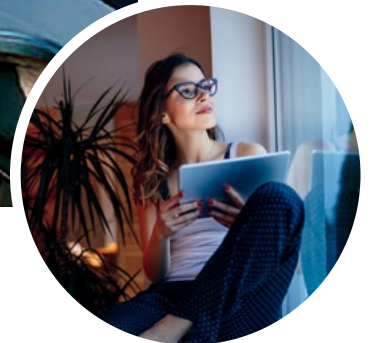




ESCO Technologies Inc.
2020 ESG Report

Our ESG Reporting Approach



At ESCO Technologies Inc., we recognize our responsibilities to mitigate our environmental impact, protect our workers, improve our supply chain, and enhance our communities. We understand that we must take into account the needs of a broader group of stakeholders – our employees, business partners, shareholders and the communities in which we operate.

We have identified key areas of focus for our ongoing commitment to Environmental, Social and Governance (ESG) matters. Our corporate website drives the disclosure of ESG information and our efforts to transparently inform our stakeholders about company practices and strategies that impact sustainability. The information on our corporate website is incorporated into this Report, and is available at www.escotechnologies.com/corporate-citizenship/environmental-social-and-governance.

This Report serves to supplement the information on our corporate website and provides additional ESG-related information for the period from January 1, 2019 to December 31, 2019. This report includes statistics about our energy consumption, greenhouse gas emissions, and water usage. We also feature new projects at our subsidiaries during the reporting period that support environmental sustainability and demonstrate our quest for innovation.

2019 Environmental Footprint



Our Approach

We recognize that sustainability benefits our stakeholders in multiple ways. Our efforts to use resources more efficiently allows us to reduce our environmental impact, while also enhancing our financial performance by lowering costs of inputs like energy and water.

We seek to decrease our environmental footprint by pursuing strategies to reduce our electricity usage and water consumption and by measuring our progress. Some of the strategies we implemented in 2019 to reduce our footprint are highlighted in the Spotlight on Our Subsidiaries portion of this Report.

We track our environmental impact in several ways, including measuring greenhouse gas emissions, energy use and water consumption. In 2019, we continued to streamline and automate our data collection process, building on our success in prior years. We use an automated software platform to track and manage environmental data about actual electricity, fuel and water usage at our properties. This platform allows us to pull data on our sites' energy and water usage from utility bills by synchronizing directly with the sites' utility providers. We believe automated data collection provides us with an enhanced ability to measure and track progress, prioritize areas for action and simplify future reporting.

Included Properties

The results in this portion of our report include data from our operating facility sites greater than 10,000 square, except as noted below.

Ongoing changes to our portfolio of owned and leased sites present challenges in accurately making year-to-year comparisons. As we relocate facilities, buy or sell businesses, or invest in new locations, our number of active sites and total square footage fluctuates significantly.

In July 2019 we acquired Globe Composite Solutions, LLC, a supplier of composite-based products and solutions for navy, defense, and industrial customers. Although we have historically excluded companies acquired or sold mid-year, we have included data regarding Globe in this report. On December 31, 2019, we sold our Technical Packaging business segment. This report excludes data from certain foreign sites of this segment due to difficulties in obtaining that data following the disposition of that business.

We have also improved our data collection processes, which may have resulted in changes to data previously published in prior reports.

"Intensity" data provided below is a measurement calculated based on total usage per total square feet at our facilities.



Energy Usage

Total energy usage consists of both electric and fuel usage. Our energy usage intensity in 2019 was 45 kWh/ft².

In kWh	2018	2019	% Change
Energy Usage	88.5MM	78.04MM	-11.81%

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 below.

In kWh	2018	2019	% Change
Fuel Usage	34.45MM	32.22MM	-6.46%
Electric Usage	54.05MM	45.82MM	-15.22%



Total Carbon Emissions and Carbon Intensity

Our total carbon footprint is our total carbon emissions for the year. Carbon is allocated between scopes 1 and 2 emissions. Scope 1 represents the direct GHG emissions resulting from on-site fuel combustion. Scope 2 emissions are indirect emissions resulting from the electricity we purchase to operate our sites and represent the majority of our carbon footprint.

2019 Carbon Emissions	24.71k MTCO ₂ e
2019 Carbon Intensity	0.01 MTCO ₂ e /ft ²

	2018	2019	% Change
Scope 1 Emissions	6.26k MTCO ₂ e	5.86k MTCO ₂ e	-6.42%
Scope 2 Emissions	24.97k MTCO ₂ e	8.85k MTCO ₂ e	-24.51%

Water

We are reporting water usage for our sites as compared to the previous year. Our water usage intensity in 2019 was 23.82 US gal/ft².

In U.S. gal	2018	2019	% Change
Water Usage Total	44.16MM	40.79MM	-7.62%

Innovation and Technology: *Spotlight on our Subsidiaries*

Innovation is central to ESCO Technologies' continued ability to serve as a market leader. Through our three technology segments, Aerospace & Defense, RF Shielding and Test, and Utility Solutions Group, we develop innovative solutions that advance efficiency, safety and productivity for our customers. Our subsidiaries bring this quest for innovation to projects that support environmental sustainability. In the following pages of this report, we spotlight projects at our subsidiaries during the reporting period of this Report that contributed to sustainability and energy efficiency.

The facility's steel structure contains 90% recycled content; even the tiles in the restroom are made from recycled automobile windshields.



NRG Adds Energy Monitoring System and Participates in Plastic Reduction Program

ESCO's subsidiary, NRG Systems, Inc., designs and manufactures smart technologies for a more sustainable planet. NRG serves multiple stages of wind and solar energy project development and provides tools for a range of atmospheric remote sensing applications. The company's user-friendly sensors, measurement systems, and remote sensing solutions are currently being used by electric utilities, turbine OEMs, project developers, research institutes, and government agencies in more than 170 countries.

NRG's building, built in 2004, is powered by a 199.1 kW solar photovoltaic system including building mounted PV panels and roof mounted solar collectors that use the sun's energy to heat their domestic hot water tank. When built, it was one of only 5 industrial facilities in the world to receive LEED Gold certification from the U.S. Green Building

Council. The facility's steel structure contains 90% recycled content; even the tiles in the restroom are made from recycled automobile windshields. A wood pellet heating system has 98% efficient backup propane boilers.

During 2019, a data logging system was installed to monitor production and consumption at power meters. The system has monitors, including many at individual circuit breakers, to provide information on power used, energy to and from the grid, and power generated. The monitoring devices in conjunction with the data loggers allow NRG to monitor and isolate electrical loads throughout the facility. This helps identify when the facility is hitting peak load conditions and where the load is coming from. The reports generated from this system allowed NRG to quantify electrical usage and savings from its projects and operations.

Also in 2019, NRG joined a program run by a company that makes composite decking. This program helps reduce the amount of plastic that goes to a landfill. There are receptacles throughout NRG's buildings where employees can drop off plastic from home. NRG no longer places plastic pallet wrap in the garbage. NRG has diverted significant amounts of plastic from the landfill and has also been able to reduce garbage pickup from every week to every other week. For its efforts, the composite decking company sends NRG a sitting bench made from recycled plastic for every 500 pounds of plastic recycled by NRG.

This project involved replacing lighting in 1,090 fixtures, with an anticipated future energy use reduction of 306,660 kWh annually.



PTI Implements LED Project Designed for Significant Energy Reduction

PTI Technologies Inc. is a world leader in the design, development, manufacture, marketing and distribution of high technology filter elements, modules, and filtration and fluid flow equipment. PTI strives to provide the highest quality, best value products and services to the global aerospace, defense and industrial markets.

In 2019, PTI switched to LED lighting from florescent bulbs throughout its Oxnard, California facility. This project involved replacing lighting in 1,090 fixtures, with an anticipated future energy use reduction of 306,660 kWh annually. PTI projected that the project's total cost would be fully repaid in

energy savings in a little over one year's time. Reducing energy use is a quick, safe and cost effective way to reduce the emission of greenhouse gases that accompanies the generation of electricity from fossil fuels.

By reducing 306,660 kWh per year on this project, this is the equivalent of:*

- 478,008 pounds of CO₂ saved
- 46.8 passenger vehicles driven for one year
- CO₂ emissions from 24,398 gallons of gas consumed
- 27,651,649 smartphones charged
- Carbon sequestered by 283 acres of U.S. forest in one year

*Source: U.S. EPA Greenhouse Gas Equivalencies Calculator available at <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

This facility also has a building management system allowing automatic control of HVAC and lighting to maximize energy savings.



New Doble Headquarters Features Solar and Efficient Lighting

ESCO's subsidiary, Doble Engineering Company, a leader in power grid diagnostic solutions, officially opened its new global headquarters in Marlborough, Massachusetts on March 8, 2020.

In 2019, Doble sold its prior offices and worked to expand and renovate its new facility, which features a 0.6 MW rooftop solar photovoltaic installation and energy efficient LED lighting throughout the facility. This facility also has a building management system allowing automatic control of HVAC and lighting to maximize energy savings. Electric car charging stations have been installed in the parking lot for use by Doble employees and visitors.

The move to its new headquarters will enable Doble to grow its team with high quality talent, expand to new markets and invest further in research and development. In addition to these sustainability features, the facility has a state-of-the-art laboratory space, several new training facilities and health and wellness amenities for Doble's employees, including a brand-new fitness center and on-site cafeteria.



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