corporate responsibility by caring for one another through a range of safety initiatives and acting in service to our communities through philanthropy and volunteerism.

Our holistic approach informs relationships throughout our entire value chain – from our suppliers to our customers. We work to source raw materials responsibly, and Parker products are used to manufacture the wind turbines, solar panels, electric vehicles and other clean technologies that reduce reliance on fossil fuels globally.

measures are included as part of our overall goals for the company. These initiatives and targets are integrated across many of our functional areas, including operations, supply chain, innovation, human resources, compliance and environmental, health and safety (EHS).

The Win Strategy™

Parker's highly engaged global team deploys the Win Strategy to drive operational excellence and deliver exceptional results while pursuing opportunities for sustained long-term growth and expansion in our key market verticals. Our business system includes four overarching goals – Engaged People, Customer Experience, Profitable Growth and Financial Performance.

Sustainability is a key component of the Win Strategy, as environmental, safety and inclusion strategies and



Stakeholder Engagement

To ensure we address the sustainability topics most important to our business, we rely on collaboration and input from a wide range of stakeholders.

Through our year-round process, we seek opportunities to share our progress on sustainability initiatives and gain valuable insights from our stakeholders. This engagement takes place through online platforms, in-person meetings, phone calls and community events.

Our stakeholder process, which involves annual and ongoing initiatives, includes:

- Collecting input from team members, customers, investors, suppliers, and other key community and business partners
- Benchmarking against peer companies and other leading industrial organizations
- Partnering with government regulators and advisors to stay informed of laws and requirements that may impact our operation or affect customers

Stakeholder feedback informs our sustainability strategy and helps us prioritize our actions and measure our progress on our collective journey to a better future. Additional details about our shareholder engagement process are provided in our [2025 Proxy Statement](#).

Materiality

During FY25, Parker completed a Double Materiality Assessment (DMA), a structured evaluation considering both the impact of our operations on the environment and society (impact materiality) and how sustainability matters may affect our financial performance (financial materiality).

The DMA considered Parker's operations as well as sustainability matters across our value chain, was performed in alignment with our internal Integrated Risk Management Program (IRMP) and involved engagement with cross-functional company leaders. Our DMA methodology allows us to identify material impacts, risks and opportunities, which will inform our sustainability disclosure strategy going forward. We plan to refresh the DMA periodically, sharing the results with executive leadership.



Sustainability Oversight

Oversight of our sustainability program is managed by the Corporate Vice President of EHS & Sustainability who, in turn, chairs a Sustainability Steering Committee comprised of cross-functional executive leadership. Parker's Executive Leadership team and Board of Directors monitor our sustainability strategy and performance through quarterly updates.

Risks and opportunities are evaluated annually. The results from this evaluation, along with our most recent DMA, are reported to the Executive Leadership team and Sustainability Steering Committee. Strategy changes are communicated and deployed as needed. We implement improvement plans and actions through our strategy deployment framework before cascading them.



CLEAN TECHNOLOGIES

ENABLING TOMORROW'S BREAKTHROUGHS

Parker enables breakthroughs that make the world cleaner, smarter and safer. We put our purpose in motion by partnering with customers to help solve complex engineering challenges such as advancing cleaner technologies and enhancing automation.

From systems design to component integration and aftermarket service, we strive to increase efficiency and productivity, minimize weight and reduce emissions for our customers and end users of our products.

Today, we estimate that

two-thirds

of our product portfolio enables clean technology solutions, which allows us to help customers create value and achieve their sustainability targets.

Market-Driven Innovation

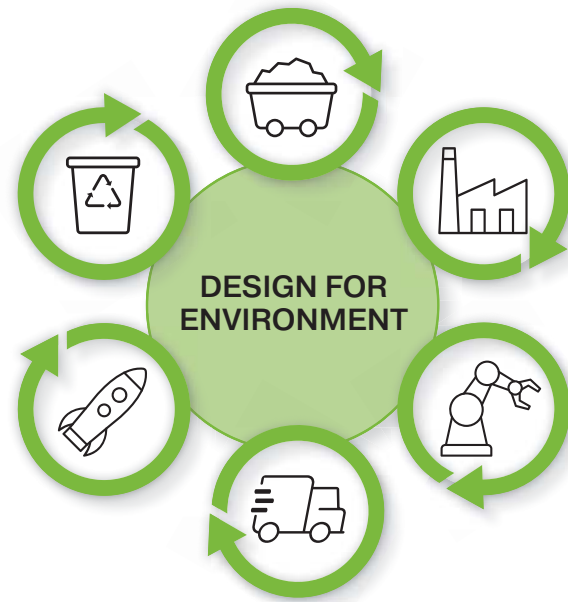
The global shift toward clean technologies is one of several trends driving growth across our key market verticals. Parker's complementary portfolio of motion and control solutions uniquely positions us as a strategic partner to our customers in creating a more sustainable future.

We are delivering lighter, more robust and highly efficient solutions, building on our established pedigree in electrification, clean energy systems and alternative fuels. In many cases, our proven technologies can be adapted for new applications across different industries.

The expanded use of thermal management solutions is a signature example. In electric vehicles, Parker's advanced cooling and fluid-handling systems support battery, inverter and motor performance. In data centers, our connection and sealing technologies enable efficient liquid cooling to meet growing computing demands.

Beyond these applications, Parker technologies play a vital role in hydrogen production and fuel cell systems, where our expertise in fluid and gas handling, purification and sealing supports the safe and efficient delivery of clean energy.

We further expanded our electrification offerings for aerospace with power conversion, sensors and electric braking, while the addition of adhesives, thermal management and shielding enhanced our leadership position in the electric vehicle market. In FY25, we strengthened our electrification portfolio by announcing the addition of Curtis Instruments, which specializes in motor control, battery management and vehicle instrumentation for electric and hybrid vehicles.

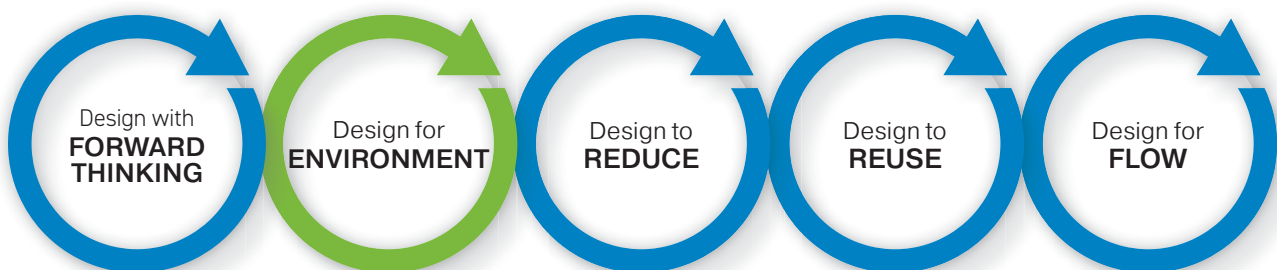


Sustainable Product Development

Parker approaches sustainable product development through our Simple by Design™ technology simplification initiative, which reduces complexity and increases efficiency across our portfolio. Simple by Design uses digital tools to compare designs, parts and manufacturing methods. This ensures optimal manufacturing efficiency while in the design phase, where nearly 70% of key cost decisions are made. The result is a more cost-effective product that delivers greater performance and value for customers, efficiently and sustainably.

Simple by Design is aligned with the Parker Lean System, which incorporates Kaizen events designed to enact rapid process improvements to help eliminate waste and improve productivity.

The Five Guiding Principles of Simple by Design™



Design for Environment

Parker's Design for Environment philosophy guides how we advance our portfolio of clean technologies. By reducing the environmental impacts of our own products, we help customers further their sustainability efforts and engineer breakthroughs in ways that lead to a better tomorrow.

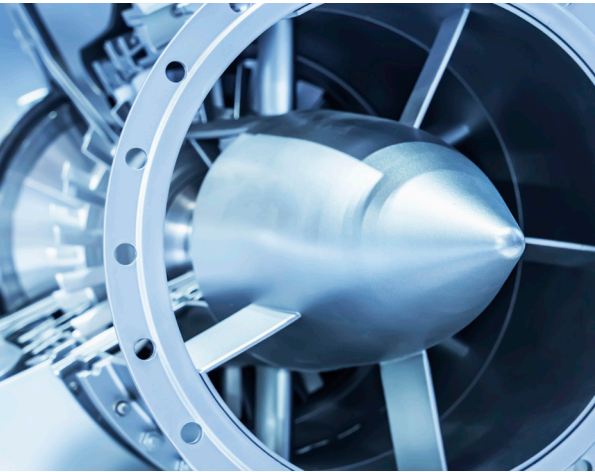
Design for Environment requires us to consider potential impacts at each stage of a product's life cycle:

- Extraction of raw materials
- Processing of materials
- Manufacturing and assembly of products
- Distribution of products
- Use and application of products
- Remanufacturing, recycling or disposal at end of life

As part of this approach, we have implemented measures to select raw materials that can be recycled, reused or are more sustainable alternatives, as well as to service products during specific use phases to extend their longevity and improve end-of-life outcomes.

Each year, Parker showcases innovation through the Engineering Breakthrough Awards across the categories of Purpose, Productivity and Profitability to recognize the accomplishments of our team members and the value they bring to our customers, our company and the environment.

Parker Clean Technologies Make an Impact



Advanced Air Filtration Protects Gas Turbines

As the need for electricity surges with the onset of massive data centers and electric vehicles, so does the need for gas turbines and the filters that keep them clean. Responding to this demand, Parker created the Tri-Dust Plus air filter for GE Vernova, which produces high-powered gas turbines that generate 25% of the world's electricity. Tri-Dust Plus uses Parker's proprietary, anti-icing filter media and a smaller footprint that enables compact filter density, saving space and construction costs. It also protects against unwanted elements that can cause corrosion, allowing the gas turbines to operate in the harshest conditions while lowering maintenance costs. Whether fueled by oil, natural gas or hydrogen, our customers rely on Parker technologies to improve the performance, efficiency and longevity of power generation gas turbines that are critical to global electricity supply.



Comprehensive Fuel Nozzle Restoration

Parker supplies fuel nozzles for one of the largest commercial aircraft platforms with more than 10,000 engines currently in service worldwide. We developed the LEAP Fuel Nozzle Aftermarket Continuous Improvement Program to extend product life and performance. Once the protective hardware of a fuel nozzle has eroded or experienced significant carbon buildup, airlines can send it back to Parker to be restored to its original operating condition. During restoration, Parker uses a sustainable cleaning detergent to remove grease and extend component life. Automated inspection systems speed up turnaround and enhance team member safety.



Cooling for AI Data Centers

With the rapid adoption of artificial intelligence (AI), data centers require liquid cooling with reliable, leak-free connections. To meet demand, Parker developed a fully automated process to produce precision-engineered couplings used in liquid cooling hose assemblies. Automating this process has increased productivity fivefold and resulted in an 87% reduction in total cycle time and 75% reduction in leak test time, leading to lower energy consumption per part produced. In addition, our couplings enable rapid connection and disconnection for maintenance without fluid loss, which increases data center efficiency and uptime.

Product Quality

Quality starts with ensuring we design and manufacture products that are safe and effective to use and meet the highest standards of excellence for our customers.

Operational Excellence

At all levels of the organization, team member-led HPTs collaborate to continuously improve their work environment, operating processes and outcomes.

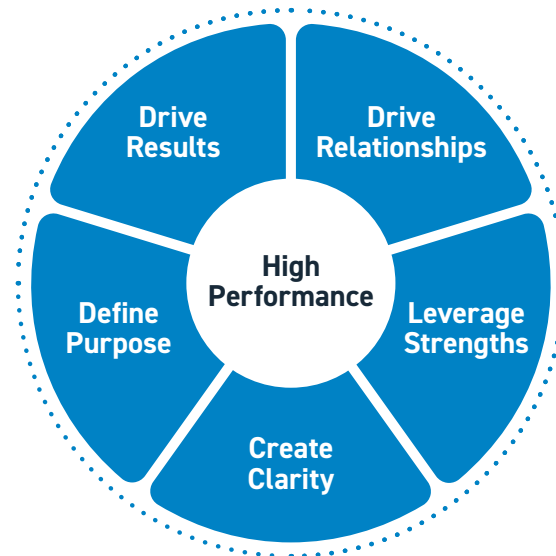
This is a core element of The Win Strategy, Parker's business system that establishes goals and strategies for engaged people, premier customer experience, profitable growth and financial performance. Its impact, along with proven tools such as Kaizen events and Lean and Six Sigma training, can be seen through enhancements in safety, quality, delivery, cost and the experience we provide our customers.

Our top Kaizen key performance indicators are:

- Safety hazard elimination
- Quality improvements
- Lead-time reduction
- Productivity
- Growth
- Margin expansion
- Cash flow

Through this focus on operational excellence, we empower our team members to act as problem-solvers, bringing their skills and knowledge to issues at a local level before they become significant. In the past year alone, Parker facilities have spent more than 450 weeks in Kaizen.

Parker seeks to deliver an optimal customer experience through operational excellence. Our Zero Defects strategy uses failure mode effects analysis on parts to identify their critical characteristics. We then bring our design and manufacturing teams together to ensure we have capable and repeatable manufacturing processes that consistently meet and exceed customer expectations.



Artificial Intelligence and Machine Learning

Parker has been employing AI tools to streamline our operations for several years, and we continue to seek new opportunities to improve our performance using advanced technologies. Across our supply chain, AI models enable us to forecast demand and deliver that information throughout our organization.

We are also harnessing the power of machine learning (ML) to enhance our cybersecurity and perform predictive analytics. As we automate certain processes within our operations, we rely on ML to make these systems smarter and faster, improving their ability to identify defects and drive greater operational productivity.

Aerospace & Defense Products

Parker designs and manufactures highly engineered components and systems for the aerospace and defense market.

We work closely with original equipment manufacturers and the United States and allied governments to deliver solutions that enable reliable, efficient and safe life cycles of aircraft and military ground vehicles, including aftermarket products and services. Parker technologies are critical in supporting important national security, search-and-rescue and humanitarian missions.

In FY25, Parker derived less than 1% of its revenues from [aerospace and defense products](#) and technologies designed for use in weapons or weapon-handling products. Parker does not manufacture, assemble, sell or service munitions or any product with a sole end use in chemical, biological or nuclear weapons. We do not manufacture, assemble, sell or service cluster bombs, land mines or nuclear weapons, or any of their component parts.



ENVIRONMENT

SHAPING OUR SUSTAINABLE FUTURE

A cleaner, better future depends on the work we are doing today. As Parker develops clean technologies that help our customers minimize their environmental impact, we are simultaneously working to achieve our own quantifiable sustainability targets, taking steps to reduce our carbon emissions, energy use and water consumption.

Aligning Our Environmental Management Efforts

Parker's [Environmental, Health & Safety \(EHS\) Policy](#) ensures environmental stewardship is central to the operation of our facilities. In addition, our Global EHS Directives specify requirements for EHS management systems and operational performance.

The 19 EHS Directives span a broad set of expectations including chemical use, waste management, emergency preparedness and health and safety programs. Each Directive includes guidelines, standards and best practices that form a framework for our operating facilities. Every Parker site develops its own procedures and programs to meet these requirements, allowing flexibility to ensure effective implementation across our broad range of products and global operations. A list of our EHS Directives is available at parker.com/sustainability.

Guided by our Directives, each Parker manufacturing facility operates under an environmental management system, with 148 sites – representing 46% of our manufacturing footprint – certified to the ISO 14001 environmental management system standard in FY25. Conformance with this international standard reflects our commitment to continuous improvement and meeting our customers' expectations.



Climate Action

We address our environmental footprint by identifying key climate-related risks and opportunities and implementing programs and actions to effectively minimize impact and drive positive outcomes. Our associated carbon reduction plan is centered on four key elements:

1. Reduction of carbon emissions from our operational footprint
2. Accounting for climate-related risks in our business continuity planning
3. Adapting and innovating products to meet the needs of our customers
4. Ensuring the resilience of our supply chain to climate risk

We have established carbon emissions reduction goals to minimize our operational footprint (Scope 1 and Scope 2) and support our supply chain resilience strategies (Scope 3, Categories 1, 2 and 4). These goals are communicated to operations, suppliers and logistics providers, and we monitor our progress at an enterprise level.

Our Scopes 1 and 2 emissions reduction goals align with the science-based ambition of limiting the global temperature increase to 1.5°C above preindustrial levels. After integrating the emissions inventory from our acquisition of Meggitt PLC, we submitted updated near-term targets to the Science Based Target initiative (SBTi) in FY25 for review. Our targets received validation in August 2025.

With the SBTi validation, Parker introduced a new Scope 3 emissions reduction target to focus on improving supplier emissions data, reporting and capacity where our influence is strongest. This approach acknowledges current measurement and control limitations, aligns with leading guidance and prioritizes building capability. Parker remains committed to taking action on Scope 3 emissions and will use the outcome of this engagement to inform future strategy and initiatives. By engaging 76% of suppliers by emissions, Parker will have taken action proportional to two-thirds of our entire Scope 3 emissions.

We routinely communicate progress on our goals through this report, an annual submission to CDP and publication of our disclosure in accordance with SASB. Further, we submit data for regulatory reporting obligations, several sustainability rating agencies and customer-specific inquiries.

Reducing Emissions From Our Operations

We are focused on reducing emissions across our manufacturing operations and thereby delivering lower-carbon products that help our customers meet their own emissions reduction goals.

To achieve our emissions reduction targets, we are focused on decreasing the energy footprint of our facilities. Our energy reduction program, launched in 2010 and expanded into a carbon reduction program in 2019, remains our primary tool for reducing emissions, especially Scope 2.

Our emissions reduction goals are embedded in each Parker division, which nominates an energy leader who guides engagement on climate and energy topics. This includes leveraging cross-functional High Performance Teams to identify ways we can reduce our environmental footprint with tools such as energy efficiency assessments and climate life cycle analyses on new equipment purchases. To support these efforts, we offer resources and education to help our teams identify and implement reduction activities. We also establish an annual reduction target for each business unit with progress reported biannually to the Office of the Chief Executive.

Another mechanism for identifying energy or emissions reduction opportunities is leveraging Kaizen events designed to enact rapid process improvements. There are many Kaizens implemented across Parker every year, and these events lead to additional energy, waste and emissions reduction actions.

Our Climate Action Targets

Business Segment	Reduction Targets ¹	
	2030 ²	2040
Operations Scope 1 and Scope 2	50%	100%
Supply Chain & Logistics Engage Suppliers to Adopt Science-Based Targets	76% ³	-

¹ Compared with a baseline year of 2019.

² Validated by SBTi.

³ By emissions.

Since 2019, our teams have initiated more than

1,360 projects

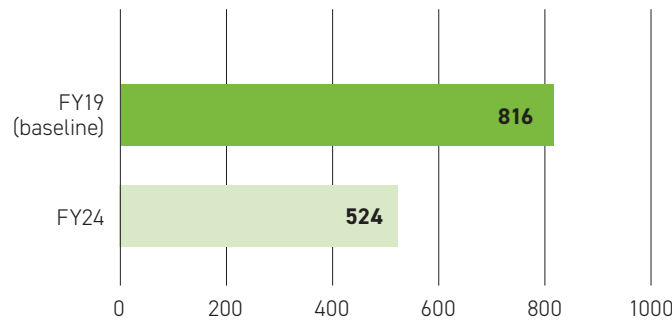
to reduce Parker's energy footprint.

Carbon Reduction Projects

Project	Estimated Annual Emissions Savings (MT CO ₂) ¹
798 process improvements	146,000
202 compressed air improvements	62,000
81 HVAC systems improvements	45,000
263 lighting upgrades	44,000

¹ Carbon savings estimated using average carbon emission factors across Parker's manufacturing footprint.

Combined Scope 1 and Scope 2 Emissions (MT CO₂ in thousands)



36% Scope 1 and Scope 2 emissions reduction since FY19

Integrating Renewable Energy Sources

Since Scope 2 emissions represent more than 75% of our carbon footprint, the second component of our emissions reduction program is our renewable energy plan. This plan involves securing sufficient recurring sources of renewable energy – including virtual power purchase agreements (VPPA), on-site solar installations and green energy contracts in certain regions of the world – to support our portfolio.

For our VPPA portfolio, we currently obtain renewable energy from three wind farms in the U.S. In Europe, a solar field in Spain began delivering renewable energy in October 2025. At 20 of our manufacturing sites, we have rooftop solar systems in place with three more planned for installation. We have also established renewable energy contracts in Latin America and Asia for operations with smaller carbon footprints. On-site and local renewable energy procurement demonstrates Parker's commitment to the communities where we operate.

Incorporating Climate-Related Risks into Business Continuity Planning

We are working to ensure our operational footprint is resilient to climate-related impacts. In alignment with the IFRS S2 framework, we integrate climate-related risk considerations into our enterprise risk management and business continuity planning process. The Risk Management team routinely provides resources and guidance to develop these plans and assesses the content as part of its audit process. Our third-party risk management partner enhances our capabilities with additional resources and tools to help Parker manage climate-related risk and incorporate these assessments into our audit and assurance cycles.

In addition to existing operations, new site selection includes a review of any climate-related risks. These are thoroughly reviewed and either incorporated into the facility's design and manufacturing footprint or may influence the decision to consider alternate sites.

Our team member disaster relief fund offers direct relief from Parker to team members who have been personally impacted by a natural disaster.

Driving Product Innovation Aligned with Customer Needs

Parker is focused on delivering solutions that serve the ever-changing needs of our customers as they adapt their products to address their clean technology goals. As a motion control company, we have numerous opportunities driven by this trend. Parker's innovative clean technology solutions deliver greater efficiency, increased productivity and longer product life cycles for our customers. These product evolutions are aligned with increased demand for greater sustainability through clean technologies and renewable energy.

We also recognize the growing importance of quantifying our carbon footprint – both at the organizational level and for individual products – to help customers accurately assess their total environmental impact. Parker is committed to providing transparent data and responding to inquiries as our customers work toward their clean technologies and emissions reduction goals.

More information on this strategy is provided in the [Clean Technologies](#) section of this report.

Building a Supply Chain Resilient to Climate Risks

To meet the needs of key stakeholders, ensure business continuity and achieve our emissions reduction goals, we have a rigorous risk management program in place

for our suppliers that includes climate risk. The program consists of an emissions reduction commitment and a process for managing potential business disruption due to climate events. More details regarding these programs are provided in the [Supply Chain](#) section of this report.

CDP Climate Change and Water Security Surveys

Parker has voluntarily participated in the CDP Climate Change survey since 2008. We are pleased with our progress and have maintained a high CDP Climate Change rating in the analysis of more than 5,000 companies that support a sustainable economy.

Learn more about Parker's climate-related risks and opportunities in our most recent CDP Climate Change report available at parker.com/sustainability.

2024 CDP Scores

CDP Climate Change	B (Management Level Classification)
CDP Water Security	C (Awareness Level Classification)



Emissions & Energy Data

Parker collects energy and emissions data from all owned or leased manufacturing, office and warehouse facilities where we maintain more than 50% financial or operational control. We collect data from natural gas and electric utilities used at our sites, as well as the use of other fuels such as steam, oil and on-site renewables.

	Unit ¹	FY19 (baseline)	FY22	FY23 ²	FY24
Scope 1 + Scope 2 Emissions (Market-Based) ^{3,4}	MT CO ₂	816	681	680	524
Scope 1 Emissions ³	MT CO ₂	165	129	146	129
Scope 2 Emissions (Market-Based) ⁴	MT CO ₂	652	552	535	395
Scope 3 Emissions (Categories 1, 2 & 4)	MT CO ₂	3,956	3,225	3,435	3,741
- Category 1: Purchased goods and services	MT CO ₂	3,837	3,111	3,310	3,595
- Category 2: Capital goods	MT CO ₂	35	33	33	43
- Category 4: Upstream transportation and distribution	MT CO ₂	84	81	92	103
Emissions Intensity ⁵	MT CO ₂ /\$M Sales	57	43	36	26
Total Energy Consumption	MWh	2,317	2,114	2,332	1,922
- Energy Consumption: Purchased Electricity	MWh	1,457	1,302	1,303	931
- Energy Consumption: Natural Gas	MWh	860	711	795	686
- Energy Consumption: Renewable Energy	MWh	-	101	233	305
Energy Intensity ⁵	MWh/\$M Sales	162	133	122	96

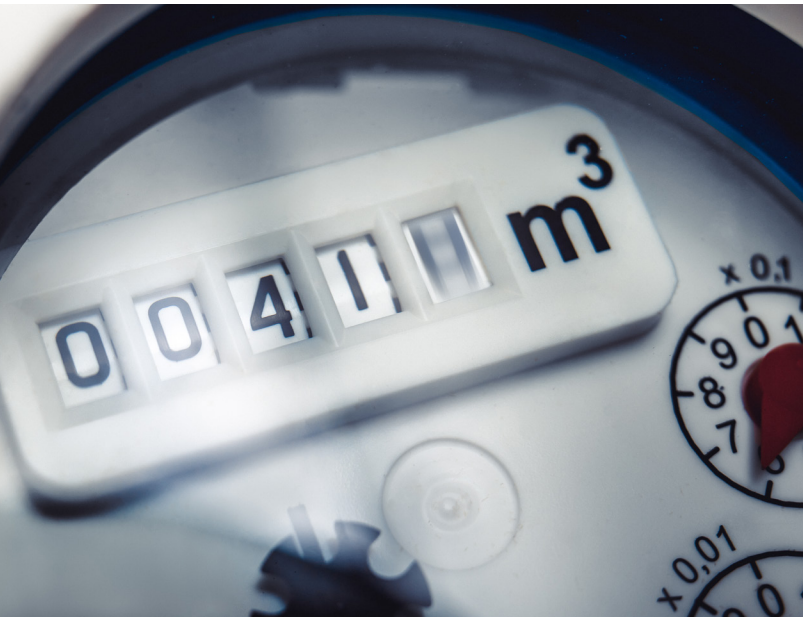
¹ MT CO₂ and MWh are in thousands.

² Data collection was from approximately 90% of our enterprise operations. Standard statistical methodologies were used to fill data gaps to produce the reported results.

³ Scope 1 emissions factors calculated using Mandatory Reporting of GHG Final Rule 40 CFR 98.

⁴ Scope 2 emissions factors calculated following GHG protocols (eGrid for USA, IEA for International). Electricity attribute certificates or equivalent instruments, contracts for electricity (such as PPAs), supplier/utility emission rates, residual mix and other grid-average emission factors are all considered in this calculation.

⁵ Sales used in table from Parker's reported earnings.



Water Conservation: Managing Our Impact

Parker relies on water to cool and clean our manufacturing equipment and components at select sites. At the same time, we recognize that water is a critical natural resource that, in many places, can be in short supply. To ensure responsible water use and recycling, we seek to target water conservation at Parker facilities where consumption is highest or in areas where water is scarce.

Parker operates 53 manufacturing sites in locations identified as having extremely high water stress defined by the World Resources Institute's (WRI) Aqueduct 4.0 tool. Our goal is to implement water management best practices at 100% of these sites, which includes a complete water inventory and a focus on conservation projects that reduce raw water consumption and increase recycled water use.

Water Withdrawal

Year	Withdrawal (Million m ³) ^{1,2}
FY22	5.2
FY23	4.6
FY24	4.5

¹ Data includes purchased water and estimated withdrawals from owned-site sources.

² Data collection was from approximately 85% of manufacturing operations. Standard statistical methodologies were used to fill data gaps to produce the reported results.

We strive to continuously improve our water management practices and comply with regulatory reporting requirements. We also evaluate water resource impacts at our existing sites, implement improvements whenever possible and require new facilities to be designed with adequate water conservation measures.

Through awareness and the deployment of best practice tools, our manufacturing footprint reported a 2% reduction in aggregate water use in FY24, compared to FY23.

Waste and Materials Management

Parker manages materials and waste responsibly and in accordance with applicable laws and regulations. The pillars of our waste reduction strategy include:

- Using Kaizen exercises to minimize waste in our processes
- Leveraging Simple by Design to reduce waste in our product development
- Managing end-of-pipe waste responsibly
- Safety hazard elimination
- Quality improvements
- Lead-time reduction

Through these efforts, we continue to refine our processes to reduce waste generation, bolster materials recycling and identify beneficial uses for material byproducts at our facilities.

Operating responsibly also means eliminating the use of materials that are hazardous to the environment. Over time, we have steadily reduced our hazardous waste production and invested in safer alternatives.

A significant portion of our waste is scrap metal from machine processes, which we recycle locally, resulting in a small waste footprint relative to the scale of our operations. Looking ahead, we are improving how we identify and measure waste streams globally to further reduce the volume of waste sent to landfills.





SUPPLY CHAIN

PARTNERSHIPS ACROSS THE PLANET TO HELP SAFEGUARD ITS FUTURE

Enabling technology breakthroughs that change the world for the better would not be possible without long-standing, trusted partnerships. For many years, Parker has collaborated with suppliers that deliver exceptional quality and reliability.

These relationships are underpinned by a shared commitment to providing a premier customer experience, unlocking efficiencies and exploring new opportunities to reduce resource consumption and waste. We are focused on further reducing our combined environmental footprint and increasing resilience throughout our supply chain.

Parker has established clear expectations for the companies we do business with to ensure they share our commitment to a more sustainable future. We hold our partners to the same standards we set for ourselves, and through our efforts, we can maintain a holistic approach to sustainability. We depend on suppliers to share information on their sustainability goals as we work together to reduce carbon emissions.

Policies and Practices

Parker's [Supplier Code of Conduct](#) outlines our expectations for acceptable business conduct, and applies to all Parker consultants, independent contractors, suppliers, agents and other supplier representatives.

In addition to ensuring compliance with environmental and safety laws and regulations, the Code covers ethical behavior, labor relations and human rights.

The Code also explains our stance on prohibiting the use of [conflict minerals](#) that directly or indirectly have been found to perpetrate human rights abuses. Parker files disclosures with the U.S. Securities and Exchange Commission reporting on our due diligence regarding the potential use of these conflict minerals. In addition, Parker is in compliance with the German Supply Chain Act, which requires eligible companies to demonstrate their commitment to safeguarding human rights within their supply chains.

We conduct multistep sustainability assessments that include initial self-assessments, documentation audits and on-site reviews to help advance responsible practices across our global supply chain.

Sustainable Sourcing

As described in the [Environment](#) section of this report, Parker introduced a new Scope 3 SBTi-aligned Supplier Engagement Target program in FY25 focused on improving supplier emissions data, reporting and capacity where our influence is strongest. We have strategies in place, including focused training and targeted goals, to engage with suppliers on topics such as the adoption of science-based targets to help meet our supply chain-related environmental goals.

We collaborate with key suppliers to drive progress on our Scope 3 targets and help them develop targets of their own.

Parker is committed to helping our customers grow with service that meets their expectations no matter where or when they need it. We use transportation analytics tools for our shipments to ensure continuous improvement. In addition, we employ several strategies to further our supply chain sustainability goals. Our local-for-local approach, where we manufacture in the region, for the region and work to source from suppliers near our customers, helps lower the costs and emissions associated with transportation. It can also help reduce packaging costs, as less robust packaging is required to ship shorter distances.

We leverage more sustainable transport methods to reduce Scope 3 emissions associated with air freight. Parker has been a member of the U.S. EPA SmartWay™ Transport Partnership since 2012, and we are certified as a Level 3 SmartWay Shipper. We also use software to calculate carbon emissions from our subcontracted motor, rail, sea and air transport services across the

enterprise. This software provides carbon emissions data for every shipment Parker is responsible for, enabling us to quickly identify carbon reduction opportunities and develop actions to improve our performance. In addition, moving to electronic documentation has helped us reduce paper waste.

Our dual sourcing and other risk management strategies ensure the resilience of our operations and uphold our commitment to responsible procurement practices. Suppliers' products must comply with the Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) directives in the European Union, as well as California's Proposition 65 in the U.S.

Our [Supplier Code of Conduct](#) addresses our expectations regarding suppliers' commitments to human rights issues, including anti-corruption, non-discrimination and fair labor practices.

Supply Chain Efficiency and Access

We continue to implement new technologies and leverage digital tools such as AI forecasting and predictive analytics to help drive efficiencies within our supply chain. Demand and capacity tools provide us with greater transparency, enabling us to see customer demand across all our operations. Meanwhile, robotic process automation tools help us perform tactical logistics work, so planners can focus on strategies for further efficiencies.

Through our supplier diversity program, Parker strives to promote economic inclusion and the opportunity for all qualified businesses to participate in our procurement process. Interested suppliers are encouraged to register via our [online portal](#).





SOCIAL

ADVANCING OUR PURPOSE

We are guided by purpose and strive to improve the lives of all we reach – from our team members and their families to our customers and communities.

Our team members embody Parker's commitment to safety and are highly engaged in helping improve their portion of the business. In parallel, we proudly support their individual and collective efforts to strengthen our local communities through philanthropy and volunteerism.

SAFETY

Our pursuit of best-in-class performance starts with the safety of Parker team members. We have reduced our recordable incident rate by 52% since our FY19 baseline year. In FY25, 19% of all our manufacturing sites were certified to the ISO 45001 standard for occupational health and safety management systems. These results rank Parker's safety performance in the top quartile in our industrial sector and represent significant progress toward our goal of becoming the safest industrial company in the world.

Parker's [Environmental, Health and Safety \(EHS\) Policy](#) establishes key obligations related to health and safety, as well as environmental stewardship and compliance. In addition, our Global EHS Directives set expectations for safe operations in our facilities, covering topics ranging from chemical and equipment safety to team member training and incident investigation.

Since FY19, we have reduced our Recordable Incident Rate by

52%

and our Lost Time Incident Rate by

41%



Prevention and Continuous Improvement

Our progress toward world-class performance reflects our commitment to safety excellence. Through our Safety 360 initiative, every team member is empowered and accountable for keeping themselves and one another safe. We have a strong framework of systems and procedures in place to support our commitment.

Identifying Hazards

Continuous improvement is central to our safety program. We use an EHS operating platform to proactively record safety concerns and near misses and manage corrective actions. Data analytics are also used to identify patterns and trends that help inform how we improve our systems and processes.

Parker's holistic approach to continuous improvement includes high risk-specific programs such as maintenance safety, ergonomics, machine guarding and material handling requirements.

To reduce the risk of work-related injuries and improve the well-being of team members, we continually strive to improve ergonomics within our operations by conducting regular assessments, providing training and implementing solutions such as adjustable workstations and lifting equipment to create a more comfortable and safe working environment. Our global system for managing workplace evaluations of motion and strain allows us to properly design work cell activities and minimize ergonomic impact.

Sites with Zero Recordable Incidents in FY25



Team Members Drive Safety Performance

Beginning at the onboarding process and continuing with annual training and certification, we help teach our team members to perform their jobs safely, efficiently and in accordance with local requirements and applicable regulations.

Parker's High Performance Teams are also instrumental in improving safety performance by leading prevention and continuous improvement initiatives. All Parker manufacturing locations have an active and chartered safety HPT, and every value stream has a representative responsible for safety within their area of the business.

As part of our efforts to keep our operations safe and sustainable, local leadership teams perform audits consisting of internal and third-party assessments to identify opportunities to proactively improve safety performance. All Parker locations complete a comprehensive EHS self-audit each year, using digital enterprise-wide compliance tools. The process is conducted with up-to-date regulatory standards available in local languages and applicable regulations. Findings are documented and used to manage and track corrective actions.

Health and Safety Data

	FY19 (baseline)	FY23	FY24 ¹	FY25
Total Safety Issues Identified ²	-	>110,000	>160,000	>164,000
Total Safety Issues Identified (through Kaizen events) ²	-	>11,000	>14,000	>22,000
Recordable Incident Rate (RIR) ³	0.56	0.31	0.31	0.27
Lost Time Incident Rate (LTIR)	0.17	0.15	0.12	0.10
Near Miss Frequency Rate ⁴	30.0	28.8	32.5	30.6

¹ Incorporated the Meggitt acquisition into enterprise report.

² Measuring and tracking across all Parker sites began in mid-FY22.

³ Recordable incident rate is defined as workplace incidents requiring medical treatment beyond first aid per 100 team members.

⁴ Near miss is defined as an activity reported by a team member as a near miss, a safety concern or otherwise classified as a significant near miss event. The rate is calculated per 100 team members per year.

ENGAGED PEOPLE

High Performance Teams

Parker team members are encouraged to act as owners by leveraging their expertise to make decisions that help improve their area of the business. Our HPT framework supports the Win Strategy by maximizing engagement, empowerment and high performance at all levels to drive business results. It is organized around five areas of emphasis: Coaching, Teaming, Focus & Direction, Skills and Operationalize. The framework emphasizes building relationships and leveraging strengths while creating clarity, defining purpose and driving results.

Developing a High-Performing, Engaged Workforce

The growth and success of our business is driven by our people. Helping team members achieve their potential as individuals is how we can achieve ours as a company.

Our talent management strategies are designed to foster a culture that attracts, develops and retains high-performing team members. Through our inclusive recruitment practices, we seek talented individuals who embrace a growth mindset and thrive in a collaborative environment where the exchange of innovative ideas and solutions inspires a meaningful sense of accomplishment and top-quartile performance for our company.

Our global learning management system features more than 60,000 courses on professional development, functional and technical education and more.

In FY25, more than

37,000

team members participated in at least one HPT.

From interns and apprentices to experienced team members, we strive to attract top global talent and empower them to pursue ideas and leverage their expertise to meet the evolving needs of our customers. At every level, we recognize and reward performance while providing opportunities for career growth.

Our talent management process is facilitated globally through our enterprise human capital management system that connects all business units on a common platform in real time. The system provides team members with visibility into skill development, career planning and learning opportunities.

Career Days are another tool Parker uses to help our team members advance their careers. Celebrated annually at each of our locations, Career Days provide opportunities to recognize team member contributions, offer career coaching and support individual development planning – especially for our manufacturing workforce. The goal is to give Parker people a vision of what their career path might look like as well as build awareness of the programs and opportunities available.

Our team members expand their professional skills and take ownership of their career path by leveraging a host of developmental solutions that include formal instruction, on-demand learning and social and experiential learning. We offer various learning modalities so team members can choose the option that best fits their needs. Parker's performance management systems help evaluate and reward team members based on their contributions to our goals while our annual review cadence helps ensure timely feedback and alignment between team member aspirations and company goals.



Preparing Tomorrow's Leaders

Our Leadership Development Associate programs help team members develop specific skills in preparation for leadership positions in key functions such as EHS, Human Resources, Engineering, Supply Chain, Finance, Digital & IT, Quality, Lean, Legal, Operations, Technical Sales and Pricing.

Parker provides comprehensive development programs for all leadership levels that balance formal instruction, feedback and coaching with meaningful, on-the-job experiences. Each program offers social and experiential learning, networking, exposure to executives, project work and hands-on practice applying key lessons. Our leadership training opportunities span all career stages to position Parker and our team members for sustained growth. More than 400 leaders globally participated in one of our development programs in FY25.

Our talent review process enables us to assess our global talent pipeline on an ongoing basis to facilitate meaningful development plans and align career growth opportunities. We inspire team members to grow and develop as leaders throughout their career with Parker. In addition, managers are invited to nominate team members to prepare for roles of greater responsibility by participating in leadership development programs, including the following:

- **Lead Forward:** Accelerates the development of high-potential, early-in-career talent to strengthen Parker's leadership pipeline.
- **Frontline Leader Excellence:** Covers foundational learning related to successful leadership at Parker.

- **Taking Charge of Change:** Helps functional and division leaders translate strategy into action, lead change and motivate teams.
- **Win Immersion:** Supports new functional and business leaders in understanding Parker's operating model and provides networking with peers and senior leaders in the organization.
- **Art of Parker Management:** Empowers high-potential team members to learn from executive leaders in an open, collaborative environment. After a strategic review of key company functions and operations, Parker case studies help reinforce decision-making and management best practices.
- **Leadership Development Center:** Helps prepare aspiring leaders for success in general management roles.
- **Leading and Managing Change in Parker:** Prepares executive leaders to strategically grow their business, drive performance, network, collaborate and help talented people develop within the organization.

Career Development

Parker's talent development process is supported by our Integrated Career System, which illustrates career paths for various roles and the route to advance within Parker.

Our strategic approach to succession planning focuses on building the skills and acquiring the experience needed to enable seamless transitions at all levels. We carefully plan and develop a strong, talented pipeline of future leaders who will contribute to Parker's continued success.

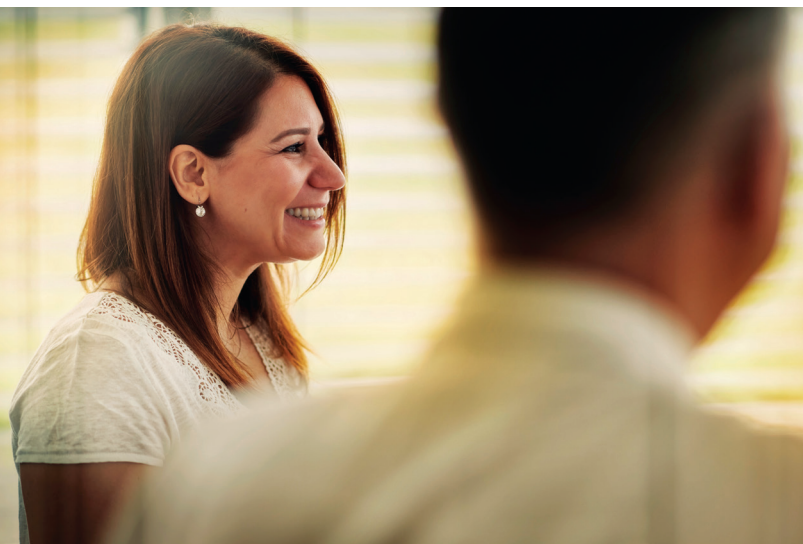
Growing by Doing

Parker encourages career growth through experience-based developments, which enable team members to diversify their skills by learning various roles within the organization. This approach provides a more comprehensive understanding of our business while also encouraging cross-functional teamwork, fostering a culture of collaboration and innovation. These experience-based developments include job shadowing, job swapping, bubble assignments and lateral moves.

Engaging Our Team Members

Engagement directly influences business performance and is deeply ingrained in our culture. We solicit feedback from every team member and track our progress toward a high-performing work environment through our Global Engagement Survey.

After the survey data is shared with our team members, we seek additional clarity and understanding through focus group sessions. We then identify strengths to build on and opportunities for improvement and incorporate those into action plans at all levels in the enterprise. Our FY25 survey achieved a 92% response rate with an overall engagement score of 75% from respondents.



Parker Total Rewards

We are committed to the basic principles that all team members are paid competitively based on their responsibilities, experience and achievements and supported by regular pay equity reviews. Parker offers competitive compensation and benefits, benchmarked to geography and industry. Our programs are designed to attract team members, motivate performance, reward experience, drive growth and support retention.

As an equal opportunity employer, we hire and promote the best talent, and our people-focused culture strives to ensure each team member is empowered, can grow and develop and is recognized for their contributions.

In addition to competitive compensation, Parker offers a wide variety of benefits to support team members and their families. Our benefits plans are designed to promote physical, mental and financial wellness. We regularly review and update our benefits offerings in every country where we operate to best meet the evolving needs of our global workforce.

Upholding Human Rights and Fair Labor Practices

Parker's commitment to human rights and fair labor practices is demonstrated through our [Global Code of Business Conduct](#), [Supplier Code of Conduct](#) and [Distributor Code of Conduct](#). Our commitment is framed by U.S. laws regarding human rights and fair labor standards, and it is guided by the United Nations Guiding Principles on Business and Human Rights and the UK Modern Slavery Act of 2015.

Our [Human Rights and Labor Standards Statement](#) reinforces our dedication to upholding human rights. The document applies to all Parker team members, including contract workers and business partners throughout the world, and covers the following topics:

- Forced and compulsory labor
- Child labor
- Workplace harassment and discrimination
- Our commitment to inclusion
- Compliance with labor conditions and workplace safety
- Freedom of association
- Data privacy
- Supply chain compliance

In addition, the document details Parker's expectations for team members, stakeholders and business partners in reporting concerns about potential violations of our codes of conduct.

INCLUSION

Together, We Are Stronger

Parker believes that our differences strengthen us as a company and that the highest performing teams are those that welcome and respect unique perspectives. We empower people from diverse personal and professional backgrounds to enable us to solve problems more effectively and continuously improve processes across our operations.

We are focused on how to best:

- Attract and develop diverse team members
- Design education and awareness opportunities
- Strengthen sustainable practices to support an inclusive culture

We use global HPTs to enrich the experiences of all Parker team members through shared learning while developing the next generation of leaders:

- **Career Dialogue:** Focuses on engagement, aspiration, ability and interest in seeking new job opportunities. Our team members have completed more than 31,500 Career Dialogues since the program launched in FY23.
- **Inclusion at Parker Series:** Aims to enhance inclusive engagement across the company. Our goal is to strengthen our inclusive culture and help support our team members by emphasizing how and why they belong, matter and can make a difference at Parker. More than 2,500 team members have participated in the series since FY24.



Business Resource Groups

Parker's Business Resource Groups (BRGs) are designed to enhance visibility, awareness and education for all team members. In addition, BRGs champion the power of collective diversity and serve as a hub for shared experiences and learning.

Our commitment to inclusion and connection is exemplified by each of our BRGs. They support numerous events and programs across our global organization, providing regular engagement opportunities for all team members. Parker's BRGs help shape our culture by providing education and awareness about a broad range of topics, celebrating cultural observances, organizing volunteer events and more.



COMUNIDAD

Hispanic & Latinos
Growing Together



GLOW

Inspiring Inclusion
LGBTQ+Allies



NIA NETWORK

Engaging & Connecting
Our Black Community



OHANA

Cultivating Asian &
Pacific Islander Connections



PARKER NEXT

Inspiring Your Potential



PEER W

Empowering Women



VETERANS

United Through Service

Our Workforce Diversity^{1,2}

Segment	Demographic	FY23	FY24	FY25
Global	Women	31% of Total Workforce	31% of Total Workforce	30% of Total Workforce
		20% of Leaders	20% of Leaders	20% of Leaders
U.S.	People of Color	31% of Total Workforce	32% of Total Workforce	34% of Total Workforce
		16% of Leaders	17% of Leaders	17% of Leaders

¹ Our most recent U.S. Federal Employer Information Report Form EEO-1, which uses workforce demographic data for U.S. Parker Team Members, is available for download at parker.com/sustainability/social. The EEO-1 Report uses specific categories, definitions and methodologies, which differ from our internal data management processes and may not reflect the full diversity of our workforce.

² "Leaders" refers to team members who are part of a division leadership team as well as those in equivalent roles or above.

SOCIAL RESPONSIBILITY

Our global social responsibility strategy encourages team members to lead with purpose in their communities through philanthropy and volunteerism. Our programs align with the Parker Foundation's three areas of focus:

- **STEM Education:** Supporting schools, universities and community agencies to help provide students from all backgrounds with access to science, technology, engineering and mathematics (STEM) education, as well as the resources and support needed to thrive in the classroom.
- **Community Needs:** Supporting our team members, families and neighbors by contributing to the advancement and well-being of our communities.
- **Sustainability:** Supporting long-term efforts to build sustainable communities, address key societal issues and create a better tomorrow.

Team Member Volunteerism

Parker team members reinforce our support for communities through a wide range of volunteer efforts in service to local charitable causes. In FY25, more than 4,000 team members in 22 countries collectively performed approximately 23,000 hours of community service to support 300 unique charitable organizations. Parker's Volunteer Program provides paid time off for participating team members and volunteer grants for benefiting organizations.

Global Grants

Our Grant Program now reaches 39 countries, with benefiting organizations selected by team members. Approximately \$9.5 million in grants were disbursed to local charitable causes in FY25

In FY25, Parker and the Parker Foundation together provided more than

\$13 million
in charitable contributions.

Maximizing Impact Through Matching Gifts

Through our Matching Gifts program, team members can double the impact of their personal donations to eligible charitable organizations and educational institutions. In FY25, Parker extended team member giving by awarding approximately \$1.4 million in matching gifts.

Supporting Disaster Recovery

Our Disaster Relief Program provides support to our team members and communities following natural disasters and other catastrophic events. Parker contributed more than \$500,000 through team member contributions, matching gifts and foundation grants in FY25.

In addition, the Parker Team Member Assistance Fund offers relief to victims of individual disaster events such as house fires and isolated flooding.





GOVERNANCE

THE PRINCIPLES THAT ANCHOR OUR SUCCESS

Strong, consistent governance is integral to our business and enables us to live up to our purpose. Parker's intentional structure and approach to corporate governance, which starts at the highest level with our Board of Directors, instills shared responsibility across our company.

Board of Directors

Our Board of Directors is a highly skilled, experienced and diverse team that ensures effective oversight of our business. Today, Parker's Board is composed of 10 Directors who work under a dual-leadership structure comprised of a Chairman of the Board and an Independent Lead Director. All Board committee members and nine of the 10 Directors are "independent" based on the New York Stock Exchange listing standards and Parker's independence standards.

Board members are required to stand for election annually by a majority vote standard and are subject to annual performance reviews. Employee directors may not serve on more than one other public company board, and non-employee directors may not serve on more than three other public company boards. The Board is guided by Parker's Global Code of Business Conduct, Corporate Governance Guidelines, Independence Standards for Directors and Board Committee Charters, which are

available on our [investor website](#). The comprehensive policies and standards that govern the Board, and the continuous assessment of its Directors, help strengthen our governance and ensure Parker continues to operate in alignment with our values.

Board Composition and Refreshment

We believe the varied backgrounds, perspectives and skills of those serving on our Board make us a stronger and more dynamic organization. The Board's Corporate Governance and Nominating Committee is responsible for overseeing the recruitment, succession and refreshment of our Directors. For nomination to the Board, the committee considers various criteria for potential Directors, including alignment with our company culture and values, diversity of background and experience, and skills and qualifications.

In September 2025, we elected Beth A. Wozniak, Chair and Chief Executive Officer of nVent Electric plc, a global provider of electrical connection and protection solutions,

as a member of the Board. Today, 80% of our Board is diverse based on gender (6), race (2) or ethnicity (3).² The mandatory retirement age for non-employee Directors is 72 years, and the average tenure of our Directors is currently 7.0 years.

Sustainability Oversight

Sustainability remains an area of importance and opportunity for both internal and external stakeholders. As part of its oversight duties, the Board is responsible for ensuring Parker operates in alignment with the expectations of our shareholders, team members, customers and communities.

Our full Board has ultimate oversight of the Company's strategies, initiatives, policies, impacts, risks and opportunities related to sustainability matters, with certain responsibilities delegated to Board committees. Our Corporate Governance Guidelines and Board committee charters outline the specific oversight responsibilities of the full Board and its committees. These include workplace health and safety, business ethics and compliance, cybersecurity, environmental stewardship, social responsibility, and team member engagement and inclusion.

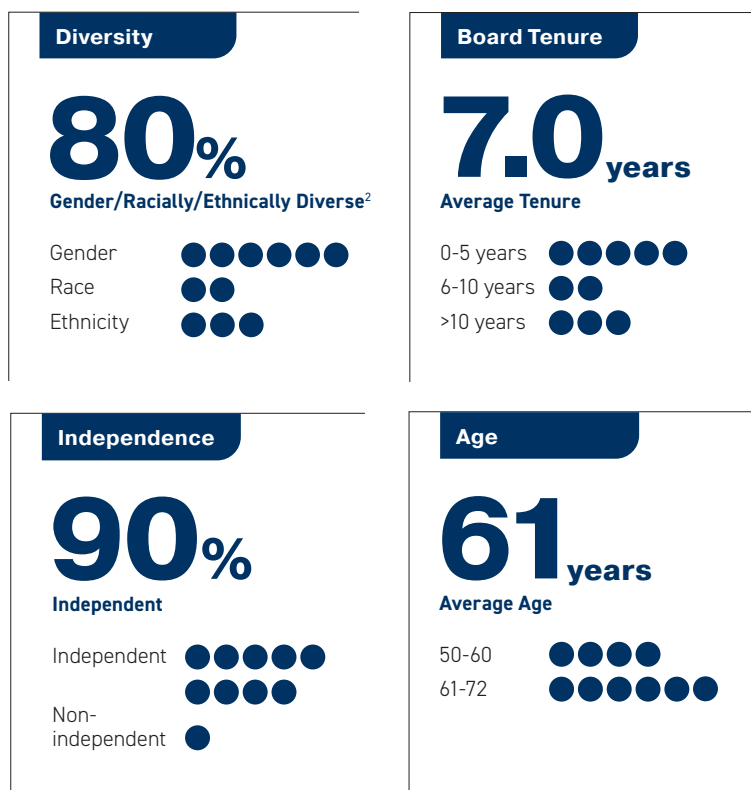
Senior management monitors relevant programs on a day-to-day basis with the support of our enterprise Sustainability Steering Committee, which includes our Chief Operating Officer and other members of our leadership team. The full Board reviews our sustainability program at least annually to assess its ongoing alignment with our organizational objectives.

Corporate Governance

Our commitment to strong corporate governance enhances our business and creates long-term shareholder value. Our comprehensive approach is reflected in the shared responsibility of the Board, executive leadership and all team members to uphold Parker's values in everything we do.

Parker's Board regularly evaluates our strategies and operating plans, governance practices, legal and regulatory developments, shareholder feedback, financial and operational results and outlooks, capital allocation, balance sheet strength, debt portfolio, share

AT A GLANCE: PARKER'S BOARD OF DIRECTORS¹



repurchase activity and dividend history and strategies. This ensures comprehensive risk oversight while allowing us to capitalize on opportunities to drive growth and continuously improve our performance.

Shareholder Engagement

We actively engage with our shareholders to communicate our business strategy, operational objectives and progress, and to strengthen transparency and trust. In addition to our traditional investor relations outreach, in FY25 we invited shareholders representing ownership of more than 42% of our outstanding common stock to meet with our management team and discuss our approach to our business and corporate governance and sustainability efforts. Our outreach was accepted by, and we engaged with, shareholders representing more than 25% of our outstanding common stock and discussed topics including our sustainability goals, safety culture, team member engagement, and environmental reporting frameworks.

Read more about the Board, Board committees, responsibilities and membership in our [2025 Proxy Statement](#).

¹ Data as of October 31, 2025.

² One of our Directors is both gender diverse and racially diverse, one of our Directors is both gender diverse and ethnically diverse, and one of our Directors is both racially and ethnically diverse. Ethnicity is defined as country of birth or citizenship other than the United States.

Risk Management

Our Integrated Risk Management Program (IRMP) is designed to protect our business, team members and communities. This program reinforces a disciplined approach to identifying and assessing significant business risks and their potential impacts. Parker's 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.

Climate-related risks are integrated into our IRMP and reviewed routinely by our enterprise Sustainability Steering Committee. Read more in the [Environment](#) section of this report.

Integrity, Ethics & Compliance

Our commitment to integrity, ethics and compliance is shared by all team members and reinforced through the ways we demonstrate our values. Our policies and standards help ensure we abide by the laws and regulations where we operate, and we frequently go above these requirements to fulfill the expectations of internal and external stakeholders.

Policies and Training

Our [Global Code of Business Conduct](#) defines how integrity, ethics, respect and fairness are practiced throughout our business. The Code is designed to ensure our Board of Directors, team members, consultants, independent contractors, suppliers, agents and representatives reflect expected standards of behavior. It also supports our belief that integrity is not just a corporate responsibility, but also a personal one that our team members put into action every day.

The Code incorporates many of Parker's existing policies, including our anti-bribery, antitrust and human rights policies. It covers a broad range of topics, including discrimination, harassment, conflicts of interest, insider trading, corruption, confidentiality and fair competition. The Code is available in 25 languages to team members worldwide.

We conduct annual training on the Code for all team members and members of our Board of Directors, requiring verification that each individual has read and will abide by its standards. Additional compliance training is provided to leaders at the corporate, regional and local levels. An annual Compliance Forum provides our global network of

Compliance Officers with training on topics such as conflicts of interest, gift giving and receiving, anti-bribery, antitrust and anti-retaliation.

Compliance Officers help reinforce ethical conduct and compliance with applicable laws and regulations, including those relating to environmental matters. Throughout the year, compliance remains a key focus through monthly communications, brochures and videos that reinforce our culture of ethics and integrity.

Reporting Ethics Concerns

Our programs and policies urge any individual who observes conduct not aligned with Parker's guidelines or applicable laws and regulations to raise their concern with local leadership, the Enterprise Compliance Office or through Parker's secure, 24-hour Integrity Line, which is staffed by third-party representatives fluent in more than 150 languages. Individuals have the option of remaining anonymous, where permitted by law.

Parker has strict policies against retaliation for concerns raised in good faith. All potential violations of the Code or other company policies are investigated, and appropriate action is taken on the findings. The Audit Committee of the Board receives quarterly updates on compliance training, submissions into our Integrity Line and investigation statistics.

Third-Party Policies

Parker's commitment to integrity, ethics and compliance extends externally to our business partners, who are expected to conduct their businesses in a way that upholds Parker's values. Our [Distributor Code of Conduct](#) sets expectations and minimum requirements for conduct and compliance for our third-party distribution partners. Suppliers, who play an important role in our ability to meet customer needs, are required to abide by all applicable specifications, expectations, regulations and requirements as outlined in our [Supplier Code of Conduct](#).

Cybersecurity

We believe robust cybersecurity is central to effective governance. Parker is committed to the protection of the company's data, data systems and digital assets while in storage, use or transit.

Programs and Policies

Our cybersecurity program is integrated into our overall Enterprise Risk Management program and exists to secure our information systems and data assets, including those

entrusted to us by our stakeholders. This program also ensures our compliance with applicable laws and regulations.

We proactively work to address cybersecurity risk through our Digital & IT Risk Management Program, which focuses on identifying, assessing, responding to, monitoring and remediating cybersecurity-related risks. Parker's Board of Directors receives regular updates from senior leadership about cybersecurity matters, including an annual report on the overall cybersecurity program as well as updates throughout the year on topics such as cyber-risk management and the status of projects to strengthen cybersecurity effectiveness.

In addition to other third-party resources, Parker's dedicated Cyber Security team uses the National Institute of Standards and Technology (NIST) Cyber Security Framework as its primary resource for identifying areas of risk as well as benchmarking and implementing continuous improvements. Our Cyber Security team assists with regulatory and privacy compliance, including facilitating alignment with the General Data Protection Regulation (GDPR), as part of our Data Privacy and IT Assurance initiatives.

We have adopted comprehensive Information Security Policies and Standards that clearly articulate Parker's expectations and requirements with respect to the following:

- Acceptable use
- Risk management
- Data privacy and data protection
- Education and awareness
- Security incident management and reporting
- Identity and access management
- Third-party management
- Security (with respect to physical assets, products, networks and systems)
- Security monitoring
- Vulnerability identification

These policies and standards set forth a detailed security incident management and reporting protocol, with clear escalation timelines and responsibilities. We also maintain a global incident response plan and regularly conduct exercises to help with our overall preparedness.

Continuous Improvement and Training

Continuous improvement is a critical aspect of Parker's cybersecurity program, which is why we integrate security intelligence from internal and external sources to help identify areas for improvement and gap remediation. Supplementing our internal cybersecurity capabilities and controls, we partner with third-party consultants and advisors to conduct penetration testing and assess our incident response plan. We periodically undergo a third-party risk assessment and incident response exercises to strengthen our security profile. We also conduct internal tabletop exercises to prepare for responding to potential cybersecurity events. In addition, Parker maintains cybersecurity insurance designed to mitigate the impact of any attacks or threats to our business.

We believe cybersecurity is the responsibility of every team member and provide ongoing mandatory cybersecurity awareness training globally to help team members recognize, avoid and report malicious activity. This includes interactive training to engage team members in identifying phishing risks and their appropriate response. We also provide regular training on data protection so that our team members understand the types of data they have and how to safeguard it.

Read more about our cybersecurity governance and oversight approach in [Parker's 2025 Form 10-K](#).

Empowering Communities Through Technology

Parker gives back to our communities by donating computers and other electronic devices no longer in use at our facilities to PCs for People, a national nonprofit that provides the refurbished equipment to individuals, families and other charitable organizations in need. Since 2020, we have donated thousands of computers to those in our communities to improve the lives of our neighbors.

Donations to PCs for People also provide internet access that unlocks educational and professional opportunities, while reducing the amount of electronic waste sent to landfills.

Parker's Digital and IT team also supports nonprofits such as Minds Matter Cleveland, which provides services to students from low-income families to help them succeed in college.



SUSTAINABILITY IN ACTION

Turning Waste into Opportunity

Team members across 10 cities in China transformed more than 7,500 PET plastic bottles into 490 school uniforms for children in a remote western region of the country. Parker China's Corporate Responsibility Council secured a grant from the Parker Foundation to fund the meticulous production process that involved cleaning, crushing, melting and spinning.

The bottles were turned into recycled polyester fiber and blended with cotton to create high-quality, durable school uniforms for local students. Approximately 70 PET bottles were recycled to complete each set.

This initiative reduced landfill waste, promoted environmental stewardship and supported families in need.



Driving Waste Reduction Through Innovation

The "Green Team" at Parker's Herstal, Belgium facility reduced the consumption of cardboard, wood and paper – materials widely used in packaging and shipping. By analyzing material flows, the team began to rethink packaging design, increase reuse and optimize recycling streams. This initiative aligns with Parker's broader waste reduction framework, which relies on Lean principles and Kaizen events to eliminate inefficiencies. As a result, the Herstal site has minimized landfill waste and cut emissions tied to material transport and disposal.



Powering Cleaner Cities

Parker partnered with Kaoussis, a Greek refuse collection vehicle (RCV) manufacturer, to electrify RCVs in capital cities to comply with upcoming EU legislation. The RCVs needed to meet emissions and noise regulations while optimizing the power required for refuse operations. Using Parker's energy-efficient hydraulics and IQAN smart control systems, Kaoussis created the fully electric eCanter truck, which emits zero pollution. The vehicle also uses Parker's recyclable iProtect® filters that cut waste by 50% and reduce oil waste by 40%.



Upcycling Scrap Waste

In Annemasse, France, Parker team members established processes for upcycling and repurposing scrap metal and oil to reduce landfill waste, lower costs and conserve raw materials. This initiative supports Parker's culture of responsibility and continuous improvement, encouraging team members to identify new waste-saving opportunities at their respective facilities.



Decarbonizing Agricultural Operations

Parker partnered with Pitteri Violini, an Italian company that designs and manufactures agricultural and construction components, to electrify fruit-picking tractors, replacing diesel engines with Parker's high-efficiency GVM motors, GVI inverters and IQAN control systems. As a result, farmers experienced an 80% reduction in operating costs, zero exhaust emissions and near-silent operation. The electric system also eliminates CO₂ exposure and fruit contamination, improving worker health and product quality. This technology is helping pave the way for broader industry adoption of zero-emission equipment to increase the economic sustainability in farming.



SASB INDEX

Sustainability Disclosure Topics & Accounting Metrics – Industrial Machinery & Goods

Topic	Accounting Metric	Category	Unit of Measure	Code
Energy Management ¹	(1) Total energy consumed, (2) percentage of grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	RT-IG-130a.1
Employee Health & Safety ²	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	Quantitative	Rate	RT-IG-320a.1
Fuel Economy & Emissions in Use-phase	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Quantitative	Gallons per 1,000 ton-miles	RT-IG-410a.1
	Sales-weighted fuel efficiency for non-road equipment	Quantitative	Gallons per hour	RT-IG-410a.2
	Sales-weighted fuel efficiency for stationary generators	Quantitative	Watts per gallon	RT-IG-410a.3
	Sales-weighted emissions of: (2) particulate matter (PM) for: (a) marine diesel engines	Quantitative	Grams per kilowatt-hour	RT-IG-410a.4
	Sales-weighted emissions of: (2) particulate matter (PM) for: (b) locomotive diesel engines	Quantitative	Grams per kilowatt-hour	RT-IG-410a.4
	Sales-weighted emissions of: Sales-weighted emissions of: (2) particulate matter (PM) for: (c) on-road medium- and heavy-duty engines	Quantitative	Grams per kilowatt-hour	RT-IG-410a.4
	Sales-weighted emissions of: (2) particulate matter (PM) for: (d) other non-road diesel engines	Quantitative	Grams per kilowatt-hour	RT-IG-410a.4
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	RT-IG-440a.1
Remanufacturing Design & Services	Revenue from remanufactured products and remanufacturing services	Quantitative	Reporting currency	RT-IG-440b.1

Activity Metrics

Activity Metric	Category	Unit of Measure	Code
Number of units produced by product category	Quantitative	Number	RT-IG-000.A
Number of employees ⁵	Quantitative	Number	RT-IG-000.B

¹ FY24 data.

² FY25 data.

³ This TRIR metric is Parker's Recordable Incident Rate definition for global reporting purposes.

⁴ Near miss is defined as an activity reported by a team member as a near miss, a safety concern or otherwise classified as a significant near miss event. The rate is calculated per 100 team members per year.

⁵ Data from FY25 Form 10-K.

	Parker Data Response
	(1) Total energy consumed: 6,918,397 GJ (2) Grid electricity: 48% (3) Renewable: 16%
	(1) TRIR ³ : 0.27 (2) Fatality rate: 0 (3) NMFR ⁴ : 30.6
	Parker does not manufacture medium- or heavy-duty vehicles.
	Parker does not manufacture non-road equipment that is powered by a fuel-based engine.
	Parker does not manufacture stationary generators.
	Parker does not manufacture marine diesel engines.
	Parker does not manufacture locomotive diesel engines.
	Parker does not manufacture on road medium- or heavy-duty vehicles
	Parker does not manufacture other non-road diesel engines.
	<p>Parker manages the risk associated with the use of critical materials in a number of ways including during the supplier selection process, ongoing supplier management and during the transportation of the goods to Parker. As we look to select key suppliers for our critical materials, our process guides us toward existing Parker suppliers who have a history of meeting and exceeding our expectations regarding their performance. All Parker suppliers who provide critical goods will undergo an exhaustive qualification process to ensure they have the manufacturing process capability and are compliant with all laws and regulations.</p> <p>Parker expects all suppliers to adhere to our Supplier Code of Conduct, which outlines standards to ethics, laws and regulations, environmental stewardship, health and safety regulations, non-discrimination, fair labor practices, confidentiality and data privacy. We actively monitor our suppliers in real-time with metrics and processes to ensure they consistently meet our high standards. Our preferred suppliers enter into long-term agreements that define strict criteria that needs to be adhered to in order to maintain their status. Additionally, we have established processes to regularly update and verify that our suppliers remain compliant with all legal obligations, including those pertaining to human rights and environmental sustainability. Parker identifies critical suppliers and follows business continuation plans to ensure a seamless flow of products and material. This proactive approach not only safeguards our operations but also reinforces our commitment to ethical and responsible sourcing.</p> <p>Parker also has established processes in place for transporting its products via its preferred carrier network. This strategic approach ensures we work with carriers who uphold the highest standards of quality and delivery service. Additionally, Parker is a leading participant in the U.S. Importer Self-Assessment Program, and also holds CTPAT certification, reinforcing our commitment to compliance with U.S. Customs. These initiatives not only enhance the efficiency of our supply chain but also ensure the integrity and reliability of our logistics operations.</p>
	Greater than \$1.0 billion in revenue from manufacturing overhaul and repair.

	Parker Data Response
	Parker does not manufacture or sell complete (1) vehicles and agricultural and construction equipment, or (2) engines and power-generation equipment. (3) Parts and components: Parker's technology portfolio includes more than 750,000 components and assembled systems. In FY25, Parker sold in excess of 7.7 billion units to our customers, the vast majority of which were high-volume components sold in bulk.
	57,950

2025 DATA SUMMARY

Parker Sustainability Data

Sustainability Performance

CDP Climate Score

CDP Water Security Score

CDP Supplier Engagement Score

EcoVadis

MSCI

Emissions

Scope 1 + Scope 2 (Market-Based) Emissions (MT CO₂)^{2,3}

Scope 1 Emissions (MT CO₂)²

Scope 2 (Market-Based) Emissions (MT CO₂)³

Scope 3 Emissions (Categories 1, 2 & 4) (MT CO₂)

Category 1: Purchased Goods and Services (MT CO₂)

Category 2: Capital Goods (MT CO₂)

Category 4: Upstream Transportation and Distribution (MT CO₂)

Market-Based Emissions Intensity (MT CO₂/\$M Sales)⁴

Energy

Total Energy Consumption (MWh)

Energy Consumption: Purchased Electricity (MWh)

Energy Consumption: Natural Gas (MWh)

Energy Consumption: Renewable Energy (MWh)

Energy Intensity (MT CO₂/\$M Sales)⁴

Environmental Management System

ISO 14001 Certified Sites

ISO 14001 Certified Sites (as % of Total Manufacturing Sites)

Health & Safety

Recordable Incident Rate (RIR)¹⁰

Lost Time Incident Rate (LTIR)

Near Miss Frequency Rate¹¹

Fatality Rate

Team Member Engagement

Engagement Survey Response Rate

Engagement Score

Inclusion

% Women in Total Workforce (Global)¹²

% Women of Leaders (Global)^{12,13}

% People of Color in Total Workforce (U.S.)¹²

% People of Color of Leaders (U.S.)^{12,13}

Social Responsibility

Total Charitable Contributions (Parker + Parker Foundation)

Board of Directors¹⁴

Average Tenure in Years

Percent Gender/Racially/Ethnically Diverse¹⁵

Percent Independent

Average Director Age

¹ Data collection was from approximately 90% of our enterprise operations. Standard statistical methodologies were used to fill data gaps to produce the reported results.

² Scope 1 emissions factors calculated using Mandatory Reporting of GHG Final Rule 40 CFR 98.

³ Scope 2 emissions factors calculated following GHG protocols (eGrid for USA, IEA for International). Electricity attribute certificates or equivalent instruments, contracts for electricity (such as PPAs), supplier/utility emission rates, residual mix and other grid-average emission factors are all considered in this calculation.

⁴ Sales used in table from Parker's reported earnings.

⁵ Carbon savings estimated using average carbon emission factors across Parker's manufacturing footprint.

⁶ Data includes purchased water and estimated withdrawals from owned-site sources.

⁷ Data collection was from approximately 91% of manufacturing operations. Standard statistical methodologies were used to fill data gaps to produce the reported results.

⁸ Measuring and tracking across all Parker sites began in mid-FY22.

	FY22	FY23	FY24
	B	B	B
	C	C	C
	A-	A	A
	42	50	66
	BBB	BBB	A
FY19 (baseline)	FY22	FY23 ⁹	FY24
816,437	680,591	680,470	523,964
164,980	128,866	145,944	128,862
651,457	551,725	534,526	395,102
3,956,383	3,224,817	3,435,055	3,740,831
3,837,230	3,110,900	3,310,176	3,594,857
35,305	33,062	32,477	42,923
83,848	80,854	92,402	103,051
57	43	36	26
FY19 (baseline)	FY22	FY23 ⁹	FY24
2,317,094	2,113,600	2,331,739	1,921,777
1,457,056	1,301,800	1,303,324	930,694
860,038	711,034	795,090	685,799
n/a	100,766	233,325	305,284
162	133	122	96
	FY23	FY24	FY25
	160	149	148
	47	44	46
FY19 (baseline)	FY23	FY24 ⁹	FY25
0.56	0.31	0.31	0.27
0.17	0.15	0.12	0.10
30	28.8	32.5	30.6
n/a	0.0018	0	0
	FY23	FY24	FY25
	92%	91%	92%
	73%	73%	75%
	FY23	FY24	FY25
	31%	31%	30%
	20%	20%	20%
	31%	32%	34%
	16%	17%	17%
	FY23	FY24	FY25
	\$9,000,000	\$11,000,000	\$13,000,000
	FY23	FY24	FY25
	7.8	8.6	7.0
	62%	70%	80%
	70%	90%	90%
	60%	61%	61%

⁹ Incorporated the Meggitt acquisition into enterprise report.

¹⁰ Recordable incident rate is defined as workplace incidents requiring medical treatment beyond first aid per 100 team members.

¹¹ Near miss is defined as an activity reported by a team member as a near miss, a safety concern or otherwise classified as a significant near miss event. The rate is calculated per 100 team members per year.

¹² Our most recent U.S. Federal Employer Information Report Form EEO-1, which uses workforce demographic data for U.S. Parker Team Members, is available for download at parker.com/sustainability/social. The EEO-1 Report uses specific categories, definitions and methodologies, which differ from our internal data management processes and may not reflect the full diversity of our workforce.

¹³ "Leaders" refers to team members who are part of a division leadership team as well as those in equivalent roles or above.

¹⁴ Data as of October 31, 2025.

¹⁵ One of our Directors is both gender diverse and racially diverse, one of our Directors is both gender diverse and ethnically diverse, and one of our Directors is both racially and ethnically diverse. Ethnicity is defined as country of birth or citizenship other than the United States.



**Enabling Engineering
Breakthroughs that Lead
to a Better Tomorrow**



Contact Us

Parker welcomes comments and questions about its sustainability report by email: sustainableparker@parker.com

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