



# Supplier Code of Conduct 2020



**APPLIED**  
Industrial Technologies®

## PURPOSE

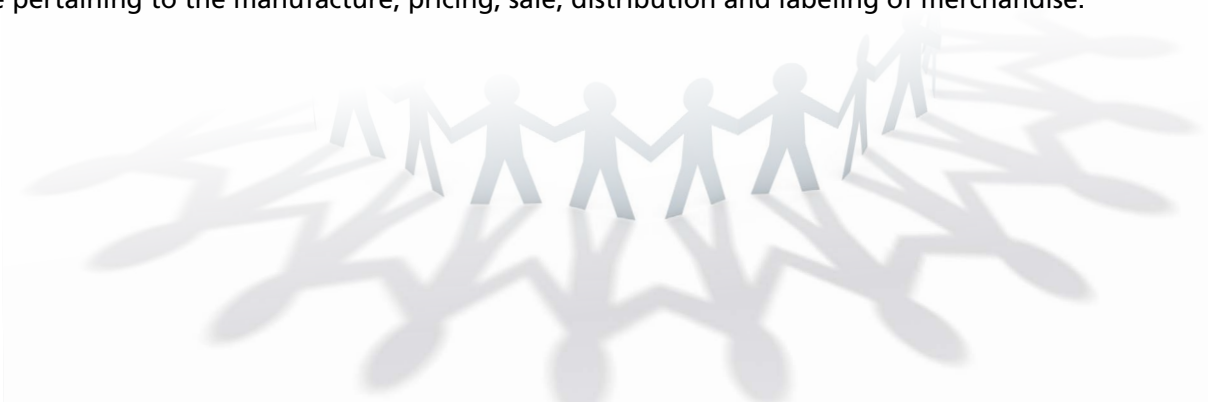
Solid, long-term relationships with our suppliers create value for Applied® and for our customers. These relationships must be founded on mutual respect and fair dealing. Applied Industrial Technologies, Inc. and its affiliates worldwide (“Applied”) are committed to complying with all applicable laws and regulations in all countries in which we conduct business. As reflected in this Applied Supplier Code of Conduct (the “Code”), Applied is committed to high standards of integrity and sustainability.

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 must 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, available at [www.applied.com/terms-conditions](http://www.applied.com/terms-conditions), unless another written agreement governs our transactions.

## BUSINESS ETHICS

Supplier shall conduct business in an ethical manner and:

- Shall not engage in any form of corrupt practices, including without limitation, bribery, boycotts, extortion, fraud, impersonation, false declarations, money laundering, and supporting or having involvement with terrorist or organized crime organizations or activities;
- Shall not offer or accept, or receive or seek to receive, bribes, kickbacks, illegal political contributions, improper payments or anything of value to Applied’s directors, officers, associates, representatives, consultants and agents (“Applied Representatives”), or to any customer, government official or third party, with the intention of obtaining or retaining business or other improper advantage, regardless of whether local law or practices might permit something to the contrary;
- Must have a written anticorruption / anti-bribery policy that includes an annual review with its employees of such policy;
- 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;
- Adhere to Applied’s U.S. Supplier U.S. Distribution Centers Supplier Operational Guidelines, if located in the U.S.; and
- 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.



## HUMAN RIGHTS AND LABOR STANDARDS

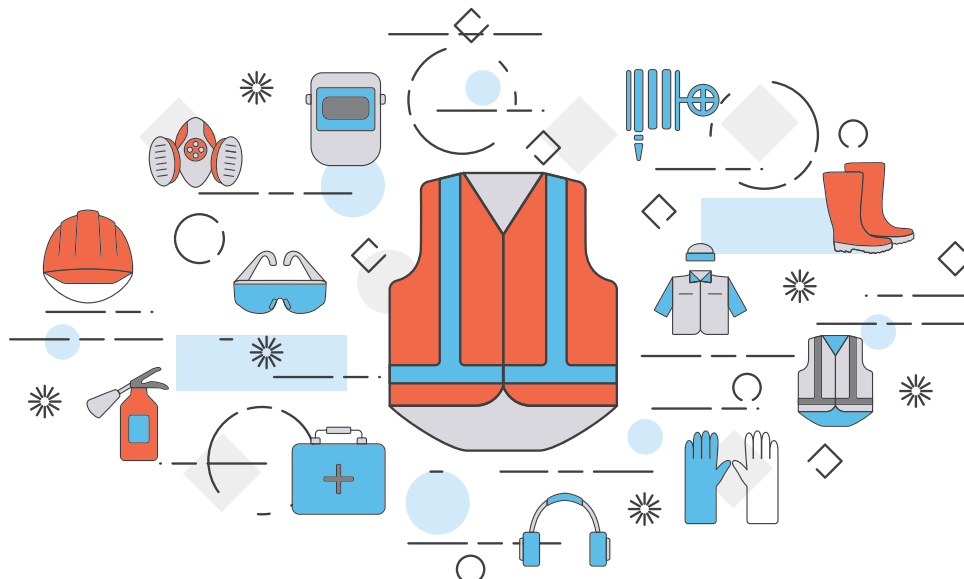
Hours of work, working conditions, employment practices and the wage rates of Suppliers must follow the principles of human rights and dignity for individuals. A Supplier's use, or tolerance in its supply chain, of child labor, work performed under coercion, forced labor, human trafficking, or modern 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, genetic information, national origin, sexual orientation, 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; and
- Complies with all applicable laws and regulations with respect to working hours.

## 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;
- Maintain a process or system to ensure the updated Safety Data Sheets reflect the current products sold to Applied; and
- 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.



## 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;
- Guarantee 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");
- Warrant 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; and
- Respond in a timely manner to Applied's requests for evidence of its compliance with these requirements.

## 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.

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 anonymously contact Lighthouse, Applied's third-party Ethics Reporting Hotline (Toll Free or Web Interface):

Call Toll Free:

U.S., Canada (English) - [844-600-0074](tel:844-600-0074)

AU, NZ, Singapore - [800-603-2869](tel:800-603-2869)

MX Spanish - [01-800-681-5340](tel:01-800-681-5340)

PR Spanish - [800-216-1288](tel:800-216-1288)

Canada (French) - [855-725-0002](tel:855-725-0002)

Web Interface: [www.lighthouse-services.com/applied](http://www.lighthouse-services.com/applied)



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