

Supplier Code of Conduct

Overview

Graco is committed to conducting its worldwide business according to the highest standards of ethics and integrity and in compliance with all applicable laws and government regulations. We firmly believe that ethical conduct has helped and will continue to help us fulfill our mission of serving our stakeholders through sustained profitable growth. We believe that a commitment to sound ethics and high integrity is good for business, and we expect our suppliers to share that same commitment.

This Supplier Code of Conduct sets forth the basic standards of ethically sound behavior and accountability that we expect of all suppliers of goods and services to the Graco family of companies. We expect our suppliers to understand this Code of Conduct, to comply with it and all applicable laws and regulations, and to conduct their activities with honesty and integrity.

Non-Discrimination

Suppliers must not discriminate against any worker on the basis of race, color, creed, religion, national origin, ethnicity, citizenship, sex, marital status, disability, sexual orientation, age, pregnancy, veteran status, political affiliation, union membership or any other basis protected by applicable law in hiring and employment practices.

Ethical Recruitment

All hiring and employment decisions, such as hiring, compensation, promotions, benefits, training opportunities, discipline and termination must be solely based on the worker's qualifications, skill, ability, performance and experience in full compliance with applicable local laws.

Diversity, Equity and Inclusion

Suppliers are urged to develop policies and practices that promote, assess and cultivate a culture focused on diversity, equity and inclusion throughout the workplace.

Rights of Women, Minorities and Indigenous Peoples

Suppliers are expected to uphold and respect the rights of women, minorities and indigenous communities in all aspects of their operations. Suppliers must ensure fair treatment, equal opportunities and protection of cultural heritage, ensuring that these groups are not subject to discrimination or exploitation.

Harassment

Suppliers must ensure that all employees work in an environment where they are treated with respect and dignity. No employee shall be subject to any form of humiliating or corporal punishment, and the workplace must be free from all forms of physical, sexual, verbal or psychological abuse, coercion, intimidation, punishment, harassment or any other type of mistreatment.

Human Trafficking

Suppliers are strictly prohibited from participation in human trafficking. This includes transportation, harboring, recruiting, transferring or receiving vulnerable persons by means of threat, force, coercion, abduction or fraud for the purpose of exploitation. Suppliers must also purchase services or procure their raw materials and/or components for products solely from sources that do not engage in human trafficking.

Forced Labor / Modern Slavery

Suppliers are strictly forbidden to use any form of forced, compulsory, bonded, slave, indentured or involuntary prison labor, or to purchase services or to procure their raw materials or components for products from any person or company using forced, compulsory, bonded, slave, indentured or involuntary prison labor. All workers must have the right to engage in work willingly, without surrendering identification and without the payment of fees. All work must be voluntary and workers must be free to leave work or terminate their employment at any time without penalty upon giving reasonable notice. Suppliers are strictly prohibited from purchasing services, sourcing raw materials, or sourcing product or components for products from the Xinjiang Uyghur Autonomous Region of the Peoples of China or from any entity on the Uyghur Forced Labor Prevention Act (UFLPA) Entity List.

Child Labor

Suppliers must not use child labor. For purposes of this Supplier Code of Conduct, the term “child” means any person: (i) under the age of 15 (or 14 where the law of the country in which the child is located permits); (ii) under the age for completing compulsory education in that country; or (iii) under the minimum age for employment in that country, whichever is highest. The use of legitimate workplace apprenticeship programs which comply with all applicable laws and regulations is permissible. Under no circumstances may workers under the age of 18 perform work that is likely to jeopardize their health, safety or education.

Working Hours

Work weeks must not exceed the maximum allowed under local law. In addition, a work week should not be more than 60 hours per week (including overtime), except in unusual or emergency situations, and workers must be allowed at least one day off every seven days.

Wages and Benefits

Suppliers must pay all workers at least the minimum wage required under local law plus all legally mandated benefits. Workers must be compensated for overtime hours at pay rates higher than regular hourly rates and must be provided leave periods, vacation time and holidays in accordance with local law.

Freedom of Association and Collective Bargaining

Suppliers must honor workers' rights to freely form or join trade unions and engage in collective bargaining. Suppliers must not obstruct, intimidate or harass employees who lawfully and peacefully exercise their right to associate, organize or bargain collectively.

Security Forces

Suppliers will not use private or public security forces that engage in actions restricting freedom of association or that cause torture, inhuman or degrading treatment or physical harm that is not a lawful use of force under local law.

Health and Safety

Suppliers must provide workers with a safe and healthy work environment that supports accident prevention, minimizes exposure to health risks, and complies with all applicable health and safety laws and regulations.

Sustainability

Suppliers must conduct their business in a way that conserves natural resources, responsibly manages conflict and critical materials, promotes reuse and recycling, protects the environment, and safeguards the health and safety of the public. Suppliers must comply with or exceed the requirements of all applicable environmental laws and regulations; adopt accepted environmental practices in their operations; and work to continuously improve their environmental practices, preventing pollution and reducing the impact their operations have on the environment.

Waste Reduction

Suppliers should aim to reduce waste generation and actively promote recycling or repurposing materials whenever possible. We expect suppliers to make ongoing efforts to enhance waste management strategies that ultimately decrease the volume of waste that ends up in landfills.

Greenhouse Gas Emissions

Suppliers are encouraged to actively measure and lower their greenhouse gas emissions. We recommend adopting effective emissions management practices and establishing targets aimed at reducing their overall environmental impact.

Decarbonization

Suppliers are expected to implement strategies aimed at reducing carbon emissions, in line with global efforts to lower environmental impact. This includes setting carbon reduction goals and integrating technologies or practices that support the shift toward a more sustainable, low-carbon economy.

Energy Efficiency

Suppliers should focus on enhancing energy efficiency within their operations by incorporating energy saving practices and utilizing technologies to reduce consumption.

Renewable Energy

Suppliers should seek opportunities to explore and integrate renewable energy sources into their operations whenever possible. We support the transition to the use of wind, solar and other renewable energy alternatives to decrease dependence on fossil fuels.

Biodiversity, Land Use and Deforestation

Suppliers are urged to minimize the environmental effects of their activities on ecosystems and biodiversity. It is essential to avoid practices that contribute to deforestation and harm natural habitats.

Water Quality, Consumption and Management

We expect suppliers to manage water resources carefully, ensuring that water quality is preserved and consumption is kept to a minimum. We support the adoption of sustainable water management practices that help conserve resources and reduce environmental harm.

Air Quality

Suppliers should take proactive steps to limit activities that degrade air quality. We recommend the monitoring and control of pollutants from operations to track and minimize emissions, ensuring a cleaner environment and healthier communities.

Soil Quality

Suppliers should take responsibility for soil management, ensuring that their activities do not harm soil quality. We expect suppliers to adopt practices that prevent soil degradation and promote long-term sustainability, ensuring the land remains viable for future use.

Responsible Chemical Management

Graco encourages suppliers to prioritize the safe management of chemicals by implementing proper procedures for storage, handling and disposal. We urge suppliers to minimize the use of harmful substances and adopt practices that ensure chemical safety throughout their operations.

Noise Emissions

Suppliers are encouraged to actively reduce noise generated by their operations. We expect the consideration of the effects of noise on nearby communities and suppliers to take appropriate actions to minimize disturbances through sound mitigation strategies wherever feasible.

Anti-Corruption and Anti-Money Laundering

Graco strictly prohibits any and all forms of bribery, corruption, extortion and embezzlement. Suppliers must comply with the U.S. Foreign Corrupt Practices Act and applicable anti-corruption laws and regulations of the countries in which they operate. Suppliers must not offer, give, solicit or accept any form of bribes, kickbacks or other means of obtaining undue or improper advantage. Suppliers are prohibited from any form of money laundering and all business dealings must be performed transparently and accurately reflected on Suppliers' business books and records.

Financial Responsibility

Suppliers must maintain accurate and transparent financial records in compliance with relevant laws and standard accounting principles. We expect suppliers to ensure that all transactions are properly authorized and accurately recorded, financial and management reporting is reliable and accurate, and reflects actual business activity, activities comply with applicable legal requirements and business operations are effective and efficient.

Business Gifts

Graco discourages suppliers from providing business gifts to Graco employees. "Business gifts" include meals, cocktails, discounts, hospitality, entertainment, recreation, tickets, promotional items, transportation and any other

tangible or intangible thing of value for which the recipient does not pay fair market value. In limited circumstances Graco employees may accept modest gifts from suppliers, provided the gifts meet the following guidelines:

- They do not violate the laws, regulations or reasonable customs of the marketplace or Graco policy
- They are reasonable in cost, amount, quantity and frequency
- They are appropriate as to time and place
- They do not influence or appear to influence the business judgment of the giver or the recipient
- They are not given specifically in return for business
- They can stand public scrutiny without damaging Graco's reputation

Under no circumstances may Graco employees receive cash or cash equivalents (such as gift cards or pre-paid debit cards) as a business courtesy or gratuity. Suppliers are expected to observe the limitations placed on Graco employees' ability to accept gifts, and to refrain from putting them in an awkward position by offering them business gifts that they may not accept.

Whistleblowing and Protection Against Retaliation

Suppliers are encouraged to create a system that safeguards individuals who report misconduct, unethical or unlawful behavior or violations, ensuring they can do so without facing retaliation. Reported issues should be handled with urgency, fairness and transparency, with appropriate corrective measures taken.

Intellectual Property

Suppliers must respect Graco's Intellectual property rights. Any transfers of Graco's technology and know-how by suppliers must be done in a manner that protects Graco's intellectual property rights. Suppliers may receive Graco's confidential information only in accordance with a confidentiality or non-disclosure agreement and must comply with all obligations regarding use, protection and non-disclosure set forth in such agreements under applicable law.

Data Protection and Security

Graco requires its suppliers to safeguard the privacy of individuals, including employees, distributors, suppliers, customers, investors, shareholders and agents, while ensuring the security of sensitive information and assets. Suppliers must ensure that all personal and confidential data be handled with the utmost care and in compliance with relevant privacy regulations.

Conflict of Interest

Suppliers must refrain from the actual or potential conflict of interest relating to the preparation of proposal and/or quote or contractual obligations in relation to the procurement process that has the potential to undermine the impartiality of the supplier. The supplier must disclose any conflict of interest, perceived or actual, as soon as it comes to their attention. Examples of 'Conflicts of Interest' include but are not limited to:

- The supplier has an unfair advantage or engages in conduct, directly or indirectly, that may give them an unfair advantage, such as access to insider/non-public information or providing gift(s) or payment(s) to a Graco employee
- A current or former Graco employee holds a financial interest of at least 5% in the supplier, or at least 5% interest in a second-tier supplier which would be directly or indirectly involved in the envisioned transactions
- The supplier's other commitments, relationships, or financial interests could, or could be seen to, influence, compromise, impair, or be incompatible with the fair and effective performance of contractual obligations

Fair Competition and Anti-Trust

Suppliers must engage in fair marketplace practices and adhere to all relevant anti-trust and competition regulations. We encourage suppliers to refrain from any anti-competitive practices including price-fixing, bid manipulation and creating monopolies.

Counterfeit Parts

Suppliers are urged to implement stringent measures to eliminate the risk of counterfeit parts entering into the supply chain. This involves verifying the authenticity of materials, conducting thorough inspections and maintaining clear

traceability. We expect suppliers to work with their own networks to ensure only genuine products are used and counterfeit products aren't entered into the market.

Land, Forest and Water Rights and Forced Eviction

Suppliers must respect the rights of local communities and individuals to their land, forests and water resources, ensuring that their operations do not lead to forced eviction or displacement. We urge suppliers to obtain free, prior and informed consent from affected communities and to avoid any actions that undermine their rights to these essential resources.

Animal Welfare

Suppliers are encouraged to treat animals ethically and comply with relevant animal welfare laws. We encourage suppliers to ensure that animals used within their operations are treated humanely and that the sourcing of animal products meets high ethical standards.

Export Controls and Economic Sanctions

Graco requires that suppliers adhere to all relevant export control laws and economic sanctions. It is essential for suppliers to implement measures that prevent the illegal exportation of goods, services and technologies to restricted destinations or entities.

Disclosure of Information

Suppliers must ensure that they provide clear and honest information about their operations, policies and practices, in line with legal and contractual requirements. We expect that all disclosures, including those related to safety, environmental impact, labor practices and other significant areas, to be accurate, complete, and made in good faith.

Binding Requirements for Tier 1 Suppliers

Suppliers are expected to be responsible for ensuring that similar ethical standards are communicated and enforced throughout their supply chains, including with their own suppliers. We encourage suppliers to ensure that these requirements are passed down to subsequent tiers, fostering compliance at all levels of the supply chain.

Management System

Graco expects its suppliers to implement robust management systems that address product quality, environmental impact, labor standards, health and safety, ethical business practices, risk management, and continuous improvement. Suppliers must provide adequate training programs to ensure their employees possess the necessary knowledge and skills to meet these standards. These expectations must also be extended to their own suppliers. Certification of such management systems by accredited external bodies is strongly encouraged.

Compliance

By supplying goods or services to Graco, Suppliers affirm their compliance with the standards outlined in this document. Graco reserves the right to evaluate, audit, and/or inspect suppliers' facilities, operations, and records at any time to verify compliance. In the event of any violations, Graco may take appropriate action, up to and including termination of the business relationship.

Non-Compliance Reporting

Violations of this Code of Conduct may be reported confidentially by calling the Graco Ethics Hotline toll-free at 1-877-846-8913 or by e-mailing Graco at ethics@graco.com.

Questions

Suppliers with questions or comments concerning this Code may contact their Graco Supply Chain Representative or Graco's Vice President of Global Strategic Sourcing.

Updates

This Supplier Code of Conduct may be updated from time to time to reflect changes in applicable laws or regulations or in other situations where Graco believes changes are necessary, so please visit www.graco.com/us/en/suppliers periodically to view the most up-to-date version of the Code.