

SUPPLIER CODE OF CONDUCT



PURPOSE

Solid, long-term relationships with our suppliers create value for Applied and for our customers. These relationships are founded on mutual respect and fair dealing. Applied Industrial Technologies, Inc. and its affiliates worldwide ("Applied") are committed to complying with all applicable laws and regulations in all countries in which we conduct business.

As reflected in this Applied Supplier Code of Conduct ("Code"), Applied is committed to high standards of integrity and sustainability. Our business practices are adherent to the principles set forth in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights.

Applied expects all of our vendors, contractors, and consultants (collectively referred to herein as "Suppliers") and Suppliers' directors, officers, associates, representatives, consultants, and agents ("Supplier Representatives") involved with the execution of Applied's work, to adhere to this Code or similar standards and to conduct their business ethically. Suppliers should also comply with all applicable laws and regulations, the requirements set out in this Code, and their contractual obligations to Applied, including Applied's Terms and Conditions of Purchase, unless another written agreement governs our transactions.

Applied encourages Suppliers to communicate their code of conduct to their employees and include information about their code of conduct in worker training and orientation regularly. Applied also expects Suppliers to ensure that their employees, sub-suppliers, subcontractors, and other parties involved in performing work for Applied (where permitted by the applicable Supplier agreement) comply with applicable law and the standards set forth in this Code, including by adopting appropriate management systems, policies, procedures, and training.

BUSINESS ETHICS

Supplier shall conduct business in an ethical manner consistent with the principles embodied in the applicable antibribery and anticorruption laws and shall:

- Not engage in any form of corrupt practices, including without limitation, bribery, boycotts, extortion, fraud, impersonation, false declarations, laundering, and supporting or having involvement with terrorist or organized crime organizations or activities
- Not offer or accept, or receive or seek to receive, bribes, kickbacks, illegal political contributions, improper payments or anything of value to Applied Representatives, or to any customer, government official or third party, with the intention of obtaining or retaining business or other improper advantage
- Maintain a written anti-corruption/anti-bribery policy that complies with all applicable anti-bribery and anti-corruption laws, including the United States Foreign Corrupt Practices Act. Supplier shall review this policy at least annually and ensure that it is communicated to, and acknowledged (through training or other appropriate means) by, Supplier Representatives involved in providing goods or services to Applied.
- Comply with all import and export laws and regulations of the United States and other countries in which it conducts business
- Adhere to all applicable antitrust and other competition laws
- Procure goods and services in a responsible manner
- Only sell products it is authorized to sell and not engage in the sale of counterfeit goods
- Protect all confidential information provided by Applied and Applied's business partners
- Avoid all conflicts of interest that may adversely influence business relationships, or appear to interfere with the interests of Applied
- Respect intellectual property of others, including Applied's

- Comply with all laws and regulations applicable to its business, as well as the standards of its industry, including those pertaining to the manufacture, pricing, sale, distribution and labeling of merchandise
- Act honestly and with integrity in all business dealings with Applied, including by providing accurate and complete information, refraining from deceptive practices, and upholding the highest ethical standards in all communications and transactions

HUMAN RIGHTS AND LABOR STANDARDS

We expect suppliers to respect internationally recognized human rights and to adhere to the ILO Declaration on Fundamental Principles and Rights at Work and the UN Guiding Principles on Business and Human Rights, including working time, working conditions, employment practices and the wage rates. A Supplier's use, or tolerance in its supply chain, of child labor, work performed under coercion, forced labor, human trafficking, or modern slavery is unacceptable to Applied and will not be tolerated.

In particular, Supplier shall ensure it:

- Refrains from employment discrimination with regard to race, color, religion, sex, veteran status, age, disability, national origin, ethnicity, sexual orientation, gender identity, or any other category protected by applicable law
- Respects the rights of employees to freely associate and the right to affiliate with lawful organizations without interference
- Conducts a human rights impact assessment in its supply chain and takes reasonable steps to mitigate any identified risk
- Does not use any form of forced labor, including imprisoned, indentured, bonded, military, slave or any other forms of forced labor
- Does not use child labor in the production or distribution of its goods or services. "Child" is any person who is either (1) younger than 16, or (2) younger than the minimum age required for the employment under applicable law
- Compensates employees fairly and follows local wage regulations and/or collective agreements, and where these do not exist, compensates employees so that, at a minimum, they can meet their basic needs
- Provides workers with written information on their pay, and does not permit wage deductions as a disciplinary measure
- Complies with all applicable laws and regulations with respect to working time
- Promotes alignment of their business practices with the UN Global Compact principles
- Does not retain possession of a worker's government-issued identification, passport, or work permit as a condition of employment
- Treats migrant workers fairly and ensures they benefit from conditions of work no less favorable than those available to country nationals

HEALTH, SAFETY AND ENVIRONMENTAL MANAGEMENT

Supplier shall provide a safe and healthy workplace for all employees and shall conduct its business operations in an environmentally responsible and sustainable manner.

Suppliers shall:

- Minimize employee exposure to potential safety hazards by identifying, assessing and minimizing risks by developing and implementing plans and procedures
- Comply with the environmental laws and standards within its facilities

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- Maintain a process or system to ensure updated Safety Data Sheets reflect the current products sold to Applied
- Use care in handling hazardous materials or operating processes or equipment that use hazardous materials to prevent unplanned releases into the workplace or the environment
- Seek ways to conserve natural resources and energy, reduce waste and the use of hazardous substances, and minimize any adverse effects on the environment

MATERIAL COMPLIANCE AND CONFLICT MINERALS

As part of Applied's compliance with regulatory and customer requirements regarding the prohibition and restriction of substances, including hazardous substances and conflict minerals, Suppliers shall ensure that the goods provided to Applied are in compliance with requirements covered under the scope of all relevant regulations.

In particular, Supplier shall:

- Establish and maintain processes that are reasonably designed to ensure compliance with, mitigate the risks identified in, and facilitate continuous improvement with respect to, this Code of Conduct
- Ensure that all products provided to Applied are compliant with applicable chemical content restriction laws and regulations, including the latest revision of Registration, Evaluation, Authorization, Restriction of Chemicals ("REACH") and Restriction of Hazardous Substances ("RoHS")
- Ensure that all products delivered to Applied are compliant with, and marked and labeled in accordance with, respective regulations and guidance
- Not procure tantalum, tin, gold or tungsten from the Democratic Republic of the Congo or an adjoining country which directly or indirectly finances armed groups who violate human rights ("Conflict Minerals"), and Supplier further certifies that it has not provided, and will not provide, Applied with any products or materials manufactured or contracted to manufacture that contain such Conflict Minerals
- Implement a policy regarding applicable conflict minerals laws and regulations and exercise due diligence to investigate the source of these minerals
- Respond in a timely manner to Applied's requests for evidence of its compliance with these requirements

DATA PRIVACY AND SECURITY

Suppliers should comply with all applicable data protection and privacy laws and adopt appropriate technical and organizational measures to safeguard personal data. Supplier shall promptly notify Applied of any actual or suspected cyber incident affecting Applied data, networks, or systems and use best efforts to mitigate related risks.

Suppliers are encouraged to:

- Implement and maintain an efficient cyber and information security program to protect the confidentiality, integrity, and availability of their information and systems
- Handle and process data only for the purposes for which it was collected or otherwise made available

When applicable, Supplier shall comply with applicable defense cybersecurity requirements. Confidential information exchanged under this Agreement that is marked as "covered defense information" (DFARS 252.204-7012) must be handled in accordance with 32 CFR Part 2002, DFARS 252.204-7012, and applicable agency policy.

TRADE COMPLIANCE

Applied is committed to compliance with trade control laws and regulations, including, but not limited to, U.S. export control, anti-boycott, and trade sanctions laws or regulations. Suppliers should be aware of trade control laws and regulations that might prevent Applied from making payment to Supplier or importing goods into the U.S. or other countries where Applied conducts business.

Suppliers shall:

- Comply with all laws and regulations applicable to the import, export, and distribution of merchandise
- Notify Applied if a product may be subject to export controls and promptly provide relevant classification information
- Not directly or indirectly provide Applied any goods or services from a country, person, or entity subject to applicable regulations restricting transactions with specific entities, persons, or countries

MONITORING AND VERIFICATION

Supplier authorizes Applied or our designated agents (including third parties) to engage in monitoring activities to confirm compliance with this Code, to include on-site inspection of facilities and review of books and records relating to employment matters. Notwithstanding such authorization, Applied does not assume any duty to monitor or ensure compliance with this Code, and Supplier acknowledges and agrees that Supplier is solely responsible for full compliance with this Code by its officers, directors, managers and employees.

Upon request, Suppliers should complete and promptly return any survey or questionnaire Applied provides related to compliance with this Code.

ACCESS TO REMEDY

In the event Applied determines that a Supplier's efforts to comply with this Code have been deficient and the Supplier fails to cooperate in developing and implementing reasonable remedial steps, Applied reserves the right to take appropriate actions up to, and including, discontinuing its relationship with the Supplier.

REPORTING CONCERNS

If Supplier or Supplier Representatives believe that the terms of this Code are not being adhered to, or that Applied or any Applied Representative is not acting in accordance with this Code, then Applied encourages Supplier to contact Applied's third-party anonymous Ethics Reporting Hotline:

Call Toll Free:

U.S., Canada (English) - **844-600-0074**

AU, NZ, Singapore - **800-603-2869**

MX (Spanish) - **01-800-681-5340**

PR (Spanish) - **800-216-1288**

Canada (French) - **855-725-0002**

Web Interface: www.lighthouse-services.com/applied

Applied policy prohibits retaliation against any person who makes a report in good faith or who assists in the investigation of any report.