



2021 ESG Report

ESCO TECHNOLOGIES INC.



A Message from Our CEO

Like most companies, the global pandemic posed unprecedented challenges for our businesses, our customers, our workforce and our communities. The events of the past two years remind us that we are all interdependent and that the strength of our company is of fundamental importance to our stakeholders. It also allows us to realize how much our success is profoundly impacted by our environment.

With these challenges comes an opportunity to reflect on the importance of building a company that is more resilient. A company that is more sustainable. Our approach to environmental, social and governance (ESG) reflects this priority and our ongoing commitment to respond to our stakeholders' desires for transparency, measurement and concrete action.

We do this not only to be good corporate citizens, but also because we believe that these are the components of a profitable, successful company. At ESCO, we recognize the importance to our success of creating a work environment for our employees that is safe, that supports our diverse workforce, and that plays a positive role in the lives of our employees. We also recognize the risks that the impacts of climate change and the regulation of greenhouse gas emissions has on our business.

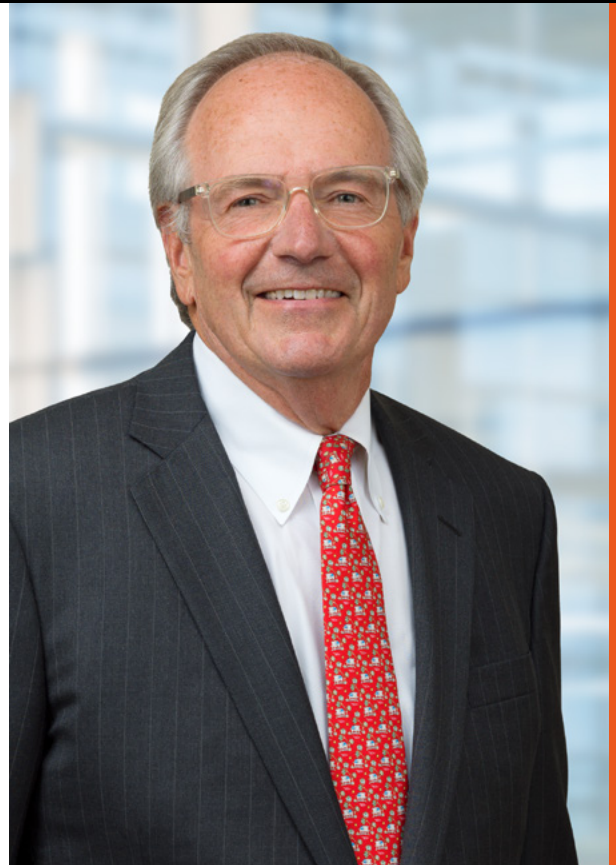
With this in mind, I am pleased to share our progress on ESG. In this Report we feature new developments to our ESG program, including a more diverse Board, increased ESG oversight by our Board, and the formation of our new ESG Committee. We also present projects at our subsidiaries that seek to reduce our environmental footprint and promote a healthy, supportive environment for our employees.

Best regards,



Vic Richey

Chairman, Chief Executive Officer & President



IN THIS REPORT

This Report provides ESG-related information for the two annual periods beginning January 1, 2020 and ending December 31, 2021 and select other updates since the end of that period. This Report serves to supplement the information on our corporate website.

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 in the Environmental, Social & Governance section of the Corporate Citizenship portion of our website at www.escotechnologies.com. Our website includes information about topics not featured in this ESG Report but which are an important part of our ESG program, including ethics and compliance, supply chain practices, and innovation and technology.

Our Board

At ESCO, we believe that capable, dedicated leadership enhances our risk management and creates a culture for success. ESCO's corporate governance structure forms a strong foundation for our ESG program. Our Board of Directors is ultimately responsible for overseeing ESCO's risk management and corporate strategy. This includes oversight of risks relating to environmental, social and governance matters and the focus of our ESG program.

Our Nominating and Corporate Governance Committee assists the Board in its oversight responsibilities relating to our ESG program. In 2021, we enhanced the Committee's Charter to specifically task the Committee with ESG responsibilities. The Committee assesses our ESG program at least annually and reports its findings to the Board. The Committee's annual report to the Board includes proposed changes with respect to our ESG strategy, policies and metrics, as well as an assessment of progress towards achievement of our ESG goals.

Additional information about our Board and the Nominating and Corporate Governance Committee are available in the periodic reports we file with the U.S. Securities and Exchange Commission, which are available in our Investor Center on our corporate website www.escotechnologies.com.

Board Diversity

Board diversity is an issue that has increasing importance for ESG programs at public companies such as ESCO. In considering candidates to our Board, the Nominating and Corporate Governance Committee will seek to enhance the diversity of the Board in areas such as race, national origin and gender in order to provide a range of viewpoints and perspectives. The Committee and the Board appreciate the benefits that diversity brings to a board of directors. Accordingly, both the Committee and the Board are committed to requiring the inclusion of women and underrepresented minorities in the pool of director search candidates.



Gloria Valdez



Janice L. Hess

ESCO's eight-member Board now includes two female directors. Gloria Valdez joined the Board in 2019 as ESCO's first female director. In 2022, Janice L. Hess joined the Board as an independent director.

In 2022, Ms. Hess retired from her position as President of the Engineered Systems Segment (ESS) and Teledyne Brown Engineering of Teledyne Technologies Incorporated (NYSE:TDY), a diversified multinational company which provides enabling technologies for industrial growth markets that require advanced technology and high

reliability. She had full responsibility for ESS strategic positioning, growth, and profitability. Serving energy, space, maritime, and defense markets, ESS designs, develops and delivers a diverse array of advanced technology-driven solutions, systems, products, and services for complex and harsh environments. She previously served in a number of positions of increasing financial, operational, and executive responsibility with Teledyne from 2000 to 2014, including as ESS's Executive Vice President and Chief Financial Officer.

ESG Committee

In 2022, we formed our ESG Committee which replaced our Sustainability Committee that was first established in 2017. Our ESG Committee provides high-level leadership and strategic focus for our corporate-wide ESG efforts. Our ESG Committee is made up of employees representing a variety of functions in our organization, including representatives from human resources, finance, public relations, safety and legal.

Our ESG Committee members include:

- **Kimberly Chapman**
ESG Committee Chair, Assistant General Counsel
- **Chris Tucker**
Senior Vice President and Chief Financial Officer
- **David Schatz**
Senior Vice President, General Counsel & Secretary
- **Debbie Boniske**
Vice President, Human Resources
- **Kate Lowrey**
Vice President, Investor Relations
- **Justin Prien**
Director of Environment, Health & Safety

The ESG Committee is supported by individuals from around our organization, including the Presidents of each of our subsidiaries, as well as employees at our subsidiaries who are responsible for human resources, environment, health and safety. These individuals perform a key role in our ESG efforts by executing initiatives at our facilities which promote or enhance our ESG program, such as those featured later in this Report.

The ESG Committee has led recent efforts at ESCO to enhance our ESG program in 2021, which include increasing our disclosure on human capital management and data security in our public company filings and increasing the reliability of disclosed data in the Environmental Footprint section of this Report.



Workplace Health & Safety

We are committed to creating a safe working environment at all ESCO facilities and promoting a culture which values employee safety as a top priority. Each of our subsidiaries has employees designated with responsibility for safety programs specific to those subsidiaries. We have equipment and procedures to protect employees in their work and we train employees on safety procedures and proper protocol. We require all ESCO companies to comply with applicable local, state and federal safety laws and regulations.

As with most companies, our safety programs underwent dramatic changes in 2020 and 2021 as we adjusted our operations for new COVID pandemic safety protocols, including enhanced manager and employee training, enhanced communication regarding protocols, physical distancing, personal protective equipment, alternative meal and rest periods, outdoor workspaces, enhanced sanitization, onsite testing, symptom tests, travel advisories, stay-at-home policies and added safety audits and evaluations.

ESCO GLOBAL HEALTH AND SAFETY PERFORMANCE

The following presents Total Workplace Injuries, Total Recordable Injury Rate as defined by OSHA (#/100 employees) and Lost Time Incident Rate (#/100 employees) for all ESCO locations.

	2020	2021
Total Workplace Injuries	63	67
Total Recordable Injury Rate	2.25	2.44
Lost Time Incident Rate	0.71	0.80

Cyber Security

Global information technology security threats and targeted computer crime are increasing in frequency and sophistication. As these risks increase, we have enhanced our use of technologies and internal controls to protect our systems, networks and data.

ESCO’s cyber security program includes employee training and testing, information security policies and procedures, third-party monitoring of our networks and systems, and maintenance of backup and other protective systems.

Governmental authorities, including the United States government, have increasingly focused on cyber security requirements for government contractors. Our subsidiaries that serve in these capacities are increasingly focused on cyber security as they seek to comply with the US Department of Defense Cybersecurity Maturity Model Certification (CMMC) program and related governmental mandates.

Our Board’s Audit and Finance Committee annually reviews the major financial risk exposures including cyber security and policies or controls management has implemented to manage and mitigate risks. On a quarterly basis, the Committee reviews management’s assessment and overview of cyber security and information technologies risks and any required remediation actions.

Human Capital

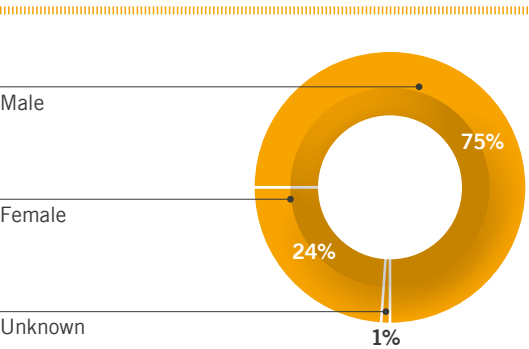
At ESCO, we strive to build a strong, talented and dedicated workforce that shares our vision for progress. As a responsible member of the communities in which we operate, we are dedicated to preserving operational excellence and remaining an employer of choice. We provide and maintain a work environment that attracts, develops and retains top talent by offering our employees an engaging work experience that contributes to their career development.

For a more complete description of our workforce and the manner in which we manage our human capital, please see the “Human Capital Management” section of our Annual Report on Form 10-K for the fiscal year ended September 30, 2021, which is available in our Investor Center on our corporate website www.escotechnologies.com.

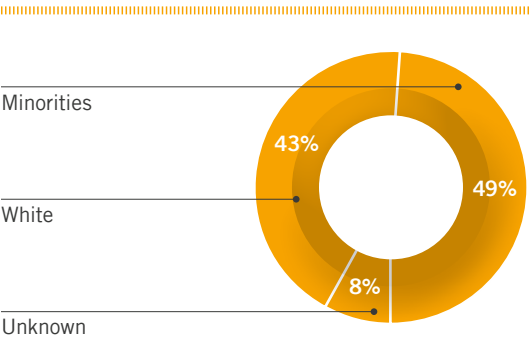
As of September 30, 2021, we employed 2,822 persons, including 2,700 full time employees of whom 15% were located in 14 foreign countries.

Workforce Composition (As of September 30, 2021)

BY GENDER



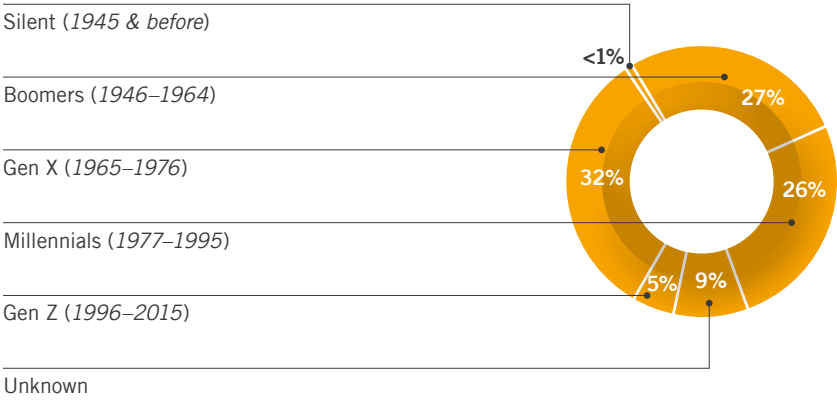
BY RACE



Minorities are defined to include individuals of Native American or Alaskan Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander, and Two or More Races.

The above is based on employees’ self-identification or other information we believe to be reliable. Some countries do not permit the collection or reporting of some or all of the above types of data.

BY GENERATION



The above is based on employees’ self-identification or other information we believe to be reliable. Some countries do not permit the collection or reporting of some or all of the above types of data.

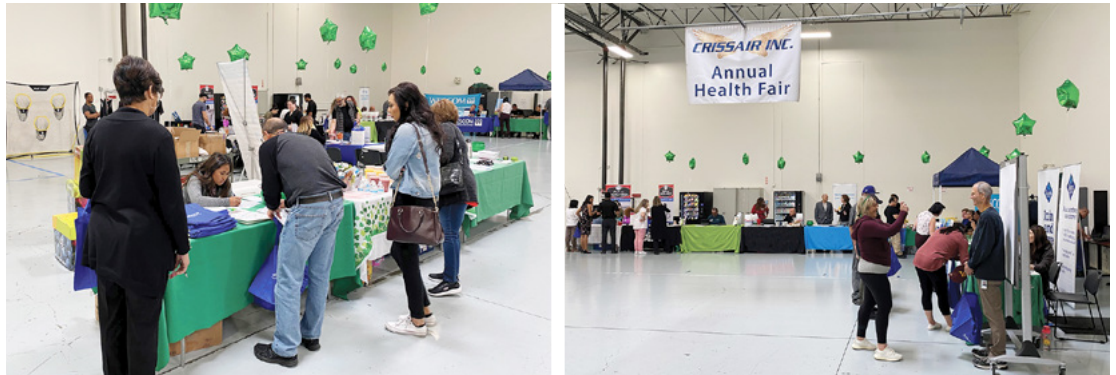
Employee Wellness

We are committed to the health and well-being of our employees and their families by encouraging participation in wellness programs. Generally, all our full-time employees, both domestic and international, are offered health and welfare benefits. We offer a wellness program coordinated at our corporate headquarters and offered to each of our subsidiaries.

Our Corporate wellness program supports employees in making healthy lifestyle choices and engaging in opportunities for a life-long commitment to good health and well-being. Our wellness program includes healthy living activities, healthy habits trackers, preventive options, financial wellness and mini challenges. These programs provide employees the opportunity to participate in health and well-being activities at the workplace, home and in their communities. Biometric screenings and health fairs are held at the majority of U.S. subsidiaries. The screenings help employees identify any risk factors and encourage employees to work with their physician as appropriate. The health fairs allow employees to interact with various vendors that offer healthy living options. Our programming includes a variety of fitness challenges such as “exercise on your own”, walking challenges, yoga and “Maintain – Don’t Gain.” We strive to inspire, create and maintain an environment that supports each person’s health.

The following are a few examples of wellness programming at our subsidiaries:

CRISSAIR, INC.



At Crissair Inc., employees can participate in a variety of activities as part of the company's wellness initiative. Crissair's annual Health Fair allows employees to sign up for biometric screening and interact with a variety of vendors that offer healthy living options. Employees have also participated in other wellness initiative activities, including Stretch & Flex, a group stretching activity which takes place in the first 7 minutes of each work day.

GLOBE COMPOSITE SOLUTIONS, LLC



In 2021, Globe held a blood drive as part of their company wellness program.

Employee Engagement

We view employee engagement as a critical component of our success and a key factor to talent retention and productivity. We seek to increase our employees' commitment and connection to our organization by offering our employees opportunities to support organizations that they care about.

Our employees participate in volunteering events such as fundraising walks or runs and other events in support of charitable organizations. These include a variety of local organizations, such as, Family Outreach, the Boys & Girls Club, the United Way, and Special Olympics.

The following are a few examples of employee volunteer activities at our subsidiaries:

ETS-LINDGREN INC.



Our employees at ETS-Lindgren Inc. volunteer for a local charity, Mobile Loaves & Fishes (MLF), in Austin, Texas. ETS employees provide labor to help build a micro-home for the homeless in MLF's Community First! Village. MLF is a social outreach ministry that has been empowering communities into a lifestyle of service with the homeless since 1998. The Community First! Village is a 51-acre master planned development that provides affordable, permanent housing and a supportive community for men and women coming out of chronic homelessness.

GLOBE COMPOSITE SOLUTIONS, LLC



In 2021, Globe employees participated in a Spin-a-thon fundraiser in support of the Old Colony YMCA.



CRISSAIR, INC.

In 2021, employees at Crissair, Inc. held a Thanksgiving food drive and donated collected items to a local food pantry. Crissair employees also participated in the 8th Annual SCV Charity Chili Cookoff to raise funds for local charities including Feed SCV and the Wish Foundation.

NRG SYSTEMS, INC.

During the 2021 holiday season, NRG Systems made a \$5,000 contribution to Hunger Free Vermont (HFVT) which is an education and advocacy organization with the mission to end hunger and malnutrition in Vermont. HFVT's initiatives include assisting the development of high-quality school food programs and improving access to federal meal programs.

ESCO Technologies Foundation

The ESCO Technologies Foundation presents other opportunities to strengthen our employee engagement and support our employees and local communities. The ESCO Technologies Foundation was established in 2005 and is dedicated to providing financial support to charities focused on helping children and families in the communities where ESCO and its subsidiaries have operations. The Foundation's goal is to make a meaningful contribution to each charity and respective community.

Through the Foundation, we offer opportunities for corporate and subsidiary employees to support activities in the regions where they work. All U.S. employees have the opportunity to contribute financially to the ESCO Technologies Foundation through direct contribution, stock designations, and payroll deductions. These dollars go towards the Foundation's philanthropic causes, including scholarships awarded to the children of ESCO employees, employee hardship grants and grants to the Foundations' core charities.

In 2021 the ESCO Technologies Foundation gave \$410,698 in grants in support of charitable organizations, scholarships, and employee hardship cases. Throughout 2020–2021, as the impacts of the pandemic continued to be felt throughout local communities, the Foundation was able to give \$165,000 in COVID-19 relief funds grants. These grants were in addition to the Foundation's recurring annual giving programs, and were primarily focused on organizations distributing food and other necessities.

Additional information about the ESCO Technologies Foundation is available on the Foundation website at www.escotechnologiesfoundation.org.



As we analyze the risks that the impacts of climate change and the regulation of greenhouse gas emissions have on our businesses, we continue to evaluate how we can reduce our impact on the environment. We seek to find ways to make our operations more efficient and to reduce our use of nature resources. An important component of these efforts includes collecting data about our performance and measuring our progress.

Environmental Footprint

For this Report, we have included information about the electric, fuel and water usage of all locations owned, operated or leased by ESCO and its subsidiaries in 2020 and 2021. For facilities such as small sales offices, usages were estimated with the goal of producing a more complete environmental footprint. This is an improvement from our approach in prior sustainability reports which did not report information about facilities less than 10,000 square feet. We believe this improvement is a critical first step in creating a baseline environmental footprint that can help inform our ESG program as we move forward.

Ongoing changes to our 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. For those facilities that were acquired or disposed of mid-period, we have included data for that portion of the period that ESCO owned or leased the facilities.

CARBON EMISSIONS

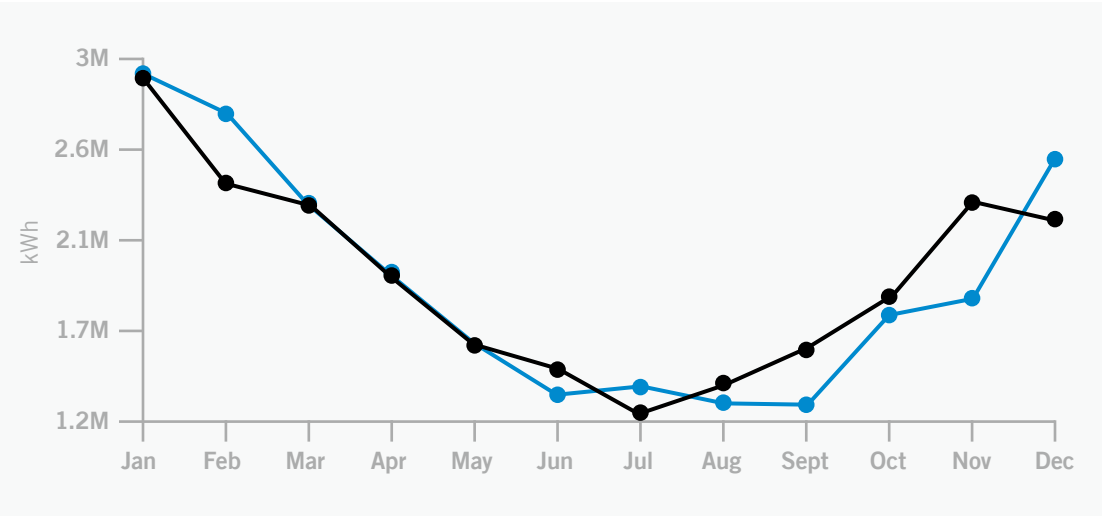
All Scope 1 and 2 emissions were based on the usage of fuels in our facilities, fugitive emissions of refrigerants and electricity purchased and used by the facility.

Emissions	Jan. 2020 – Dec. 2020	Jan. 2021 – Dec. 2021	% Change
Scope 1 MTCO _{2e}	4,214	4,171	-1.02%
Scope 2 MTCO _{2e}	10,321	10,494	1.68%
Total MTCO _{2e}	14,535	14,665	0.89%

MTCO_{2e} means metric tons of carbon dioxide equivalent.

FUEL USAGE

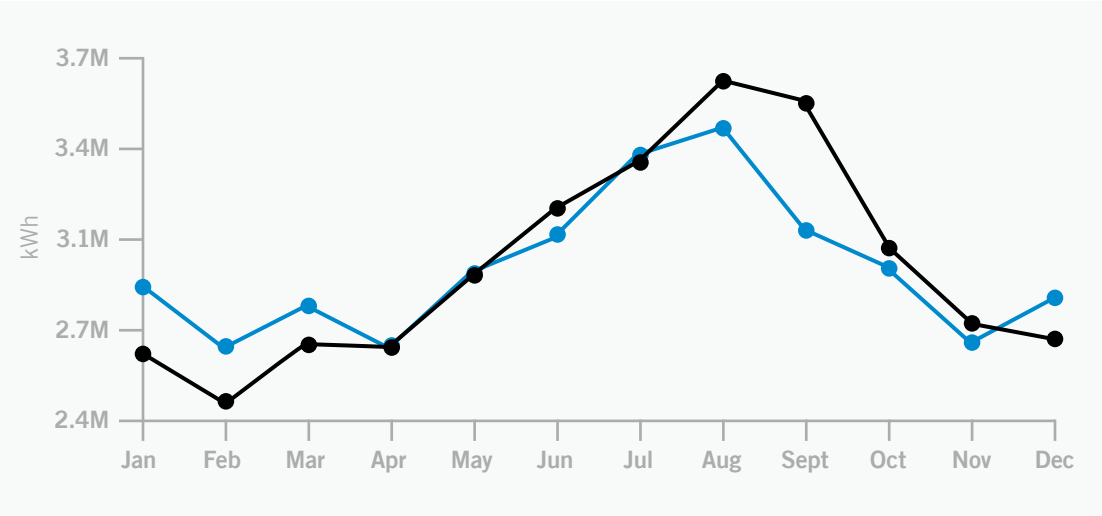
● Jan. 2020 – Dec. 2020 ● Jan. 2021 – Dec. 2021
Total: 22.48MM kWh Total: 22.72MM kWh ↑ 1.06%



Total fuel usage increased by 1.06% from 22.48MM to 22.72MM kWh

ELECTRIC USAGE

● Jan. 2020 – Dec. 2020 ● Jan. 2021 – Dec. 2021
Total: 35.25MM kWh Total: 35.38MM kWh ↑ 0.37%

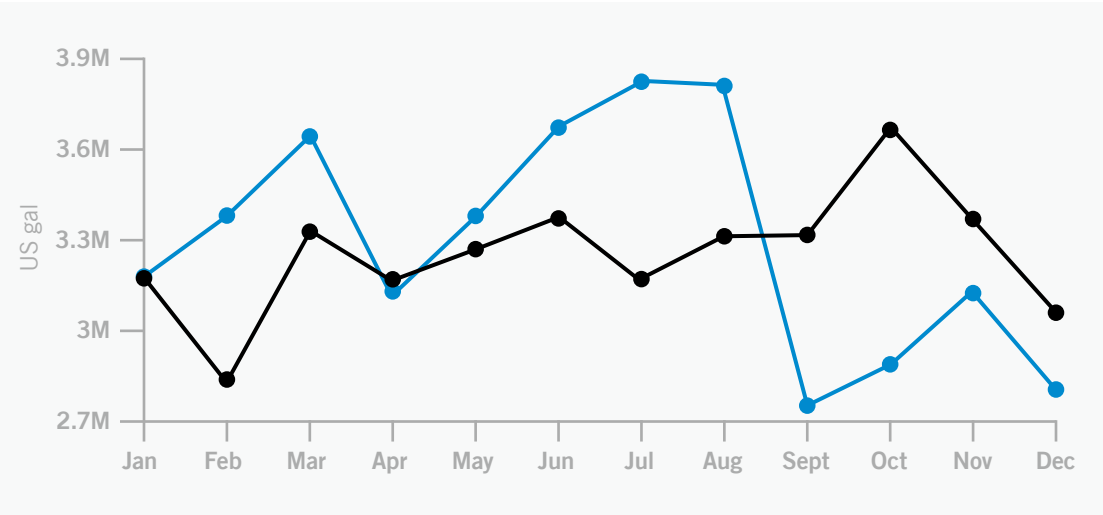


Total electric usage increased by 0.37% from 35.25MM to 35.38MM kWh

WATER USAGE

For areas suffering from water scarcity, water usage and conservation is critical. ESCO understands this concern and actively monitors their water usage and looks for opportunities to reduce water usage.

● Jan. 2020 – Dec. 2020 ● Jan. 2021 – Dec. 2021
Total: 39.46MM US gal Total: 38.96MM US gal ↓ 1.27%



Total water usage decreased by 1.27% from 39.46MM to 38.96MM US gal

Waste Management and Recycling

We recognize the importance of responsible waste management and recycling to our operations and environmental footprint. The majority of waste generated by our subsidiaries is classified as non-hazardous according to federal, state, and local regulations. Hazardous and chemical wastes are responsibly stored, packaged, and shipped to licensed treatment facilities for proper disposal in accordance with legal requirements. All of our subsidiaries have waste management programs in place to ensure the proper classification and disposal of wastes produced. Our subsidiaries recycle waste materials whenever practical and feasible and which can include the following materials: scrap metals, batteries, light bulbs, used electronics, paper, cardboard and plastics.

In addition to recycling, our subsidiaries’ manufacturing sites review possible process and material changes that can reduce the toxicity and/or volume of wastes being produced. As an example, our Globe Composite Solutions’ site began the development of bio-based polyurethane products which have a lower carbon footprint than traditional polyurethanes. Mayday Manufacturing Co. also recently implemented a new packaging system that has reduced Mayday’s use of packaging materials and which is featured later in this Report.

Efforts to Reduce Our Environmental Footprint

In this section of the Report, we present a selection of some of the strategies we implemented in this reporting period to reduce our environmental footprint.

MAYDAY MANUFACTURING UPGRADES PRODUCT PACKAGING



A product packaged by the new system (left) compared to an old packaged product (right).



Mayday's new product packaging system.

In November 2021, Mayday made upgrades to its product packaging system which resulted in time and material efficiencies.

Mayday is a global leader in the production of high-quality bushings, sleeves, pins, and spacers to the aerospace, defense and homeland security industries. Mayday produces precision metalwork with 130,000 unique parts that are carefully packaged for shipment to its customers. Previously, these products were packaged in foam wrapping by hand.

Mayday upgraded to an automated packaging system, which has improved its packaging process by decreasing the amount of packaging material required for many of its products, right-sizing boxes required to ship products, increasing productivity by reducing the time required for its packaging process, and increasing customer satisfaction with better product packaging. This automated process has resulted in a 13% reduction in packaging material costs and a significant labor cost reduction.

HELIUM RECLAMATION AT VACCO



VACCO regulator

VACCO maintains a system at its South El Monte, California which allows it to reclaim and reuse helium. Helium is a rare gas in short supply on a global basis that is both difficult and expensive to acquire. VACCO produces custom regulators which require testing with helium which makes helium an important component of VACCO's operations. The testing of one VACCO regulator requires up to 35,000 cubic feet of helium. VACCO's helium recovery system consists of a recovery bag that is 7,500 cubic feet and allows VACCO to reclaim up to 90% of helium that it uses and recycle that helium for future use.

Our corporate website contains additional information about key areas of focus for our ESG and corporate responsibility efforts. We encourage our stakeholders to visit our corporate website, www.escotechnologies.com, for information on our continuing commitment to diversity and human rights, the health and safety of our workforce, and the integration of sustainability into our business.

Questions or comments regarding this Report can be directed to:

Investor Contact:

Kate Lowrey
ESCO Technologies Inc.
9900A Clayton Road
St. Louis, Missouri 63124
(314) 213-7243

ESG Committee Chair:

Kimberly Chapman
ESCO Technologies Inc.
9900A Clayton Road
St. Louis, Missouri 63124
(314) 213-7262



ESCO Technologies Inc.
9900A Clayton Road
St. Louis, MO 63124
www.escotechnologies.com