



Sustainability Report 2016



About Parker

Parker Hannifin is a Fortune 250 global leader in motion and control technologies. For 100 years the company has engineered the success of its customers in a wide range of diversified industrial and aerospace markets.

By applying its engineering expertise and broad range of core technologies, Parker partners with its customers to improve their productivity and profitability, while helping to solve the world's greatest engineering challenges.

CONTACT US

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

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ABOUT THIS REPORT

The information in this report addresses how Parker is applying its core technologies to make a positive impact on the world. All data corresponds to Parker's fiscal year 2016 (July 1, 2015 through June 30, 2016) unless otherwise noted. The previous report corresponded to Parker's fiscal year 2015. Parker's intention is to report on an annual basis.

REPORT SCOPE

The data provided in this document reflects Parker's global manufacturing operations in which Parker has a 50% controlling interest or majority ownership. It also includes team members in those operations and the associated headquarters and distribution centers under Parker ownership. The scope does not include Parker suppliers, customers, distributors, contractors or minority-owned joint ventures.

Financial Highlights

For the Year Ended June 30 (*dollars in thousands, except per share data*)

	2016
Operating Data	
Net sales	\$11,360,753
Net income	807,216
Net cash provided by operating activities	1,169,843
Per Share Data	
Diluted earnings	\$ 5.89
Dividends	2.52



THE WIN STRATEGY

In fiscal year 2016, Parker team members implemented the refreshed Win Strategy™ focused on the goals of engaged people, premier customer experience, profitable growth and financial performance.

Looking ahead, the powerful combination of Parker’s highly engaged people, unique motion and control capabilities and the Win Strategy will generate positive results for customers, shareholders and Parker team members.

Leadership Message

Parker's sustainability strategy is focused on the positive impact we can have on people and the planet which we all share. Through the responsible design, manufacture and disposal of our products, we strive to foster the enduring success of our company, customers and communities.

At Parker, our approach always begins with the safety of our team members. Nothing is more important than making sure every Parker team member returns home safely after each work day.

While our accident rate continues to decline year after year, the goal is always zero accidents. It's an ambitious goal.

Yet, we are confident we can get there by reinforcing a safety-first culture in which all Parker leaders and team members are engaged in keeping our work environments free from accidents. We are implementing best-in-class safety practices, including a focus on how our equipment and operations can minimize safety risks. Through ongoing education, Parker team members are being trained to recognize safety hazards, and are strongly urged to voice their concerns if they witness unsafe behavior or potentially dangerous conditions.

Parker is also constantly adapting to stay ahead of advancements in manufacturing technology. Our focus is on reducing energy consumption and water use, decreasing emissions and minimizing waste sent to landfills by reusing or recycling materials. Improving manufacturing efficiency represents a significant opportunity

to fulfill our commitment to sustainability, and the resulting reductions in operating costs are also aligned with Parker's financial performance goals.

Today, Parker recycles 85% of the waste generated from its manufacturing operations, and we are on track to achieve our goal of reducing water use and volume of waste sent to landfills by 20% between 2015 and 2020.

Another key indicator of Parker's success is our ability to make a positive impact in the communities which we call home. The practice of volunteering and charitable giving has always been central to Parker's culture. Through the Parker Hannifin Foundation's three key areas of focus we are able to support our communities in need, contribute to improving math and science education and advance energy and water conservation efforts.

Additionally, Parker team members generously donate and volunteer to get involved with the many charities and causes which they are passionate about supporting.

From workplace safety and resource conservation, to community leadership and charitable giving, this report highlights examples of local sustainability initiatives led by our remarkable Parker team members. We all share a commitment to responsible operations, and as Parker celebrates its 100th anniversary in 2017, we will look to the future for new opportunities to make a positive impact on the world.

Sincerely,



Thomas L. Williams

Chairman and Chief Executive Officer



Lee C. Banks

President and Chief Operating Officer

December 2016





All sustainability
initiatives at
Parker are
aligned
with the
company's
ambition
to create a
positive impact
in people's
lives.

Sustainability

From creating value for customers and shareholders, to preserving the environment and creating a positive impact on team members and in local communities, the concept of sustainability is aligned with the goals that have driven Parker since the company was founded a century ago.

Regardless of their role within the company's operations, Parker's sustainability commitment is shared by team members around the world.

Sustainability commitment: To responsibly solve the world's greatest engineering challenges to foster enduring success for the company, customers and communities.

PEOPLE

All sustainability initiatives at Parker are aligned with the company's ambition to create a positive impact in people's lives. This focus on making a difference

is reflected in efforts to create a safety-first work environment in pursuit of zero accidents, engage employees in driving performance, strengthen local communities and support organizations that make the world a better place.

PLANET

Parker's commitment to responsible operation is rooted in the fact that, as a global industrial leader, the company's manufacturing practices can have a significant and widespread impact on the world. Parker is actively minimizing its environmental footprint and helping to protect the planet for future generations by using eco-friendly materials, minimizing waste and reducing the

consumption of resources such as energy and water.

PRODUCTS

Innovation at Parker is focused on helping customers to be more efficient and productive. Doing so not only improves profitability, but positions Parker to leverage its diverse range of motion and control technologies to reduce energy consumption and emissions around the world.

Parker engineers analyze the entire product lifecycle to identify opportunities to leverage sustainable materials in manufacturing, improve operating efficiency and create technologies that can be reused or recycled upon disposal, helping to reduce waste sent to landfills.

Earth Day Challenge

In recognition of Earth Day 2016, Parker challenged all team members to work together to find new ways to conserve energy, water and raw materials while eliminating by-product waste from production processes. Culminating in 35 unique local projects, this collaborative effort generated ideas that can be adapted for use at Parker facilities around the world, and helped reduce the company's environmental footprint by:

Decreasing water consumption by
7.5 million gallons

Preventing more than
200 TONS OF WASTE BY-PRODUCT from reaching landfills
Reducing energy use by
17 MILLION kWh

POTENTIAL RISKS AND BOUNDARIES

Given the diversity of the markets Parker serves, the breadth of its product portfolio and the size and complexity of its supply chain, Parker must address a number of risks related to the manufacture, sale and application of its technologies. Parker's products rely on energy to function, and a transition away from a carbon-based economy could impact demand for those products. Scarcity of raw materials such as metals and organic compounds could also interfere with on-time delivery.

Parker also assumes the operational risk of a disruption to manufacturing due to the inability of supply chain partners, or even the company itself, to meet environmental or social standards. Failure to meet the expectations of stakeholders related to environmental and social accountability also creates a long-term risk for the company.

The boundary condition of these risks varies based on the area of focus. For the People initiative of its sustainability strategy, Parker's boundary condition

encompasses its team members, partners and the communities around the world in which the company operates. The boundary condition of the Planet initiative is largely the company's manufacturing footprint, with additional focus on select areas of the supply chain. Lastly, the Product initiative focuses primarily on internal innovation, but the boundary condition also extends to the customer and target markets.



STAKEHOLDER ENGAGEMENT

As a result of the dedication and meaningful contributions of its team members, Parker continues to make progress towards its sustainability objectives each year, but understands the importance of maintaining this momentum and building on past progress. The company engages a number of stakeholders to help strengthen its sustainability efforts and identify opportunities for continuous improvement.

Parker receives valuable input through direct feedback from: its marketing and sales teams; suppliers on

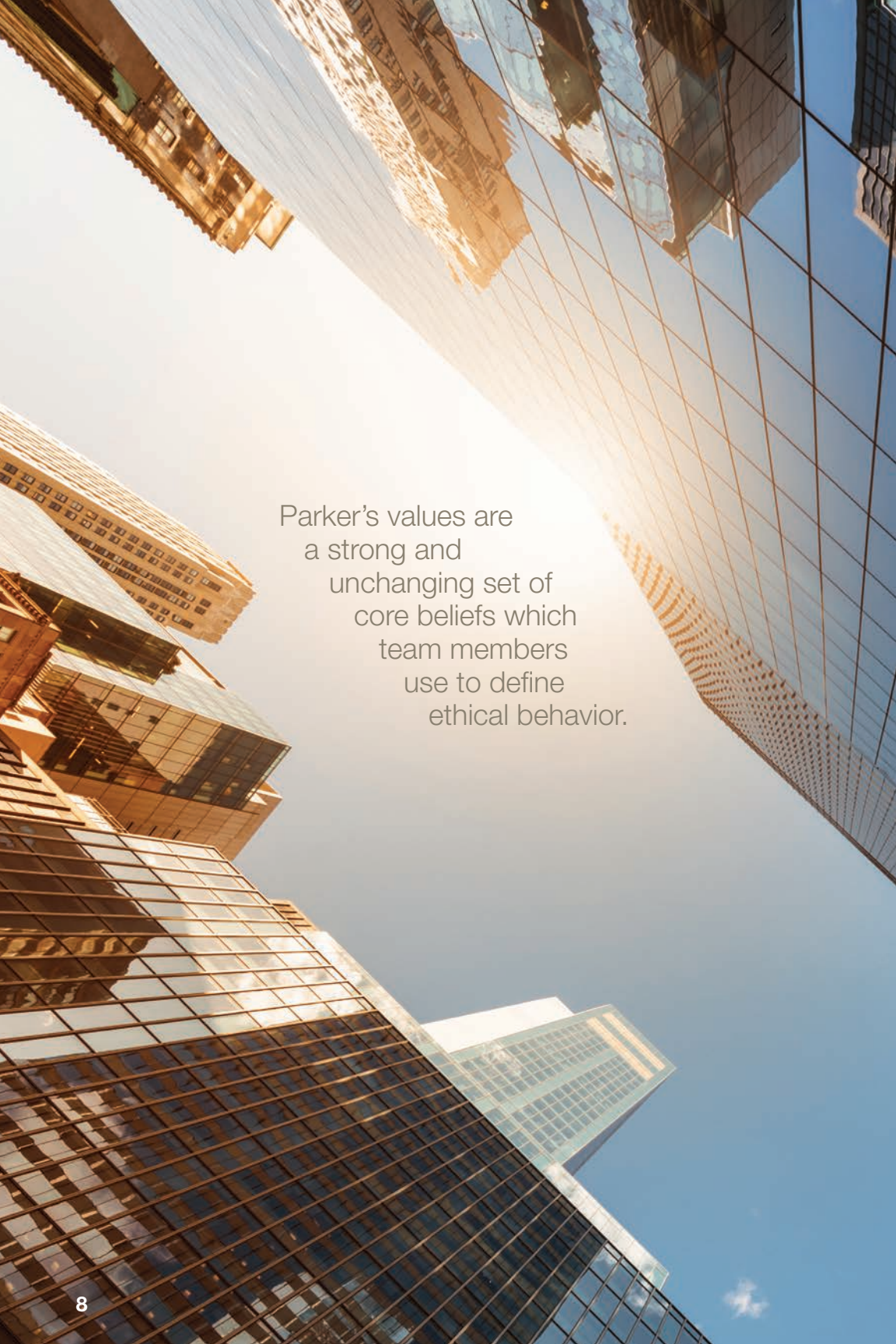
their compliance with Parker's sustainability requirements through the company's supply chain web portal; the Parker leadership team; and ratings from the investor community. Parker also analyzes information from benchmarking efforts within its diversified industrial peer group.

SUPPLIER PARTNERSHIPS

Parker is committed to partnering with world-class suppliers focused not only on premier customer service and maintaining the highest standards for quality and on-time delivery, but on reducing resource consumption and waste.

With an annual supplier spend exceeding \$6 billion, continuing to improve the supply chain in these areas of focus presents a compelling opportunity for Parker to reduce its global footprint and improve the resilience of its suppliers.

As a supplier itself, Parker is also responsible for conserving resources, optimizing manufacturing processes, upholding human rights and creating highly efficient and reliable products and systems which enable customers to minimize their own environmental impact.



Parker's values are
a strong and
unchanging set of
core beliefs which
team members
use to define
ethical behavior.

Governance, Ethics & Compliance

Beyond leveraging a century of motion and control technology expertise to partner with customers to improve their productivity and profitability, Parker's reputation as a trusted business partner is critical to the company's long-term success.

This legacy of conducting business with integrity and respect enables Parker to create enduring partnerships with customers and suppliers, and attract honest and inspired team members aligned with the company's vision.

Parker's values are a strong and unchanging set of core beliefs which team members use to define ethical behavior.

CORPORATE GOVERNANCE

The strong values and culture upon which Parker has built its success and reputation as a trusted partner begins with its Board of Directors. The Board has responsibility to represent stakeholders in overseeing the business strategy and governance matters of the company. Eleven of Parker's 13 directors are "independent" based on the applicable

independence standards of the New York Stock Exchange and Parker's Independence Standards for Directors. Each director must stand for election annually. Parker's Board of Directors is guided by the company's Global Code of Business Conduct, corporate governance guidelines and charters for each board committee, available at www.phstock.com/corporategovernance.





WINNING WITH INTEGRITY

When Art Parker established the company in 1917, he laid the foundation for the exceptional reputation Parker has today with a commitment to achieving success without ever compromising his honesty and integrity. Even a century later, his resolve to build a business that was aligned with his deeply-held personal values is reflected clearly in the company Parker has become.

Today Parker takes a strength-based approach to culture and leadership, emphasizing the importance of conducting

business with honesty, integrity and respect. All team members share the responsibility for preserving Parker's reputation and protecting its financial strength by maintaining the highest standards for ethical behavior.

From building enduring partnerships with customers and suppliers to attracting honest and engaged team members, Parker's way of doing business will continue to be a key driver of sustained value. It is the Parker culture and values, more than any strategy or measure that will determine the company's success in the future.

“Our culture is what sets us apart. It has sustained Parker for 100 years and will continue to drive long-term growth and success. Every day our team members exemplify the Parker culture by living our values and conducting business with integrity, honesty and respect.”

– Lee C. Banks,
President and Chief
Operating Officer




CORPORATE COMPLIANCE

Parker's compliance structure and programs are aligned with the company's values, and designed to engage team members in reinforcing standards for ethical and responsible behavior. Through annual compliance training the company educates team members on conflicts of interest, the giving and receiving of gifts, third-party relationships and other issues which reflect the modern challenges of the global business environment.

Throughout the year Parker also distributes printed brochures, newsletters, video vignettes and other compliance-focused educational materials to remind team members of important laws, regulations and policies, and to reinforce the importance of always doing what is right.

Parker's Global Code of Business Conduct is an integral part of onboarding education for those who join Parker. The Code is available online at www.parker.com/integrityandethics.

Any Parker team member who observes conduct that is not aligned with Parker's values or policies, or could potentially violate applicable laws or regulations, is urged to take an active role in addressing it. Concerns may be reported to local leadership or the Corporate Compliance Office. The Integrity Line is also available to all Parker stakeholders, and all reports are investigated lawfully and confidentially.



Safety is the highest
priority on the Win Strategy,
and nothing is more important to
Parker than making sure every team
member returns home safely
after each work day.

People

Parker team members are the foundation of the company's success. To compete in an increasingly challenging global environment, Parker must attract driven and talented individuals from around the world and create a culture in which they can thrive both personally and professionally.

High engagement drives exceptional performance, and Parker encourages an ownership mentality by engaging all team members in leveraging their expertise to improve their portion of the business.

SAFETY

Safety is the highest priority on the Win Strategy, and nothing is more important to Parker than making sure every team member returns home safely after each work day. The company is equally committed to ensuring the safety and security of all contractors, customers and other guests visiting its workplaces.

Parker's safety performance is measured by the Recordable Incident Rate, which is the number of work-related incidents which require medical attention beyond first aid normalized to 100 team members per year. The goal is always zero accidents, and each year Parker team members continue to make meaningful progress towards achieving it.

Since 2011, through the commitment and diligence of all team members, Parker has achieved a 53% reduction in the Recordable Incident Rate, including a 28% reduction in fiscal year 2016.

Improved safety performance is a clear indicator of engagement. A safety-first environment requires a high level of individual ownership and organizational focus.

This year 214 Parker facilities were accident free, an achievement which can be attributed to High Performance Teams at Parker working diligently to reinforce safety best practices and explore all available options to optimize equipment and operations in pursuit of zero accidents.

Record Safety Performance

Chomerics Division Asia

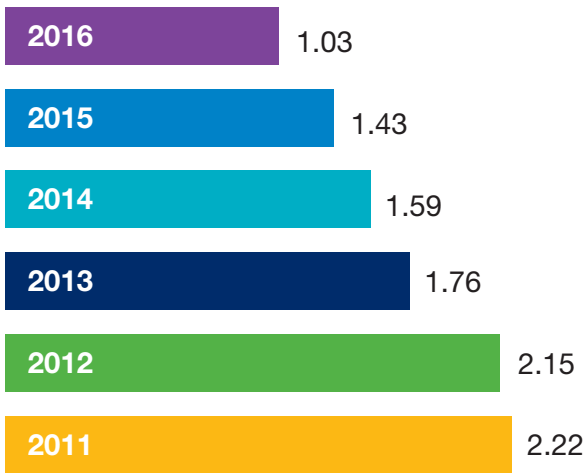
A High Performance Team at the division implemented engaging safety training and created a recognition program to reward team members for their safety performance. The division has achieved a remarkable streak of 1,200 days accident free, and will continue to reinforce a safety-first culture.

1,200
DAYS
accident free

Parker team members also helped to accelerate the implementation of a system to report and address “near hits” or incidents which did not result in an injury, but could have under slightly different circumstances. More than 31,000 “near hits” were reported during fiscal year 2016.

Recordable Incident Rate

Normalized to 100 employees per year

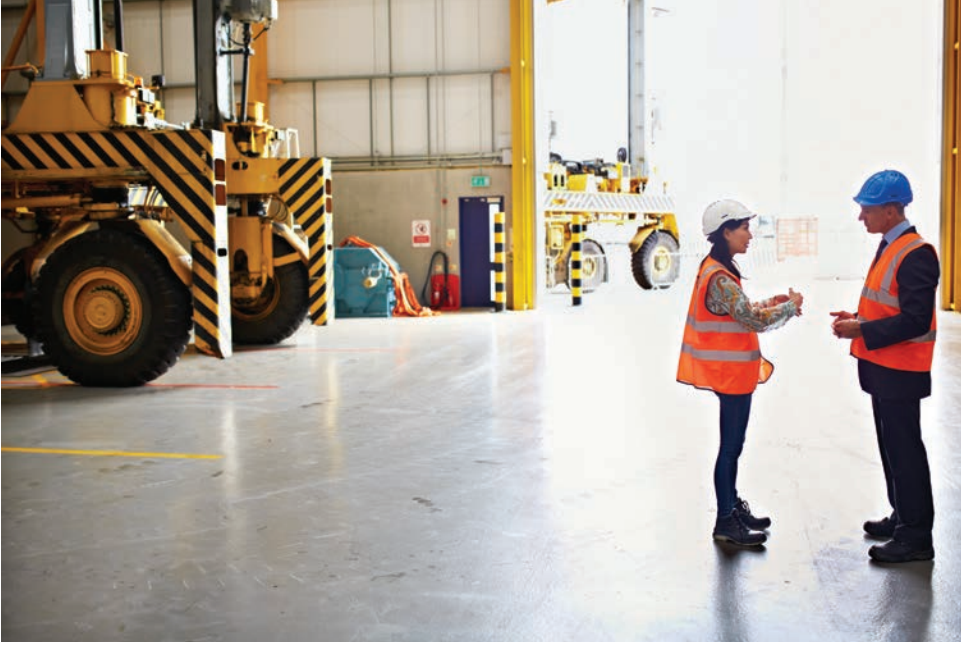


Beach Cleanup and Preservation

domnick hunter Process Filtration Division - Oxnard, CA, USA

Partnering with the city’s *Volunteer Ventura!* program, team members celebrated Earth Day by participating in a beach cleanup event at Marina Park. In addition to collecting litter that is harmful to the environment and local wildlife, they also supported the California Coastal Commission’s efforts to determine whether any marine debris from the 2011 Japanese earthquake and tsunami had reached the California coast.





ENGAGED PEOPLE

By selecting Engaged People as a key Win Strategy goal, Parker emphasized the powerful value team members offer by leveraging their expertise to solve problems, implement decisions and improve the company.

Parker strives to create an ownership mentality with most team members participating in High Performance Teams, a structured approach to collaborative decision making. This aligns with a principle that those closest to the product and customer are the

most capable of driving performance and growing the business. Highly engaged Parker team members continue to build on progress made in improving safety, as well as quality, cost and delivery.

GLOBAL WELLNESS PROGRAM

Parker is committed to equipping all team members with the tools, resources and inspiration to take control of their personal well-being and embrace a healthy lifestyle. At its core, Parker's approach to wellness is built on enabling and inspiring

each individual to commit to a balanced and nutritious diet, routine exercise and the conscientious management of everyday stress.

Parker's wellness program is flexible in nature and is customized on a regional basis to address specific health risks. The program is designed to provide educational resources, establish group exercise programs and create a supportive environment.

INCLUSION

Parker is committed to building a diverse and inclusive workforce that respects and embraces the unique perspectives of all people. Creating an environment in which every team member can leverage their creativity and unique skill sets is critical to Parker's long-term success.

The launch of Peer W, a business resource group (BRG) established to support the attraction, development and retention of talented women at Parker, reflects the company's recent progress in driving inclusion and engagement. Throughout the course of a successful pilot program in Northeast Ohio this year, Peer W has hosted several events that have provided participants with opportunities to learn from Parker executives, network with senior leaders and co-workers and concentrate on personal and professional growth. The pilot program has been effective in laying the groundwork for purposeful engagement and expanded awareness across the organization, each of which are fundamental to Parker's goal of building an inclusive environment.



SOCIAL RESPONSIBILITY

Through the practice of volunteering and charitable giving, Parker strives to strengthen communities and help create a better future for all. Parker values the close link between its manufacturing facilities, many of which are located in rural areas, and local organizations and community members, as it is vital to the company's success.

Parker team members are proud to give back and to support organizations that make the world a better place.

Through the practice of volunteering and charitable giving, Parker strives to strengthen communities and help create a better future for all.

Parker recently established a Disaster Relief Program to rapidly distribute funds to Parker team members and their families who have been impacted by a disaster, providing critical support in times of need following a catastrophic



scholarships, as well as matching gift contributions to more than 200 educational institutions.

This year the Parker Hannifin Foundation donated more than \$6 million to 250 qualified charitable organizations.

event. To strengthen the recovery process throughout the affected region, Parker has also established a collaborative program with the American Red Cross through which every dollar donated by a Parker team member will be matched by the Parker Hannifin Foundation. This year through the matching gift program Parker team members raised \$10,000 to support families impacted by flooding throughout North Carolina, South Carolina and the greater Houston, Texas area.

The Parker Hannifin Foundation donated also more than \$6 million to 250 qualified charitable organizations. Approximately half of the contributions support the communities in which Parker operates. The balance is targeted at improving education through the funding of science, technology, engineering and mathematics (STEM)

Parker team members around the world also generously contribute thousands of volunteer hours annually by serving on the Board of Directors at non-profit organizations, setting up food drives, working in soup kitchens and finding other meaningful ways to support their communities.

Make-A-Wish Foundation

Parker has been recognized as a \$100,000 lifetime donor to the Make-A-Wish Foundation, and is grateful for the opportunity to help make dreams come true for children with life-threatening medical conditions.

\$100,000
lifetime donor



A low-angle, upward-looking shot of a dense kelp forest underwater. Sunlight filters through the water from above, creating a bright, hazy glow in the center. The kelp stalks and leaves are silhouetted against the light, creating a textured, organic pattern. The overall color palette is a range of blues, from deep navy to bright cyan.

Today
Parker recycles
85% of the waste
generated from
its manufacturing
operations.

Planet

Parker’s commitment to responsible operations is shared across all areas of the company. Team members are constantly looking for new ways to optimize manufacturing operations, expand recycling efforts and create solutions that enable customers to increase their productivity and efficiency, because solving these challenges will help to create a better future for all.

ENVIRONMENTAL STEWARDSHIP

Parker’s global network of Environmental, Health and Safety experts are focused on implementing the company’s sustainability strategy, identifying and addressing key areas of opportunity to improve the company’s sustainability performance.

Today Parker recycles 85% of the waste generated from its manufacturing operations. In calendar year 2015 the company reduced the amount of waste sent to landfills by 3% and reduced the amount of water used in operations by 4%.

Progress in these areas contributes to achieving Parker’s goal of reducing water use and volume of waste sent to landfills by 20% between 2015 and 2020.

“Cool” Water Reduction Solution

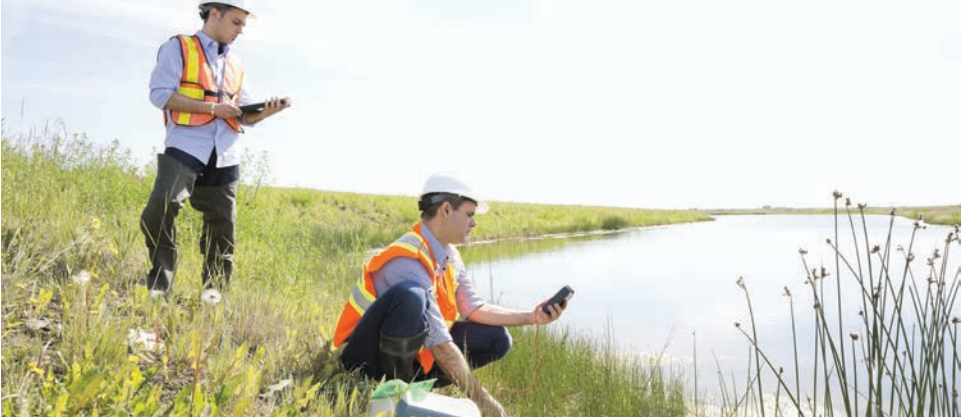
Fluid Systems Division - Irvine, CA, USA

Recognizing that key facility upgrades would significantly reduce environmental impact, the division installed a new high-capacity water cooling tower to minimize energy use. An advanced filtration system also helped to eliminate nearly all water treatment chemicals and reduce wastewater production. These systems have decreased annual water use by approximately 450,000 gallons and energy use by 23,000 kW, while reducing operating costs by \$8,000 per year.

Decreased **water** use by approximately
450,000 gallons

Decreased **energy** use by
23,000 kW

Reduced operating costs by
\$8,000 per year



Hazardous Materials

Across all of its manufacturing operations Parker strives to avoid using materials which are harmful to the environment. The collective effort of operations experts at all Parker locations has enabled a 90% reduction in the use of chlorinated solvents and eliminated over 80% of other U.S. Environmental Protection Agency (EPA) target chemicals.

Parker also has largely eliminated highly hazardous substances such as cadmium and hexavalent chromium from its products and processes.

Remediation

Parker is helping to rectify past environmental impact by actively investing and engaging in the remediation of properties affected by pollution or poor chemical management practices. Many of

the sites undergoing treatment were acquired, and the pollution occurred prior to Parker's ownership.

Parker's strategy is to implement remediation technologies that, whenever feasible, reduce total energy use, waste generation, greenhouse gas emissions and conserve natural resources throughout the remediation process.

During fiscal year 2016 Parker successfully completed remedial

activities on eight properties, resulting in compliance with applicable environmental cleanup regulations as recognized by the relevant governing authority. As a result, these impacted properties can continue to provide a beneficial use for their intended purpose while ensuring safety to both human health and the local environment.

As of June 30, 2016, Parker had an accrual of \$15.2 million for environmental matters.

Simplified Packaging

European Distribution Center
Bielefeld, Germany

The shipping and receiving dock at the facility is a central hub of activity, with about 2,300 orders packed and shipped to customers each day. By simply eliminating the packing list attached to each order, the facility reduced their paper use by more than 760,000 pages per year and, including toner, decreased annual operating costs by \$18,000.

Reduced paper use by

760,000
pages per year

Decreased
operating costs by

\$18,000

ENERGY
MANAGEMENT

At Parker manufacturing facilities around the world, team members are continuing to research and implement creative solutions to reduce energy consumption and emissions by optimizing

manufacturing processes and modernizing equipment. Given the scope of Parker’s manufacturing operations, increasing energy efficiency represents a significant opportunity to reduce environmental impact.

While Parker reduced absolute energy consumption by 4.5% and decreased greenhouse gas emissions by 4.6% in calendar year 2015, energy use indexed to sales essentially remained flat year-over-year due to a decrease in total sales.

Parker’s Energy Use and Emissions Reduction Results

MWh/USD

Parker’s Energy Index = Total Energy Used (MWh Equivalent)/Total Net Sales (Millions of Dollars)

2015	96
2014	96
2013	99
2012	105
2011	116

Greenhouse Gas Emissions

Measured in Thousand Metric Tons

2015	576,031
2014	603,043
2013	619,525
2012	672,223
2011	697,586

Recycling for Good

Hose Products Division
Davenport, IA, USA

Team members established recycling programs for manufacturing materials such as hose, metal, foam, aluminum and plastic, in addition to aluminum cans and plastic bottles, and donated the proceeds to local schools. To date, approximately 100,000 pounds of hose has been recycled instead of sent to the landfill, a creative solution to both reduce environmental impact and support the local community.



A large iceberg floats in the water, its surface sculpted into a face-like shape. The water is a deep blue, and the sky is a pale, hazy blue. The iceberg's 'face' features a large, dark, hollow eye and a wide, dark, hollow mouth. The text is centered over the white, snow-covered part of the iceberg's face.

Parker engineers
are discovering new
ways to reduce weight,
improve performance and
increase the efficiency of
the products and systems
the company manufactures.

Product Stewardship

Improving efficiency throughout the product lifecycle offers a significant opportunity to create customer value, minimize environmental impact and drive financial performance. At Parker, progress is made toward each of these goals by integrating the company's commitment to sustainability into the design and manufacture of new and existing technologies.

Parker's unique approach to new product development is known as Winovation, and establishes specific deliverables at each stage of the process to apply structure to the research and development of products, systems and services.

Along with direct feedback and engagement from customers and end users, the Winovation process enables Parker to create new solutions which provide both industrial and environmental value. Guided by this process, Parker engineers are discovering new ways to reduce weight, improve performance and increase the efficiency of the products and systems the company manufactures.

Among the many solutions designed through the application of Parker's broad range of motion and control technologies, each year Parker proudly counts an increasing number of projects that incorporate principles of sustainable engineering.

Aligned with the company's commitment to sustainability, Parker will continue to explore new methods of advancing and quantifying the environmental benefits of its product innovation process, and partner with its customers to help solve the world's greatest engineering challenges.



INNOVATION-DRIVEN SUSTAINABILITY IN AEROSPACE

As a development partner to world-class aircraft and engine manufacturers, Parker is leveraging decades of engineering and industry expertise to help create cleaner, more efficient aircraft.

Technological innovation in the aerospace industry can often take years to progress from conceptualization to commercialization, as all who design, manufacture and service aircraft share a deep commitment to ensuring aircraft reliability and protecting passenger safety. To address this challenge Parker aligns its technology roadmap with those of airframe and engine

OEMs, collaborating on the research and development of new components and systems years before they are scheduled to enter service.

Today a number of Parker technologies contributing to improved efficiency and sustainability can be found on aircraft operating around the world. Fly-by-wire flight control systems integrate cockpit controls, electronics and actuation to provide longer range with minimal drag, reduce weight, improve aircraft efficiency and decrease emissions.

Parker provides fuel nozzles to support combustion technology

that significantly reduces engine emissions while increasing fuel efficiency, and is evaluating the performance of engine components with alternative fuels for potential future use.

Replacing processes such as chrome plating with improved surface coating also enables Parker to reduce the environmental impact of manufacturing its products and systems for aerospace applications.

These innovations contribute to delivering aircraft that are more reliable for airlines, safe for passengers and efficient to improve environmental sustainability for all.



ADDITIVE MANUFACTURING IS SHAPING THE INDUSTRIAL LANDSCAPE

The subtractive manufacturing process, by which pieces of a solid block of material such as metal, plastic or rubber are cut away to gradually form a pump, seal, valve or other product, is also referred to as machining and has been utilized by virtually all global manufacturers for decades.

Fueled by rapid advancements in computing and materials technology, a converse approach known as additive manufacturing has emerged in recent years. In short, a digital design file is sliced thinly like a deck of cards, and a computer-controlled machine produces and stacks many layers of material one-by-one to create a final product.

At its core, additive manufacturing technology is relatively new and is not yet ideal for producing large volumes of commercial products. However, with the ability to create multiple configurations of a single component without developing additional molds or customized tooling, additive manufacturing has proved to be a quick



and inexpensive solution for creating prototypes to test throughout the research and development process. This provides engineers the freedom to thoroughly test design concepts and material selections to optimize a product before commercialization.

Additive manufacturing is also capable of producing objects with highly complex design characteristics, making it useful for creating tooling, fixtures, gauges and other instruments industrial manufacturers rely upon every day.

Parker is constructing an additive manufacturing lab near its headquarters in Northeast Ohio to serve as a learning and development center. This facility will provide

an environment to educate team members and build Parker's additive manufacturing capabilities as the company explores potential applications across its global operations.

Rather than viewing the technology as a replacement, Parker is approaching additive manufacturing as complementary to traditional machining, an advanced solution to create highly complex and customized products and systems. The immense value of additive manufacturing, which will strengthen Parker's product development and manufacturing capabilities, will only continue to grow as the technology advances.

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The data and information presented is a compilation of information reported into the corporate office from more than 100 business units worldwide. Data is not independently validated but is internally checked for significant deviation from expected results.

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Parker Hannifin Corporation
6035 Parkland Boulevard
Cleveland, OH 44124
Tel: 216-896-3000
sustainableparker@parker.com
www.parker.com