

Moog Inc.

Sustainability Accounting Standards Board (SASB) Disclosure

FISCAL YEAR 2022

Industry: Aerospace and Defense



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Disclosure Regarding Forward-Looking Statements

Information included or incorporated by reference in this document that does not consist of historical facts, including statements accompanied by or containing words such as *may, will, should, believes, expects, expected, intends, plans, projects, approximate, estimates, predicts, potential, outlook, forecast, anticipates, presume, and assume*, are forward-looking statements. Such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements are not guarantees of future performance and are subject to several factors, risks and uncertainties, the impact or occurrence of which could cause actual results to differ materially from the expected results described in the forward-looking statements. A description of these risks, uncertainties and other factors is contained in our Form 10-K, filed on November 14, 2022, and in certain of our other public filings with the U.S. Securities and Exchange Commission.

There may be additional factors, risks and uncertainties not currently known to us or that we currently consider immaterial that may affect the forward-looking statements made herein. Given these factors, risks and uncertainties, investors should not place undue reliance on forward-looking statements as predictive of future results. Any forward-looking statement speaks only as of the date on which it is made, and we disclaim any obligation to update the forward-looking statements made in this document, except as required by law.

SASB Sustainable Industry Classification System (SICS):

The following disclosures are aligned to the Sustainability Accounting Standards Board (SASB) framework for the Aerospace and Defense industry. As a diversified manufacturer, the nature of Moog's business does not fit squarely within one industry, so Moog may include information and metrics that are aligned to other industries we believe would be of interest to our investors.

Moog will continue to evaluate the disclosure of additional topics relevant to our industries, taking into account materiality, availability of reliable data, and competitive sensitivities.

The revenue numbers reflected in the document are in US \$M.

| Industry: Aerospace and Defense | | |
|-----------------------------------|--|---|
| SASB Code | Metric | Disclosure |
| Energy Management | | |
| RT-AE-130a.1 | (1) Total Energy Consumed (GJ) | 801,147 GJ |
| | (2) Percentage grid electricity (%) | 81.5% |
| | (3) Percentage renewable (%) | 28.8% |
| Hazardous Waste Management | | |
| RT-AE-150a.1 | Amount of hazardous waste generated; percentage recycled (t) | 3,048 metric tons 18% |
| RT-AE-150a.2 | Number and aggregate quantity of reportable spills, quantity recovered (kgs) | 2 qty 2.45 kgs 2.45 kgs |
| Data Security | | |
| RT-AE-230a.1 | (1) Number of data breaches | Moog considers this information to be confidential. |
| | (2) Percentage involving confidential information | Moog considers this information to be confidential. |

| Industry: Aerospace and Defense | | |
|---------------------------------|--|---|
| SASB Code | Metric | Disclosure |
| Data Security | | |
| RT-AE-230a.2 | <p>Description of approach to identifying and addressing security risks in</p> <p>(1) company operations</p> <p>(2) Products</p> | <p>(1) Company Operations</p> <p>Moog is a multi-national, multiple industry systems provider that provides products, services, entire system solutions, and cloud services to a wide variety of clients. Moog's information security employs a defense-in-depth strategy towards cybersecurity protections and deterrence for its systems and operations. Moog's information systems comply with the ITIL framework that follows the CobiT 5.0 control objectives and is closely aligned with the ISO/IEC 27001 industrial standards, NIST SP 800-53 revision 4 standards for secure product development, and the NIST SP 800-171 standards for security processes and planning.</p> <p>Moog addresses the identification of vulnerabilities in the enterprise by focusing on the layers of protection in the NIST Cybersecurity framework: Enterprise (at the perimeter), End Point (at the user level), and at the Systems level (servers, apps, and networking systems). Moog performs daily monitoring of all interior systems, using tools to identify known vulnerabilities and create risk assessments that are used to resolve risky items. Moog employs Security as a Service (SaaS) products that monitor the threats and vulnerabilities at our perimeter defenses, so that we can proactively address threats that are discovered and potentially exploited in Dark Web areas of the internet. Moog's end point protection solutions are focused on detecting, remediating, and blocking threats from malware, ransomware, phishing attacks, and malicious URL attacks on end user devices. Moog employs proactive asset management and configuration management tools that proactively identify deficient systems and sends automatic updates to remediate any known issues on devices and systems.</p> <p>There are teams at Moog dedicated to daily monitoring of all threats and known vulnerabilities in the system. We have a global incident response and management team that reviews potential threats and incidents multiple times a day to ensure that we have coverage and can address issues in a timely manner before they impact operations. Moog utilizes training and awareness of cybersecurity threats and controls through a broad range of classes and webinars geared to educate users on insider threats, phishing attacks, social engineering, mobility security and policy training. We also have an internal audit function that audits our security controls and systems on an annual basis, ensuring that Moog meets its own internal security controls and practices.</p> <p>In accordance with NIST Cybersecurity Framework and ISO/IEC 27001 standards, Moog has developed and regularly tests its ability to show business resiliency and recoverability. Moog has developed and actively updates its Site Security Plans and Incident Response Plans for cybersecurity events, in accordance with governmental oversight groups. And Moog is working to incorporate the security planning, strategy, and implementation of security processes and controls with its supplier and vendor communities. This includes vendor and partner screening, dedicated procedure training on dealing with security threats, product and supplier-provided input reviews for known vulnerabilities, and active coordination regarding vulnerability reporting and active protection methods to assist with their issues.</p> |

| Industry: Aerospace and Defense | | |
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| Data Security | | |
| RT-AE-230a.2 | <p>Description of approach to identifying and addressing security risks in</p> <p>(1) company operations</p> <p>(2) Products</p> | <p>(2) Products</p> <p>Moog utilizes a secure software development lifecycle, or Secure SDLC, which is an embedded development framework that incorporates secure software development practices and the embedding of security controls that make Moog's products more secure and sustainable. In accordance with NIST CSF and ISO 27001 control frameworks, Moog will seek to continue expanding the use of software bill of materials and hardware bill of materials to ensure that a complete listing of product inputs is regularly reviewed and updated for product vulnerabilities. Moog complies with regulatory and approval requirements around vulnerability identification and reporting, in compliance with Department of Defense and other governmental agency reporting.</p> <p>Moog's Secure SDLC framework focuses on a proactive approach around product development. It uses threat modeling approaches to identify weaknesses in product design, alternatives to product development approaches, and key components that will be relevant to future regulatory approval. All code is scanned for known code vulnerabilities, including open-source code and utilities. All systems are scanned and hardened to secure known vulnerabilities at the purchased product level. In some instances, additional third-party penetration testing is conducted in accordance with regulatory needs and requirements.</p> <p>Given that many of Moog's products are used as a part in a larger solution, a significant amount of product integration testing and validation occurs. Moog works to segregate key technology value streams into separate controlled networks. This enables Moog to reduce the blast radius of potential attacks and it speeds up the ability of Moog to recover from a potential outage of central services. Moog conducts field testing of all products, and those testing activities comply with all Moog product security and information security controls. Finally, all Moog secure facilities have employed physical security controls to restrict access to authorized personnel, including any shipping dock and other ingress points to the secure development environment.</p> |
| Product Safety | | |
| RT-AE-250a.1 | Number of recalls issued, total units recalled | Moog considers this information to be confidential. |
| RT-AE-250a.2 | Number of counterfeit parts detected, percentage avoided. | Moog considers this information to be confidential. |
| RT-AE-250a.3 | Number of Airworthiness Directives received, total units affected | Moog considers this information to be confidential. |
| RT-AE-250a.4 | Total amount of monetary losses as a result of legal proceedings associated with product safety. | Moog considers this information to be confidential. |

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| Fuel Economy & Emissions in Use-phase | | |
| RT-AE-410a.1 | Revenue from alternative energy related products | <p>\$33.7M*</p> <p>Moog Construction: \$7.3M from the electrification of mobile construction equipment. Moog sells integrated electrification systems that enable OEM customers to convert their machines from internal combustion to fully electric battery powered solutions in the compact construction equipment markets.</p> <p>Moog Industrial: \$3M from the electrification of recreational ATVs and on-highway motorcycles. Moog sells motors and electric drive sub-systems and components that enable ATV and on-highway motorcycle OEM manufacturers to replace their internal combustion powertrains with battery-electric powered drivetrains.</p> <p>Moog Industrial: \$23.4M from the sale of data and power transmission rotary slip-rings, fluid-rotary-unions, valves and hydraulic pumps to OEM wind turbine manufacturers who provide power wind turbines to the global wind energy market.</p> |
| RT-AE-410a.2 | Description of approach and discussion of strategy to address fuel economy and greenhouse gas (GHG) emissions of products. | <p>Sustainability plays a prominent role in the development of business strategy across Moog's various business units. Moog has a long history of replacing legacy lower efficiency centralized fluid power motion controls with highly efficient electrically powered motion controls across a range of demanding aerospace, defense and industrial applications.</p> <p>As a strategic supplier to the largest aircraft engine manufacturers, Moog is supporting those companies in their transition to using Sustainable Aerospace Fuels. Moog is also investing in the development of hybrid and electric propulsion systems to support the industry's transition to net zero in 2050.</p> <p>In response to customer demand, our Industrial Systems segment has developed a strategy sharply focused on energy efficiency. Investments were made in an array of energy-efficient products including on-demand power solutions such as electro-hydrostatic pumps and floating piston pumps. Investments have also been made in highly efficient and cost-effective brushless motor and drive technologies.</p> <p>Moog Construction has been working with large engineering, procurement, and construction firms to automate material handling tasks found in large utility scale solar power construction projects. These investments in automation solutions could accelerate the adoption of utility scale power generation from existing fossil fuel energy sources to renewable energy sources and reduce harmful greenhouse gas emissions and do so in a highly scalable manner.</p> |

*Moog previously disclosed \$10.3M in revenue on December 22, 2022, which reflected the revenue earned by Moog Construction of \$7.3 million and Moog Industrial of \$3.0 million. After further evaluating the Sustainability Accounting Standards Board (SASB) framework, we identified an additional \$23.4M in revenue earned by Moog Industrial that meets the requirements of the SASB framework and we have updated the previously disclosed amount on January 19, 2023.

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| Materials Sourcing | | |
| RT-AE-440a.1 | Description of management of risks associated with the use of critical materials | Some of our products require certain scarce raw materials. We recognize that there is inherent risk associated with such materials, including reduced supply and inflated prices. We consider the management of critical materials as part of our broader approach to monitoring end-to-end supply chain risk. For example, we identify, manage and mitigate risk by working with our suppliers to identify and address risks to supply, which include risks associated with the supply of critical materials. To mitigate the risks associated with certain critical materials, we have taken the following approaches: life-time buys, identification of alternatives, re-design, adjusted buffer stocks and increased order coverage. https://www.moog.com/investors/corporate-governance/policy-statement---regarding-conflict-minerals.html |
| Business Ethics | | |
| RT-AE-510a.1 | Total amount of monetary losses as a result of legal proceedings associated with incidents of corruption | SEC Filings: Information on legal proceedings is disclosed in our Annual Report on Form 10-K and in our Quarterly Reports on Form 10-Q. |
| RT-AE-510a.2 | Revenue from countries ranked in the "E" or "F" Band of Transparency International's Government Defence Anti-Corruption Index | \$132.0M, 73% of which is sales into China. |

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| Business Ethics | | |
| RT-AE-510a.3 | Discussion of processes to manage business ethics risks throughout the value chain | <p>Moog's employees share a commitment to the highest standards of ethical conduct, a vital responsibility for upholding its culture and values. We do more than just comply with laws and regulations. All Moog employees are expected to conduct themselves with integrity in dealing with each other, with our suppliers, and with our customers. It is vital that each of the employees be aware of, and comply with, Moog's Statement of Business Ethics ("SOBE").</p> <p>Furthermore, Moog employees are expected to complete Ethics training regularly.</p> <p>If an employee has a concern that an activity or practice related to their work or the overall business of Moog may be unethical, their first source of guidance is expected to be their supervisor, any supervisor, then Human Resources manager or the Moog Legal Department. If that does not prove satisfactory, or is impractical, Moog encourages employees to use one of two available Hotlines to confidentially report their concerns.</p> <p>There will not be any retaliation against any person for calling either of these hotlines. To the maximum extent feasible, a person's identity will be kept in confidence during investigation and resolution of matters reported. Anonymous contacts will be accepted, investigated, and resolved to the maximum extent feasible without directly involving the individual who made the report in the investigatory process or reported results.</p> <p>The Moog Business Ethics Compliance Committee ("BECC") is chartered to "provide guidance and oversee the policies and processes for ethical conduct ensuring compliance with applicable laws, rules and regulations." It is a company-wide committee with operating group and corporate representation that is accountable to the Moog executive team. BECC activities include: monitoring and reporting on U.S. and International laws that require establishing, publishing, updating and maintaining Moog's SOBE; providing all employees with awareness training on the SOBE; operating the hotlines; overseeing a monitoring system for identifying and addressing process or compliance issues; and determining those issues that may require disclosure to enforcement agencies.</p> |
| Activity Metric | | |
| RT-AE-000.A | Production by reportable segment | <p>Necessary information to comply with the reporting requirement(s) is not yet complete or validated. As an alternative, we have provided revenue by reportable segment. Segment revenue is reported in our Annual Report on Form 10-K for the year ended October 1, 2022 > Item 8 - Financial Statements and Supplementary Data > Note 21 - Segments.</p> <p>We don't currently have product by reportable segment.</p> |
| RT-AE-000.B | Number of employees | <p>Headcount is reported in in our Annual Report on Form 10-K for the year ended October 1, 2022 > Item 1 - Business > Human Capital Resources</p> |