ESCO TECHNOLOGIES INC.

2019 SUSTAINABILITY REPORT

Table of Contents

About ESCO Technologies

ESCO Technologies manufactures highly-engineered filtration and fluid control products for the aviation, navy, space and process markets worldwide, as well as composite-based products and solutions for navy, defense and industrial customers; is the industry leader in RF shielding and EMC test products; and provides diagnostic instruments, software and services for the benefit of industrial power users and the electric utility and renewable energy industries.

A Message From Our CEO

Dear Valued Stakeholders,

We are pleased to share with you our 2019 Sustainability Report. ESCO Technologies is strongly committed to the efficient use of natural resources and finding ways to reduce our environmental footprint. This is the fourth year we have released a sustainability report, as we continue to build upon previous years' progress.

This report marks an important milestone. We made major strides this year in automating the process of environmental data collection—an effort that was complex and time-consuming but also a necessary investment. With the implementation of an enterprise-wide software system, we are now able to manage data obtained directly from utility providers. This achievement enables us to be more data-driven in our decision-making.

In addition to benefiting from improved efficiency and data credibility, we gain a powerful new tool for analysis and insights that can be used to drive sustainability further into our operations. The Company is in a stronger position for planning next steps and producing higher-quality reports with more reliable data.

We believe that sustainability's benefits extend beyond just the environment. The work we are doing in this area increases employee engagement and workplace satisfaction, as well as enhances our standing in local communities. Sharing our environmental performance is part of our commitment to be as transparent as we can, both internally and with external stakeholders, as we work to improve our sustainability performance.

With best regards on behalf of our team,

Vic Richey
Chairman, Chief Executive Officer & President

About This Report

This 2019 Sustainability Report presents an overview of ESCO Technologies' environmental performance for the period of January 1, 2018 to December 31, 2018. Results include data for our sites greater than 10,000 square feet (ft^2) and operated by us for the full report period. The size criteria has been set to be consistent with our Form 10-K Report.

Included Properties

The 26 sites in the following table meet the above criteria. The combined area of the reported sites totals 1.49 million ft^2 which represents nearly 95% of the total square footage of all ESCO sites.

Name	City	State/ Province	Primary Type	Size (ft^2)
Crissair	Valencia	CA	Manufacturing/ Industrial Plant	79.3k
Doble Marlborough	Marlborough	MA	Manufacturing/ Industrial Plant	11.2k
Doble Morrisville	Morrisville	NC	Manufacturing/ Industrial Plant	11.6k
Doble-Watertown	Watertown	MA	Manufacturing/ Industrial Plant	82.1k
ESCO Corp	St. Louis	MO	Manufacturing/ Industrial Plant	21.5k
ETSL-CP	Cedar Park	TX	Manufacturing/ Industrial Plant	130k
ETSL-Durant	Durant	OK	Manufacturing/ Industrial Plant	100k
ETSL-Eura	Eura	Finland	Manufacturing/ Industrial Plant	41.5k
ETSL-Minocqua	Minocqua	WI	Manufacturing/ Industrial Plant	35.4k
ETSL-Wood Dale	Wood Dale	IL	Manufacturing/ Industrial Plant	10.7k
Mayday/Hi-Tech	Denton	TX	Manufacturing/ Industrial Plant	145k
Morgan Schaffer	Montreal	QC	Manufacturing/ Industrial Plant	35.2k
NRG Systems	Hinesburg	VT	Manufacturing/ Industrial Plant	77k
PTI	Oxnard	CA	Manufacturing/ Industrial Plant	127.4k
Plastique Dabrowa	Dabrowa	Poland	Manufacturing/ Industrial Plant	34k
Plastique Tunbridge Wells	Tunbridge Wells, Kent	UK	Manufacturing/ Industrial Plant	14.4k
Plastique-UK	Nottingham	UK	Manufacturing/ Industrial Plant	23.9k
TEQ Kiley & Main	Huntley	IL	Manufacturing/ Industrial Plant	97.5k
TEQ-Fremont	Fremont	IN	Manufacturing/ Industrial Plant	39.8k
VACCO	South El Monte	CA	Manufacturing/ Industrial Plant	80.58k
VACCO-2	South El Monte	CA	Manufacturing/ Industrial Plant	19.48k
VACCO-3&4	South El Monte	CA	Manufacturing/ Industrial Plant	43.71k
VACCO-5	South El Monte	CA	Manufacturing/ Industrial Plant	10.23k
VACCO-6	South El Monte	CA	Manufacturing/ Industrial Plant	10.23k
Vanguard	Ontario	CA	Manufacturing/ Industrial Plant	26.9k
Westland	Modesto	CA	Manufacturing/ Industrial Plant	181.5k

Note: NRG Systems is reporting on 2018 performance as it was acquired in 2017. Manta Test Systems, which was acquired in March 2018, was excluded as it was not owned by ESCO for the entire 2018 calendar year.

Data Collection

We use an automated software platform to track and manage environmental data. Each site's actual energy and water usage was obtained from utility bills, either by synchronizing directly with the site's utility provider(s) or collecting and manually inputting the data. The third party system applies industry best practices, standards, and the most current emission factors to calculate greenhouse gas (GHG) emissions and carbon footprint.

2018 Environmental Footprint

Environmental Management at ESCO

Identifying ways to lessen our impact on the environment is a key component of our sustainability strategy. Our major focus continues to be to conserve energy and reduce GHG emissions.

Each ESCO subsidiary is responsible for carrying out initiatives to improve energy management and efficiency throughout their facilities and manufacturing processes. Approaches include energy-efficient lighting retrofits, installation and automation of heating/cooling controls, equipment and process optimization, assessments of new equipment purchases and manufacturing changes, site-wide solar feasibility studies and installations, and other facility enhancements. Furthermore, we integrate environmental factors into our decision-making when we plan retrofits of existing facilities and consider leasing or purchasing new facilities.

Automating ESCO Technologies' data collection process was a significant undertaking. We have successfully integrated most of our sites, which required coordination with 61 utility providers and synchronization of 143 utility accounts. We are excited about the benefits and opportunities this will provide going forward, such as an enhanced ability to measure and track progress, prioritize areas for action, set goals, and simplify future reporting.

The members of the Sustainability Council from each site were instrumental with the automation effort. As a special note this year, we'd like to publicly acknowledge their efforts and thank them for their support. We will continue working together to identify and implement new ways to improve the sustainability of our businesses.

Energy Consumption & Greenhouse Gas Emissions

Energy conservation and greenhouse gas emissions are important areas of focus for us. As discussed in the *About This Report* section, ongoing changes to our site portfolio, such as changes in the number of active sites and fluctuations in total square footage, have historically made year-to-year comparisons difficult to accurately interpret. Nevertheless, we believe it is important to understand our total impact regardless of these changes, therefore, we present performance results for 2018 as well as comparisons to our 2017 results.

As part of the data collection process, we were able to address some previous gaps in our data. As a result, some of the 2017 values have been revised from our previous report and represent more accurate results for that year. Going forward, the automation of our data collection will enable us to develop a solid baseline from which to evaluate comparisons over time.

Energy Performance

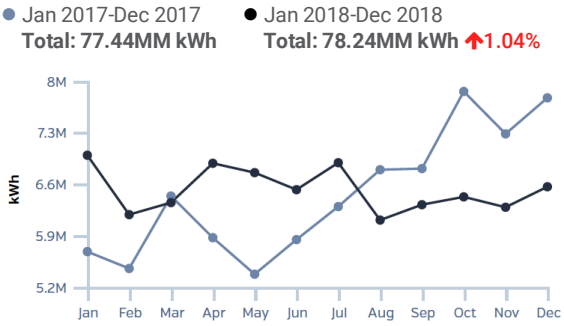
78.24MM kWh ↑ 1%

Energy Usage

52.51 kWh/ft² ↓ 4%

Energy Usage Intensity

ENERGY USAGE



*Total energy usage increased by **1.04%** from 77.44MM to 78.24MM kWh*

Energy Usage

Total energy usage in 2018, consisting of both electric and fuel usage, increased slightly by 1% as compared to the previous year.

Energy usage intensity decreased by 4% in 2018. Energy usage intensity measures the energy usage per square foot at a property and enables better comparisons between buildings or portfolios of different sizes. This decrease in usage intensity indicates a positive trend and demonstrates that we are being more efficient with the energy that we use.

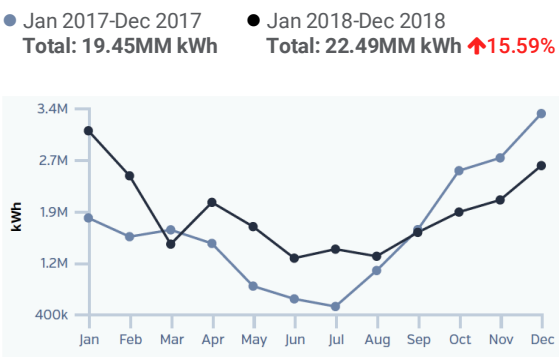
Energy Usage by Type

We analyze energy usage by the type of energy used (fuel and electricity), which corresponds with scope 1 and scope 2 GHG emissions reported on the following page.

Total fuel usage increased by 15.59% as compared to the previous year. Our primary fuel is the natural gas we purchase for heating during the winter season and process use. We believe the increase in 2018 is attributable in part to increased sales and production as well as the more severe winter at the start of 2018 as compared to the same period in 2017.

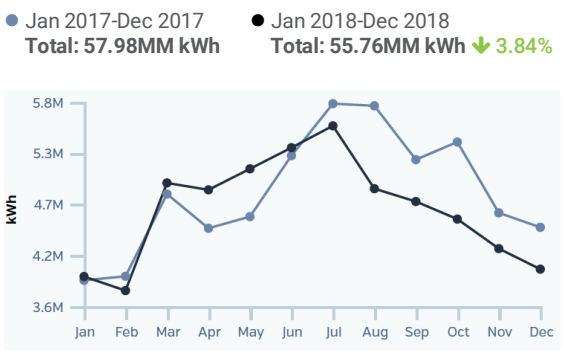
Total electric usage decreased by 3.84% as compared to the previous year. We attribute the decrease to the ongoing initiatives for reducing electricity usage at our sites.

FUEL USAGE



*Total fuel usage increased by **15.59%** from 19.45MM to 22.49MM kWh*

ELECTRIC USAGE



*Total electric usage decreased by **3.84%** from 57.98MM to 55.76MM kWh*

GHG Emissions Performance

Total Carbon Emissions and Carbon Intensity

Our total carbon footprint decreased by 3% in 2018 relative to the previous year. Our carbon intensity, which is carbon emissions per square foot, went down even further, with an 8% reduction from the previous year.

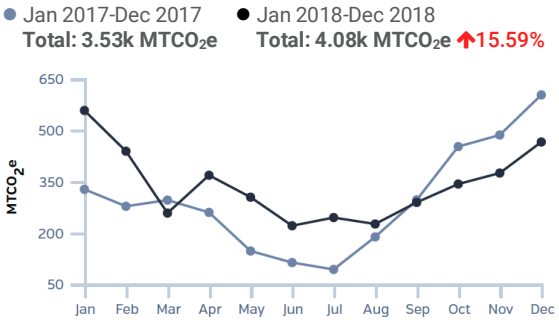
29.87k $MTCO_2e$ ↓ 3%	**0.02 $MTCO_2e/ft^2$** ↓ 8%
Carbon Emissions	***Carbon Intensity***

Scopes 1 and 2 Greenhouse Gas Emissions

Carbon is allocated between scopes 1 and 2 emissions. Scope 1 represents the direct GHG emissions resulting from on-site fuel combustion. Our scope 1 emissions for 2018 increased by 15.59%. This is associated with the increase in fuel usage previously discussed.

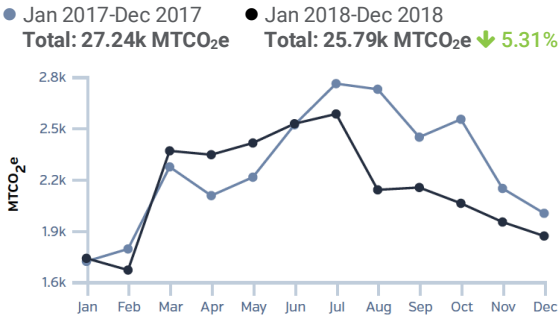
Scope 2 emissions are indirect emissions resulting from the electricity we purchase to operate our sites and represent the majority of our carbon footprint. Our scope 2 emissions dropped by 5.31% in 2018. As noted earlier, electricity usage has been an area of ongoing focus. We attribute the reductions seen here to a number of site-level energy-efficiency initiatives.

SCOPE 1 EMISSIONS



*Total carbon emissions increased by **15.59%** from 3.53k to 4.08k $MTCO_2e$*

SCOPE 2 EMISSIONS



*Total carbon emissions decreased by **5.31%** from 27.24k to 25.79k $MTCO_2e$*

Water

Water Performance

We are reporting water usage for the first time covering 22 of the 26 sites. Total water usage increased by almost 8% in 2018 as compared to the previous year. We attribute the change to a rise in production levels at our sites as well as more accurate data collection. We will continue to analyze site-level performance to identify opportunities for improvement.

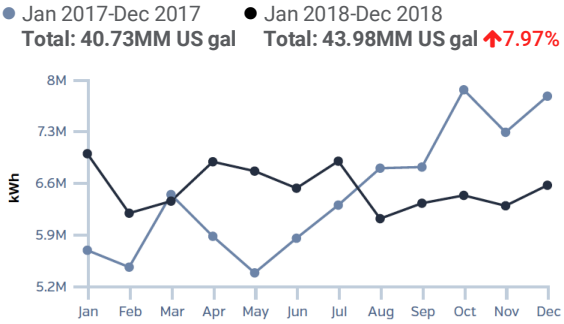
43.98MM US gal ↑ 8%

Water Usage

29.51 US gal/ft² ↑ 2%

Water Usage Intensity

WATER USAGE



*Total water usage increased by **7.97%** from 40.73MM to 43.98MM US gal*

Conclusion & Looking Ahead

Overall, we are pleased with our results in 2018, but know we can do even better. There is always room for improvement. We remain committed to making meaningful advancements toward reducing our environmental impact.

In the year ahead, we will work to achieve full automation of the data collection process. We expect the investments we have made in data management will continue to support our efforts well into the future. The more accurately we can measure our environmental performance, the better we can manage it, gauge our progress, and make well-informed decisions for the company and for the environment.

Accurate, consistent, and timely reporting allows us to be transparent, with ourselves as well as with our stakeholders. Going forward, we are committed to building on the momentum we have gained and continuing to share our progress.

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