



## ESCO Technologies Human Anti-Trafficking Policy

### SCOPE AND BACKGROUND

Human trafficking is an umbrella term used to describe the activities involved when someone obtains or holds a person in compelled service. Some examples include holding and/or transporting people against their will; forcing people into servitude through violence, threats and/or deception; buying or selling human beings; or supporting trafficking by hiring forced prostitutes or patronizing forced labor establishments.

The United States Government has adopted a policy (the "Anti-Trafficking Policy") prohibiting trafficking in persons, including the trafficking-related activities below, by U.S. Government contractors and their subcontractors. The Anti-Trafficking Policy is described, and the italicized terms used below are defined, in Subpart 22.17 of the Federal Acquisition Regulations ("FAR"), in Title 48 of the Code of Federal Regulations. Additional information about trafficking in persons may be found at the website for the U.S. Department of State's Office to Monitor and Combat Trafficking in Persons at <http://www.state.gov/j/tip>.

Our subsidiaries which are U.S. Government contractors or subcontractors are directly subject to the Anti-Trafficking Policy. However, because the forms of trafficking described in the Anti-Trafficking Policy are also antithetical to ESCO's corporate values, ESCO has also adopted this Policy as an ESCO Corporate Policy applicable to ESCO, its subsidiaries and those doing business with them.

As used in this Policy, unless the context requires otherwise, "ESCO" includes ESCO Technologies Inc. and all of its U.S. and foreign subsidiaries, and their respective employees.

### EXPECTATIONS

ESCO and its agents and subcontractors shall not, in connection with ESCO's business:

- (1) Engage in *severe forms of trafficking in persons*;
- (2) Procure *commercial sex acts*;
- (3) Use *forced labor*;
- (4) Destroy, conceal, confiscate, or otherwise deny access by an employee to the employee's identity or immigration documents, such as passports or drivers' licenses, regardless of the issuing authority;
- (5)
  - (i) Use misleading or fraudulent practices during the recruitment of employees or the offering of employment, such as failing to disclose, in a format and language accessible to the worker, basic information or making material misrepresentations during the recruitment of employees regarding the key terms and conditions of employment, including wages and fringe benefits, the location of work, the living conditions, housing and associated costs (if employer or agent provided or arranged), any significant costs to be charged to the employee, and, if applicable, the hazardous nature of the work;
  - (ii) Use recruiters that do not comply with local labor laws of the country in which the recruiting takes place;
- (6) Charge employees recruitment fees;
- (7)
  - (i) Fail to provide return transportation or pay for the cost of return transportation upon the end of employment, (a) for an employee who is not a national of the country in which the work is taking place and who was brought into that country for the purpose of working on a U.S. Government contract or subcontract (for portions of contracts and subcontracts performed outside the United States); or (b) for an employee who is not a United States national and who was brought into the United States for the purpose of working on a U.S. Government contract or subcontract, if the payment of such costs is required under existing temporary worker programs or pursuant to a written agreement with the employee for portions of contracts and subcontracts performed inside the United States;

- (ii) Provided, that the requirements of this clause (7) shall not apply to an employee who is
  - (a) legally permitted to remain in the country of employment and who chooses to do so; or
  - (b) exempted by an authorized official of the contracting agency from the requirement to provide return transportation or pay for the cost of return transportation; and
- (iii) Provided further, that unless the exemptions in clause (7)(ii) apply, the requirements of clause (7)(i) are modified for a victim of trafficking in persons who is seeking victim services or legal redress in the country of employment, or for a witness in an enforcement action related to trafficking in persons. In such event, ESCO or the subcontractor, as the case may be, shall provide the return transportation or pay the cost of return transportation in a way that does not obstruct the victim services, legal redress, or witness activity; for example, by offering return transportation to a witness at a time when the witness is still needed to testify.
- (8) Provide or arrange housing that fails to meet the host country's housing and safety standards; or
- (9) If required by law or contract, fail to provide an employment contract, recruitment agreement, or other required work document in writing, in a language the employee understands. If the employee must relocate to perform the work, the work document shall be provided to the employee at least five days prior to the employee relocating. The employee's work document shall include, but is not limited to, details about work description, wages, prohibition on charging recruitment fees, work location(s), living accommodations and associated costs, time off, roundtrip transportation arrangements, grievance process, and the content of applicable laws and regulations that prohibit trafficking in persons.

#### ADDITIONAL REQUIREMENTS FOR GOVERNMENT CONTRACTS

In connection with any contract or subcontract which is subject to FAR Subpart 22.17, ESCO and each of its subcontractors shall notify their respective employees of the activities prohibited by the Anti-Trafficking Policy and the actions that may be taken against them for violations, which may include, but are not limited to, removal from the contract, reduction in benefits, or termination of employment.

With respect to that portion, if any, of a contract or subcontract which is subject to FAR Subpart 22.17 and which:

- (i) Is for the acquisition of supplies, other than commercially available off-the-shelf (COTS) items, to be acquired outside the United States (including outlying areas as defined in FAR Part 2), and/or services to be performed outside the United States (including outlying areas as defined in FAR Part 2), and
- (ii) Has an estimated value exceeding \$500,000,

the contracting ESCO subsidiary shall comply with the additional requirements set forth in FAR Section 22.1703(c), including the adoption and maintenance of a Compliance Plan appropriate to the size and complexity of the contract (or portion thereof). ESCO Legal will provide a draft model form of Compliance Plan on request.

#### REPORTING

All ESCO employees are required to report any suspected violations of this Policy to their Ethics Officer as outlined in the ESCO Code of Conduct. ESCO will not prevent or hinder employees from cooperating fully with government authorities.

#### PENALTIES

ESCO shall take appropriate action, up to and including termination, against employees, agents or subcontractors that violate this Policy.