



Environmental, Social and Governance Report

November 2021

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About This Report

A new foundation for Nordson's ESG strategy, influenced by leading ESG frameworks.

Thank you for your interest in Nordson Corporation's Environmental, Social and Governance (ESG) report. The underlying elements of ESG have been central to Nordson's culture and success for many years and are embodied in our long-standing <u>Philosophy and Values</u>. Compared with our prior ESG disclosures, this report reflects a more intentional and systemic approach to organizing and communicating our commitments, accomplishments, and aspirations through an ESG lens. This year marks our first ESG report in this format and serves as a new foundation for our ESG profile and future reporting and disclosures.

In preparing this report and developing our ESG strategy, we have been influenced by established ESG reporting standards, ratings organizations, and similar ESG frameworks, including the Sustainability Accounting Standards Board (SASB), the Global Reporting Initiative (GRI), the Task Force on Climate-Related Disclosures (TCFD), and the United Nations Sustainable Development Goals (UN SDGs). Given the fragmented and evolving landscape of ESG reporting and disclosures, this report does not seek to specifically align with any one standard or framework. Rather, we considered a range of standards and frameworks and have incorporated elements into this report that we believe are appropriate and important to Nordson and our stakeholders. Our goal is to evaluate and consider these diverse influences and chart a path forward that we believe best balances the current and future needs of our stakeholders and our company.

We welcome your questions and feedback regarding this report at corporatecommunications@nordson.com.



Message From Our CEO



Dear Nordson Stakeholders,

I am proud of the enduring strength of Nordson's values, our culture, and the essential relationships that we have with our customers, investors, employees, communities, and other stakeholders. In this very dynamic and challenging time, we are focused on moving our organization forward safely and responsibly. Nordson's corporate philosophy is to be a vital, self-renewing global organization, and as I reflect on the past two years, I believe that we have held true to this conviction as the world around us evolves.

Understanding and minimizing our environmental footprint

Nordson is a light-assembly manufacturer, and we are committed to identifying ways to minimize our own environmental footprint while helping our customers do the same. Throughout our long history of designing and developing precision dispensing technology, we have sought to reduce our customers' material costs and consumption by increasing yields and reducing scrap during their manufacturing processes – this has been a vital part of our success. We are also bringing solutions to market that address environmentally conscious market opportunities, such as advanced battery manufacturing to support renewable energy and manufacturing processes that utilize plant-based manufacturing materials.

To further understand our environmental footprint, in 2020, we began a comprehensive effort to aggregate our electricity, natural gas, waste, and water consumption data into a centralized database. Collection of this information will support data-driven selection of – and investment in – the most impactful opportunities to reduce our footprint. We will use this data to establish reduction targets and monitor our progress.

Supporting our employees, customers, and communities

Throughout our history, Nordson has valued our employees and invested in the communities where we live and work. This was especially true during the COVID-19 pandemic. While prioritizing individual health and safety and accommodating the personal needs and well-being of our employees, we found ways to continue to deliver essential products and services to our customers. Nordson products played key roles in the manufacturing of vaccines, test kits, ventilators, personal protective equipment, and other essential goods.

Our philanthropic efforts took on new significance as many of our charitable partners looked to meet increasing needs with decreasing funding caused by the initial global recession and macroeconomic uncertainty. In 2020, we allocated \$1.5 million in emergency response donations to address the pandemic, resulting in over \$11 million in total charitable donations for the year.

Bringing forward diverse perspectives to enhance our organization

One of the key pillars of our <u>Ascend strategy</u> is to build winning teams. To be successful, we must create an engaging culture while fostering an inclusive environment. We value the unique experiences and backgrounds of our employees and are committed to building a strong, diverse talent pipeline at all levels of the organization, including our Board of Directors. In addition to meaningful organizational changes designed to increase diversity, we've had countless small but impactful events to foster an inclusive culture, some of which you will read about in this report.

I firmly believe we have a strong foundational culture committed to furthering our environmental, social, and governance (ESG) objectives. As discussed in more detail throughout this report, our Ascend strategy and ESG priorities are closely integrated and depend on each other to refine and improve our overall performance.

Thank you for your continued support of Nordson. We are building upon a strong foundation, and we are pleased to share our ESG progress with you.

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Sundaram Nagarajan President and Chief Executive Officer

About Nordson Corporation

Delivering precision technology solutions to help customers succeed worldwide.

Nordson Corporation is an innovative precision technology company that serves global customers in a wide variety of non-durable, durable, and technology end markets, including packaging, nonwovens, electronics, medical, appliances, energy, transportation, construction, and general product assembly and finishing. We engineer, manufacture, and market differentiated products used for dispensing adhesives, coatings, sealants, biomaterials, and other materials; for fluid management; for test and inspection; and for UV curing and plasma surface treatment. We support our products with direct global sales, service, and application expertise.

For more information about our segments, brands, and product lines, visit the About Us page on our website.

Our Corporate Philosophy and Values

Nordson strives to be a vital, self-renewing, global organization that, within the framework of ethical behavior and enlightened citizenship, grows and produces wealth for our customers, employees, shareholders, and communities.

Our values – the principles by which we operate – provide a foundation that assures the highest level of ethical behavior across all Nordson operations. By integrating these values into every aspect of our business, we assure the best for ourselves and our stakeholders.

- **Integrity**: We are honest with employees, customers, shareholders, the media, and ourselves. We will do what is right. We will not compromise standards.
- Respect for People: We value employees. We thrive on teamwork, collaboration, and diversity. We will not compromise safety. We communicate openly and honestly. We invest in our communities.
- **Customer Passion**: Quality and service come first. We expect more from ourselves than our customers do.
- Excellence: We expect the best from management, co-workers, and ourselves. We are not satisfied with work that is "average" or "OK." We seek innovative approaches to create value.
- **Energy**: We approach challenges with an attitude of "lean forward, let's get it done." Enthusiasm drives the pace of our work. We care ... complacency is worse than our toughest competitor.

Nordson by the Numbers*



Our Growth Strategy for a Stronger Nordson

In 2021, we introduced our Ascend strategy, which is designed to deliver top tier revenue growth with leading margins and returns. Our financial goal in the next five years is to deliver \$3 billion in revenue and a 30% EBITDA margin through organic and acquisitive growth. We intend to pursue this goal in a manner consistent with the principles of sustainable development, growing the company in an environmentally and socially responsible manner and within a sound governance framework.

The Ascend strategy is guided by three interconnected pillars, with our culture and values serving as the foundation for everything we do. Our ESG program is intentionally aligned with the principles of the Ascend strategy and NBS Next framework.



	NBS Next	Owner Mindset	Winning Teams
IMPACT ON HOW WE MANAGE THE BUSINESS OVERALL	Driving profitable growth by selecting and investing disproportionately in the best growth opportunities.	Creating an agile organization where our leaders are empowered to make growth-focused decisions close to the customer.	Creating an engaging culture that attracts and retains top people who are key to delivering on the long-term growth objectives of the company.
IMPACT ON HOW WE APPROACH ESG	Applying disciplined, data-driven analysis to prioritize improvements and opportunities with the most beneficial impact.	Encouraging and enabling division and site leaders to make decisions and execute strategy most impactful to their business and their stakeholders, within a centralized framework of guiding principles, corporate support, and oversight to balance autonomy with accountability.	Developing a purpose-driven, inclusive, and diverse culture is important to creating a shared strategic vision and attracting, retaining, and motivating top talent.

Our Approach to ESG

Guided by our corporate philosophy and values, we are focused on the ESG issues most important to our company and our stakeholders.

OUR APPROACH TO ESG IS BUILT AROUND FIVE KEY AREAS:

Measuring and Managing Our Environmental Footprint	Delivering Responsible Products	Fostering an Inclusive and Engaged Culture	Caring For Our Communities	Operating with Integrity and Responsibility
Environmental Strategy, Oversight, Planning, and Performance	Product Innovation Product Quality and Safety Supply Chain Responsibility	Talent Management and Development Inclusion and Diversity Workplace Health and Safety	Community Involvement	Corporate Governance Ethics and Compliance Cybersecurity

Nordson's ESG efforts have the support of our executive leadership team, including our President and Chief Executive Officer, Sundaram Nagarajan. Nordson's centralized ESG team includes leaders from Environmental, Health, and Safety (EHS), Human Resources, the Nordson Corporation Foundation, Legal and Compliance, Corporate Communications, Investor Relations, and Supply Chain. The executive sponsor of our centralized ESG team is Nordson's Executive Vice President and Chief Financial Officer, Joseph Kelley.



Our COVID-19 Response

The 2020-2021 period marked an unprecedented year for our company, employees, customers, and communities. Despite these challenges, we remained committed to ensuring the safety of our employees while serving the critical needs of our customers and communities. It also provided a unique lens through which to view the essential nature of our products and the applications they support – from vaccine development and medical devices to everyday essentials and electronics. Read more about our COVID-19 response in our <u>2021</u> Proxy Statement and on Our COVID-19 Commitment page.





Measuring and Managing Our Environmental Footprint

> » Environmental Strategy, Oversight, Planning, and Performance



Environmental Strategy, Oversight, Planning, and Performance

Reducing our environmental footprint and helping our customers reduce theirs.

Nordson is committed to operating safely and efficiently to minimize our environmental footprint, improve and protect our environment, and reduce risk to our business and our stakeholders. Our precision technology solutions support our customers in their pursuit of efficient and sustainable manufacturing by improving yields, reducing material consumption, and providing innovative capabilities with respect to the use of environmentally friendly materials. As a light manufacturing company, our environmental footprint is inherently modest compared with many manufacturing and industrial companies, though we remain committed to continuous improvement to reduce our impact.

Our Environmental Policy outlines our commitment to conduct business in a manner consistent with the objectives of sustainable development, carefully balancing economic success with environmental stewardship and social progress. We are mindful of the important role we play in addressing climate change and other environmental issues, and we are committed to measuring and reducing our resource consumption, energy use, emissions, and waste. Nordson's executive leadership and Board of Directors recognize the increasing societal risks and opportunities associated with climate change and environmental issues. We have taken meaningful steps to integrate climate change risks and opportunities into our oversight and planning, and we are committed to enhancing and expanding the scope of these efforts.

Our Approach to Environmental Management

Responsibility for our environmental management strategy is shared among centralized and local resources. Consistent with Nordson's Ascend strategy, our environmental management philosophy is to foster an owner mindset that empowers division and site leaders to be proactive in managing their business and operations, within a framework of centralized governance and oversight to identify key trends, risks, and opportunities. Division and site leaders are responsible for local execution, while a centralized team is responsible for company-wide oversight to identify and support the mitigation of any key risks or negative trends. Positive trends, key opportunities, and best practices are identified and shared within the company, enhancing employee awareness and driving further adoption. A disciplined, data-driven approach seeks to prioritize and allocate our resources to the most impactful opportunities and risk mitigation needs.

Journey to Zero

Launched in 2020, Journey to Zero is an initiative focused on respect for people and communities through continuous improvement of Environmental, Health, and Safety (EHS) management at Nordson. We strive to achieve an ideal state goal of zero adverse impacts to the health and safety of our employees and zero adverse environmental impacts to our community. This includes reinforcing our culture of environmental compliance, ensuring employees receive proper training around our environmental standards, and proactively managing our resource consumption. Learn more about Journey to Zero in the <u>Workplace Health and Safety</u> section of this report and on our website.



Measuring Our Greenhouse Gas Emissions

Accurate and complete data is an essential foundation for environmental management and sustainability/efficiency improvements. Data guides us to pursue the most impactful opportunities and enables us to set targets and measure our progress. Many of our sites have historically tracked consumption and set targets locally; however, we have not had a standardized or centralized means of compiling, evaluating, and reporting environmental data. In 2020, we committed to implementing a company-wide utility bill management (UBM) solution to compile key environmental, emissions, and consumption data.

As of October 2021, we have onboarded 25 sites to our UBM platform with respect to electricity data and 20 sites with respect to natural gas data. Our initial focus has been on larger manufacturing sites in the U.S. and Europe.

During the remainder of 2021 and in 2022, we intend to:

- Complete electricity and natural gas onboarding for our remaining U.S. and non-U.S. manufacturing sites;
- Begin a similar onboarding approach to monitor and understand water and waste data in our manufacturing facilities around the world; and
- Utilize this knowledge to establish reduction targets and monitor our progress.

We intend to have all global sites fully onboarded to our UBM platform for electricity and natural gas in 2023.

Addressing Climate Change

As a global company with operations and offices in more than 35 countries, we recognize our potential impact on climate change as well as the associated risks and opportunities. With respect to business decisions, Nordson is increasingly considering climate change and its potential impacts, such as the company's potential vulnerability to physical risks, climate change impact on resource availability, potential increasing demand and opportunities for certain products and applications, and Nordson's preparation for potential changes in the regulatory environment. We are in the early stages of evaluating various potential climate-change scenarios and assessing the likely risks, opportunities, and other impacts on our businesses, strategy, and financial planning.

Understanding Our Climate Change Risks and Opportunities

Our annual global enterprise risk management (ERM) survey is an important tool in assessing a variety of risks across our company. Our ERM survey specifically includes a TCFD-influenced question set around both transition risks and physical risks related to climate change.

Climate change presents several opportunities for Nordson. We have a long history of designing and developing premium, differentiated products based on the value proposition that Nordson provides lower long-term cost of ownership than many competitors. For example, the premium quality and durability of Nordson products leads to a longer useful life; higher precision contributes to lower material usage by increasing yields and reducing scrap during our customers' manufacturing and operations; and innovative features such as the

2020 ENVIRONMENTAL DATA

Natural Gas Consumption	72,747 gigajoules
Scope 1 CO ₂ Emissions from Facility Natural Gas	4,139 metric tons
Electricity Consumption	260,328 gigajoules
Scope 2 CO ₂ Emissions	27,420 metric tons
Total Energy Consumption from Facility Natural Gas and Electricity Consumption	333,075 gigajoules

Approximate unaudited data for calendar year 2020, with data compiled as of September 24, 2021.

Data does not represent 100% site coverage globally. Data does not account for Scope 1 consumption from sources other than natural gas consumed by the facilities stated below.

The electricity data set includes the following 25 sites: Amherst, OH, USA; Aylesbury, United Kingdom; Boyle, Ireland; Carlsbad, CA, USA; Chattanooga, TN, USA; Chippewa Falls, WI, USA; Concord, CA, USA; Duluth, GA, USA; Eagan, MN, USA; East Providence, RI, USA; Easton, PA, USA; Elk Grove Village, IL, USA; Erkrath, Germany; Galway, Ireland; Guaymas, Mexico; Loveland, CO, USA; Lüneburg, Germany; Maastricht, Netherlands; Norwich, CT, USA; Robbinsville, NJ, USA; Salem, NH, USA; Santa Clara, CA, USA; Swainsboro, GA, USA; Vista, CA, USA; Wixom, MI, USA.

The natural gas data set includes the following 20 sites: Amherst, OH, USA; Aylesbury, United Kingdom; Carlsbad, CA, USA; Chattanooga, TN, USA; Chippewa Falls, WI, USA; Concord, CA, USA; Duluth, GA, USA; Eagan, MN, USA; East Providence, RI, USA; Easton, PA, USA; Elk Grove Village, IL, USA; Erkrath, Germany; Loveland, CO, USA; Lüneburg, Germany; Maastricht, Netherlands; Marlborough, MA, USA; Norwich, CT, USA; Salem, NH, USA; Swainsboro, GA, USA; Westlake, OH, USA.



tankless <u>ProBlue Flex Melter</u> reduce material waste. Providing our customers with efficient products is ingrained in our DNA, and we believe the increasing global focus on efficient and sustainable manufacturing presents a potential opportunity to further differentiate our products.

Climate change also opens new markets and applications for our products. For example, we have developed a robust, cross-divisional approach to the <u>battery market</u>. Through our Ascend strategy and NBS Next growth framework, we will continue to target strategic growth segments and apply a disciplined approach to product innovation and development that anticipates and responds to customer and market trends, including the increasing focus on climate change-related end markets and applications.

Identifying Best Practices from Our Manufacturing Facilities

The longevity and growth of Nordson are fundamentally intertwined with our commitment to efficient and responsible resource usage. We encourage each of our facilities to approach environmental sustainability with an owner mindset and as an opportunity to enhance efficiency and reduce costs and impacts on the environment.

In 2021, we conducted a comprehensive survey of Nordson manufacturing sites around the world to understand the energy, waste, and water management practices currently in place and actively under consideration. One goal of the survey was to identify significant initiatives that have been implemented at one or more of our sites but were not widely adopted. For example, our 2021 survey found that only a few sites deliberately sequence key equipment startup to reduce peak energy demand. We are working to raise awareness of this practice and intend to measure site adoption in a future survey. Our survey also sought to maintain and improve our understanding of Nordson's environmental profile and risks, especially during the interim period as we build out our quantitative UBM capabilities. For example, only five sites reported consuming more than 15 gallons of water per day through manufacturing processes and do not have closed-loop or other water reclamation methods. We are beginning to work with all five sites on ways to improve water efficiency, with one site identified as a priority due to its presence in a region of particularly high overall water risk¹. The remaining 25+ sites reported that they do not consume more than approximately 15 gallons of water per day through manufacturing processes, or they have closed-loop or other water reclamation methods.

Overall, our 2021 manufacturing site survey revealed an active and diverse approach to environmental management, driven by an owner mindset that is reflective of the variety of climates and geographies in which we operate and the varying nature of manufacturing at our sites. There is widespread adoption of important efficiency and sustainability measures, though room for further improvement remains.



Corporate Headquarters LEED Silver Certification

Construction of our 28,000-square-foot global headquarters in Westlake, Ohio, U.S., was completed in 2010 and earned LEED Silver certification by the U.S. Green Building Council in 2012. The building protects green space, reduces light pollution and water use, and optimizes natural lighting, views, and energy use. For more information, visit our <u>Corporate</u> Headquarters page.

¹ Based on World Resources Institute, Water Risk Atlas, last accessed September 13, 2021 (https://www.wri.org/data/aqueduct-water-risk-atlas).

INSIGHTS FROM OUR 2021 GLOBAL MANUFACTURING FACILITY SURVEY



of our facilities have implemented or are currently evaluating LED improvement projects

85%

of facilities prioritize water conservation, such as the use of low-flow technology and water recycling methods



of facilities practice responsible recycling techniques, such as consumer recycling of bottles, cans, paper, and cardboard, and/or industrial recycling of scrap metal, electronics, batteries, and light bulbs

- Chattanooga, Tennessee, U.S. and Salem, New Hampshire, U.S.: These facilities deliberately sequence key equipment startup timing to reduce peak energy demand. This helps alleviate strain on the overall energy grid, reduces the need for new energy generation capacity, and provides financial savings to Nordson.
- Chippewa Falls, Wisconsin, U.S.: Opened in 2020, the new Chippewa Falls facility was designed with energy efficiency in mind. Features include LED lighting, automatic light and electronics settings, use of high-efficiency appliances and infrastructure, and electric vehicle charging stations. The facility serves as an example of how investment in facility modernization can drive efficiencies.
- Boyle, Ireland: In connection with a larger review of initiatives to upgrade energy efficiency at our Boyle, Ireland facility, lighting was upgraded from fluorescent and incandescent to LED lighting throughout the facility in summer 2020. The expected return on investment for the project is less than two years, and the enhanced efficiency has helped mitigate rising energy prices in Europe.

Innovating in Bangalore, India

Our manufacturing facility in Bangalore, India has embraced sustainability best practices and resource efficiency. The facility was designed to take advantage of natural light, using no artificial lighting during daylight hours. Where artificial lighting is required, the majority has been converted to LED lighting, with plans

to transition to complete LED lighting throughout the facility. This facility also utilizes smart thermostats and eco-friendly temperature settings to minimize the amount of energy consumed through air conditioning. Highefficiency appliances contribute to additional energy savings.



Nordson's new facility in Chippewa Falls, Wisconsin.







Delivering Responsible Products

- » Product Innovation
- » Product Quality and Safety
- » Supply Chain Responsibility



Product Innovation

Nordson is driven by an innovative spirit to develop new approaches to our products, processes, and services. Investing in technology, research, and development is essential to our delivery of precision technology solutions, which create value for our customers and drive sustained profitable growth.

Delivering Products with Environmental and Social Benefits

Nordson delivers differentiated technology solutions across a wide range of industries and applications that contribute to environmental and social benefits, including several of the UN Sustainable Development Goals. The precision, durability, and innovative features of our equipment drive resource efficiency and reduce waste, creating value for our customers and benefits to the environment. Our innovative capabilities enable methods of manufacturing by our customers that utilize environmentally friendly materials in everyday items, such as baby diapers, hygiene products, and food and beverage packaging. We also deliver products and solutions that support growing opportunities in connection with climate change, clean energy, and converging environmental topics, such as the advanced battery market, plastics recycling, and the avoidance of solvents through powder coating systems. The end-use applications of our products deliver a variety of social benefits. In particular, we make contributions to the health and well-being of our communities through the development and manufacturing of medical devices and components. Our product applications in food and beverage manufacturing and packaging contribute to food security and production stability. Industrial manufacturing using Nordson equipment helps sustain productive work and economic growth across our communities, and support advancements across international industry, innovation, and infrastructure. Products manufactured using Nordson equipment – ranging from family care necessities to construction materials to automobiles – help to provide basic services and fulfill essential needs. Global semiconductor shortages highlight the importance of Nordson's electronics manufacturing and test and inspection capabilities.



Our Portfolio of Products Delivering Environmental and Social Benefits

» CLEAN ENERGY AND RECYCLING

» MEETING BASIC NEEDS





Our advanced battery production capabilities serve a vital role in increasing the capacity and adoption of renewable energy, as variable forms – such as wind and solar – require extensive energy storage. We utilize a <u>cross-divisional approach to serve</u> <u>the battery market</u> at all stages of manufacturing, including manufacturing components such as anodes and cathodes; cell manufacturing with our custom engineered extrusion and die systems; and module production and battery pack assembly utilizing our fluid dispensing systems. Nordson is proud to assist companies and communities in their transition to clean energy and climatefriendly solutions through battery production.





Advancing the Circular Economy for Plastics

As the demand for innovative waste solutions has increased, Nordson delivers sustainable and reliable technologies that promote a circular economy. Through Nordson's Polymer Processing Systems, we have advanced a line of products that target the efficient use of resources by extending the life and quality of recycled plastic and facilitating the use of bio-based solutions. Products include BKG®CrystallCut, BKG®FlexDisc, and EDI Extrusion Die Systems.

Food and Beverage

Nordson products are used widely throughout the food and beverage industry, helping to meet basic needs and provide food security and production stability. Our dispensing equipment is commonly used to fabricate cartons and containers, apply labels, seal boxes, and other important steps in delivering food to kitchens, grocery stores, and markets around the world. We are continuously innovating to find increasingly environmentally conscious and material-efficient means of production. We support recyclable aluminum can manufacturing with our container coating products and flexible packaging solutions through extrusion and injection molding components. Nordson equipment is also used in food preparation and production, including aseptic dispensing and coating equipment.

Our Portfolio of Products Delivering Environmental and Social Benefits continued

» MEETING BASIC NEEDS

» HEALTH AND WELL-BEING





Safe and Sustainable Family Care

Nordson's bonding technologies enable the creation of baby products made from natural and plant-based materials. We invest in technologies such as our <u>TrioTM Variable</u> <u>Dispense Slot Applicator</u>, which bonds natural materials to form disposable hygiene products. In addition, these bonding technologies are compatible with other diaper production solutions, including our PureFlowTM hoses, which are proven to reduce adhesive stress and degradation, thereby contributing to higher yields and less material waste and consumption.

Life-Saving Medical Devices

Our portfolio of biomaterial delivery devices allows surgeons to precisely and accurately place biomaterials, such as injections of bone graft material during spinal and other orthopedic surgeries. Our fluid management components - including a range of fittings, couplings, valves, and other components and connectors - enable healthcare providers to quickly and safely connect fluid management systems, such as IV and drug delivery components, dialysis equipment and biopharmaceutical manufacturing. Our fluid management components were a vital part of the COVID-19 vaccine development and supply chain. When it comes to new product design or improvements to existing products, companies of all sizes look to us for design and development support as an extension of their engineering teams. We produce leading catheter, cannula, tubing, nitinol, and balloon components, and finished devices, many of which enable minimally invasive and other innovative surgical procedures.



Healthcare and Life Science Manufacturing Equipment

In addition to manufacturing medical devices and components ourselves, we also manufacture the equipment that companies use to produce medical devices, personal protective equipment (PPE), and other medical and life sciences products. Nordson equipment was used to manufacture key components for ventilators and breathing equipment during the COVID-19 pandemic. Gear pumps and screen changers have been instrumental in producing the melt blown polypropylene microfiber sheets used in masks, medical gowns, and other PPE. With Nordson adhesive dispensing technology for nonwoven materials, surgical facemask manufacturers were able to optimize the standard design to output as many as ten times more masks per minute. Nordson teams also partnered with key medical customers to develop applications that dispense reagents for diagnostic test strips and bonding the housing of test cards for COVID-19 test kits.

These are just a few of the ways Nordson products support environmental and social benefits. We encourage you to visit our <u>website</u> to learn more.



Product Quality and Safety

The quality and safety of our products are foundational to our reputation and relationships with customers. We source responsibly and apply rigorous systems to ensure our products meet or exceed the highest standards of quality and safety.

Complying with Regulations and Standards for Quality and Safety

The safety and quality of our products begin with our compliance with regional, national, state, and local regulations and standards in all countries where Nordson products are sold. These include the European Union (EU) Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) Regulation; and the EU Restriction of Hazardous Substances (RoHS) Directive. We adhere to these regulations, in part, through our <u>EU REACH Program</u> and our <u>Restricted Substances Program</u>. We also disclose our due diligence and sourcing practices concerning the use of "conflict minerals" in our <u>Conflict Minerals Policy</u>.

Our <u>Restricted Substances Program</u> contains guidance on restricted substance regulations, planning, analysis, and procedural discipline. Our Corporate Product Compliance Council, which consists of representatives from each business unit and applicable corporate functions, developed the program to define, create, and implement effective restricted substance control policies and procedures consistently across operations. We update our employees about restricted materials whenever new or updated legislation or initiatives are announced.

We ensure the quality of our products through strategic management systems across our operations. Each of our business divisions leverages division-specific quality management systems (QMS) that document the structure, responsibilities, and procedures required to identify, measure, control, and improve core business line processes. Additionally, each business division has one or more quality assurance representatives in charge of its QMS, and design engineering teams are responsible for verifying product compliance prior to production release. Our QMS programs include processes to monitor for any product safety issues and to conduct appropriate investigation, root cause analysis, and corrective action.

One of the key output metrics in our NBS Next growth framework relates to understanding and reducing or eliminating the Cost of Poor Quality, which includes defined targets and objectives. We also implement procedures for new acquisitions to review and ensure safe operations, including an analysis of substances or chemicals used and substituting with less hazardous materials when appropriate.

Beyond compliance with regulations and our QMS, many of our facilities pursue International Organization for Standardization (ISO) quality management certifications. To view a list of Nordson's ISO-certified facilities, visit our <u>ISO Information</u> page.





Supply Chain Responsibility

Nordson is committed to purchasing materials of the highest quality from suppliers and vendors who practice safe and ethical practices at their own facilities and promote the same values throughout their value stream. We believe that working with high-quality, ethical, and compliant suppliers leads to reliable supply chain relationships that minimize risks and disruptions – especially during times of turmoil – and facilitate long-term service, support, and innovation that benefit Nordson, our customers, and our suppliers.

Our Policies

Our suppliers are expected to comply with our <u>Code of Ethics for</u> <u>Suppliers and Third-Party Service Providers</u> (Supplier Code), which includes requirements for safe, fair working conditions, ethical business practices, continuous improvement, and overall legal and regulatory compliance. In particular, suppliers are expected to:

- Manage their business in an ethical and responsible way with respect to human rights.
- Manage their business in a sustainable and responsible way, meeting all applicable environmental rules, regulations, and laws in the countries where they do business.
- Comply with applicable laws and standards relating to hazardous or restricted substances, and cooperate and comply with Nordson's reasonable requests, requirements, and instructions relating to hazardous or restricted substances.

We take appropriate corrective actions against suppliers that violate our Supplier Code. Where possible, we first try to work collaboratively with non-compliant suppliers to address the issue at-hand, thereby improving the supplier's performance while maintaining our supply chain. However, where significant issues are identified or issues persist without remediation, we will terminate the relationship. We will not do business with any supplier that we know is in violation of Nordson's standards or applicable laws regarding child labor, slavery, human trafficking, or other human rights issues. Our <u>Conflict Minerals Policy</u> outlines our commitment to full compliance with the U.S. Securities and Exchange Commission requirements and states that we will refrain from, directly or indirectly, taking or supporting any action that contributes to the financing of armed groups that are committing human rights abuses in certain covered countries. We evaluate our supply chain for the potential presence of conflict minerals and survey suppliers that may have conflict minerals in the products supplied to Nordson.

The Supplier Code incorporates other key human rights and ethics policies, including our <u>Policy Against Human Trafficking & Slavery</u> for Suppliers, which aligns with the <u>California Transparency in Supply</u> Chains Act of 2010 and the United Kingdom Modern Slavery Act.

A Division-led Approach to Supply Chain Accountability

Consistent with other areas of our business and our Ascend strategy, we employ a division-led supply chain management program, with support, guidance, and tools provided by the corporate supply chain team. Embracing an owner mindset, each division is empowered to identify what its business needs to succeed, within a framework of centralized governance and oversight.

Ensuring We Engage with Trusted Suppliers

We strive to thoroughly understand each of the relationships we forge with external parties. Our policy toward supplier onboarding and risk management incorporates both initial due diligence and ongoing monitoring:

- Third-Party Diligence and Risk Evaluation: Before engaging with a new supplier, we perform a credit and risk report through a third-party partner to assess potential controversies, including environmental, social, and legal/compliance issues. Our thirdparty partner monitors active suppliers for new controversies.
- Supplier Assessments: New suppliers are required to complete our supplier assessment questionnaire, which covers topics such as ethics, compliance, diversity, human rights, and health, safety, and security.
- Supplier Evaluation: New suppliers are subject to a formal supplier evaluation prior to being added to our approved supplier list. Subsequent supplier evaluations are conducted periodically on existing suppliers, with top and critical suppliers evaluated on an annual basis. Evaluations cover topics such as risk management, employee training, health, safety, and security, and compliance with our Supplier Code and applicable laws and standards. Supplier evaluations are typically conducted on-site but have been completed virtually throughout the COVID-19 pandemic along with other COVID-19-related adaptations to the evaluation policy.

The Importance of Collaboration

Collaboration with our customers, peers, and other stakeholders is an important aspect of our continuous improvement efforts. Nordson maintains memberships in several industry and trade groups, including dedicated supply chain subgroups. We work with our customers and industry peers to understand emerging issues and best practices in supply chain management, including respect for ethics and human rights. We have several prominent, blue-chip customers that are in the forefront of championing human rights issues and provide helpful education and inspiration for continuous improvement at Nordson. We appreciate that these collaborative partnerships are helping to drive industry-wide progress and learnings.

Supplier Diversity

Our commitment to diversity extends to our supplier engagements. Supplier diversity is integrated into our Ascend strategy. We value inclusive economic growth and strive to increase our annual spend with diverse suppliers, which we define in the U.S. as a company that is at least 51% owned, controlled, and operated by a racial or ethnic minority, woman, veteran, disabled, or lesbian, gay, bisexual, or transgender person. We are in the process of formalizing and enhancing our supplier diversity standards for our divisions and look forward to sharing more in future reports.



Delivering Essential Materials and Services

Since the onset of the COVID-19 pandemic in late 2019, we have been closely connected to our supply base to ensure business continuity. Frequent, often daily, communication has been critical, and we have continued to monitor capacity, labor shortages, and shutdowns. We are pleased to report that we have not had a significant supply chain issue related to COVID-19, enabling us to continue to reliably deliver essential materials and services to our customers.





Fostering an Inclusive and Engaged Culture

- » Talent Management and Development
- » Inclusion and Diversity
- » Workplace Health and Safety



Talent Management and Development

Attracting and retaining the best talent relies on our ability to provide a diverse and inclusive workplace, personal and professional growth opportunities, and a rewarding employee experience. We strive to uphold a culture of shared knowledge, appreciation, and success.

Winning Teams

Winning Teams, one of three interconnected pillars of Nordson's Ascend strategy, guides our approach to talent management and development. At its core, Winning Teams is about creating an engaging culture that attracts and retains top talent. Responsibility for Winning Teams extends beyond management. Employees at all levels play critical roles in our goal of *Inspiring, Focusing*, and *Creating* Winning Teams.

How We Sustain Winning Teams

- Inspiring trust through clear communication, respect, honesty, and authenticity
- Focusing on inclusion, diversity, collaboration, and a strong community
- Creating an engaging culture that encourages experimentation and embraces change as an opportunity to create differentiation

Organizational Agility

Organizational Agility, one of the five interconnected NBS Next elements, focuses on capturing the value of Nordson's culture and talent, and reflects the ability to quickly reconfigure strategy, structure, processes, people, and technology toward value-creating and value-protecting opportunities. When organizations have great organizational agility, they have better performance and improved competitive advantage.

An agile culture at Nordson drives sustainable, profitable growth by ensuring that we can learn, adapt, grow, and lead inclusively in an increasingly complex, diverse, and changing world. Organizationally, this approach allows us to attract, retain, engage, and develop talent for Winning Teams while quickly onboarding new employees and facilitating cross-business talent moves.



NORDSON Environmental, Social and Governance Report = 20

Nordson's Foundational Attributes

To guide our Winning Teams and Organizational Agility, we have a carefully curated set of Foundational Attributes that help guide our colleagues and company toward growth. Embodying these attributes allows us to build our strength and resilience as individuals and as a company. To inspire employee aspiration and awareness, we have incorporated our Foundational Attributes into our performance management system.



Nordson's Five Foundational Attributes



Create a Shared Strategic Vision: Align the organization through actionable, strategic guidance.



Deliver Results Through NBS Next: Remain focused and nimble to achieve best-in-class results.



Embrace Innovation and Change: Proactively seek improvement and champion customer success.



Build Flexible Teams and Organizations: Quickly adapt our teams and organizational structure to changing priorities and creating deep, diverse, agile teams.



Inspire Collaboration and Trust:

Influence and collaborate with a one Nordson mindset by being humble, self-aware, and transparent.

Our Performance Management System

We strive to maintain a collaborative culture that enables leaders to emerge as they assume increased responsibility. This commitment is reinforced through our performance management system, which provides employees with ongoing leadership development and career advancement feedback. We recently refreshed our approach to better reflect our continuous improvement mindset, including aligning our evaluation standards with Nordson's five Foundational Attributes. We have also incorporated regular check-ins so employees receive more frequent and timely feedback.

Fostering Ongoing Learning and Development

Nordson is committed to the education, development, and advancement of our employees. In the spirit of continuous improvement, we encourage employees to expand their knowledge, expertise, and capabilities within their role to find more effective ways to work. We facilitate this process through our learning management system, Nordson University. The platform covers a wide range of topics, including environment, health, and safety, legal compliance, ethics and integrity, employee onboarding, inclusion and diversity, and manager-focused training. The curriculum is dynamic, as we regularly refresh the content with new courses and materials.



Engaging Our Employees

Nordson thrives on teamwork, collaboration, and diversity. Our core value of Respect for People has long served as the foundation for our inclusive culture. To be a vital, self-renewing organization well into the future, we recognize the need to raise the bar by continually fostering an environment that is intentionally inclusive, empowers all employees to contribute to their maximum potential, and cultivates the engagement required to exceed the rising expectations of our customers.

Surveys are a key tool in understanding employee sentiment and engagement. In 2021, we transitioned from conducting a biannual survey to a more integrated, real-time approach to understanding the employee experience. We now conduct pulse surveys, which are more frequent, shorter surveys typically focused on timely, specific topics. Survey results are shared with all employees and outline resulting actions and goals. Recent surveys have focused on specific issues such as inclusion and diversity and hybrid work environments, and more general issues such as employee engagement and satisfaction. Our approach to employee listening is purposefully designed to involve employees more contemporaneously, harness their ideas and feedback, and enhance overall company culture.

Our average global tenure of **10.2 years*** reflects the strong engagement of our employees and our positive workplace culture

*Data as of October 31, 2020.

VOLUNTARY EMPLOYEE TURNOVER RATE*



Rewarding Our Employees

We strive to offer and maintain market-competitive total rewards programs for our employees. In addition to base compensation and incentives, our rewards program includes health, welfare, and retirement benefits. Employee wellness programs, including

mental health support and access, telemedicine, and healthy lifestyle programs, are part of our employee offerings in many locations as we prioritize the well-being of our employees.





Inclusion and Diversity

Our core value of Respect for People reflects our intention and commitment to create an inclusive and diverse culture. Fostering an environment with inclusive and diverse perspectives is an essential component to enhancing our organizational agility and developing Winning Teams.

Our Inclusion and Diversity Strategy

Over the past several years, Nordson has focused on developing and implementing a strategy to enhance collaboration and inclusion as well as the diversity of our workforce. Our approach encompasses inclusion awareness and skill-building, intentionality with respect to diversity in our hiring and selection process, and performance management and succession planning that recognizes the importance of diversity. Inclusion and diversity (I&D) are integral to our Ascend strategy through the Winning Teams pillar and the Organizational Agility element of NBS Next, among other areas.

We regularly reflect on our progress and explore opportunities to improve our I&D programs, including at the executive leadership and Board levels. The executive leadership team specifically dedicates time to I&D strategy building and reflection, which is shared with the Board of Directors. As of October 1, 2021, 19% of our global leadership (manager level and above) and 26% of our global senior leadership (vice president and above) were women. We are committed to increasing diversity at the management and executive levels.

With respect to the Board of Directors, the Governance & Nominating Committee considers a diverse group of experiences, qualifications, attributes, and skills that the Committee believes enables a director nominee to make significant contributions to the Board, Nordson, and our shareholders. The Board is committed to an inclusive director search process, which includes actively seeking diverse candidates, including women and minority candidates, for each search the Board undertakes. As of October 1, 2021, our Board is composed of nine directors, including three females (33%) and two racially or ethnically diverse men (22%), representing 56% overall diversity (with rounding). Please see the <u>Corporate</u> <u>Governance</u> section of this report for more details on Board composition and the Board's overall contribution to ESG at Nordson.

"Our long-held value of Respect for People calls for us to stand with those who may feel they are outside of the system, whether in the workplace or in our communities. We are each part of a global community of all colors, religions, cultures, and creeds. At Nordson, when you are here, we want you to feel safe, valued, and included. We are committed to fostering an inclusive workplace, and we value the depth and strength of ideas that emanate from a diverse team and community."

Sundaram Nagarajan,
 President and Chief Executive Officer



 50%

 40%

 30%
 25%

 26%
 28%

 20%

 10%

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 2018

 2019
 2020

FEMALE WORKFORCE DIVERSITY* (Global)



MINORITY WORKFORCE DIVERSITY* (U.S. only)

*Calendar year data.

Correction: A data correction was identified and figures were updated November 2, 2022.

Empowering Employee Resources Groups

To reinforce our commitment to fostering a diverse, inclusive workplace, Nordson established the Women's Internal Nordson Network (WINN) in 2016. As the company's first employee resource group (ERG), WINN is focused on providing Nordson women with a dynamic internal network for mentorship and leadership development, though events and membership are open to all genders. WINN strives to support and empower women to drive the collective success of our employees and company.

WINN, which began in Nordson's Advanced Technology Solutions segment, now has three chapters covering six U.S. locations, though many virtual events are open to all employees globally. An Asia-Pacific region WINN chapter recently launched in October 2021. Our first race-based ERG, the Nordson Black Employee Network (NBEN), officially launched in October 2021. The inaugural NBEN virtual event included speeches from Nordson's President and Chief Executive Officer, Sundaram Nagarajan, and Board member, Arthur George, Jr. Additional WINN chapters and other ERG groups are under development as we seek to further our inclusive culture.

Attracting Diverse Talent

Enhancing our hiring and selection process is a key area of our I&D strategy, and we have structured our talent attraction efforts to uphold the ideals of inclusivity, belonging, and diversity. In recruiting top talent, we want prospective employees to feel a sense of belonging, understanding, and security throughout the interview and hiring process. One way we achieve this is through diverse interview panels, which stretch across divisions, ages, levels of experience, races, and genders. To increase the diversity of our candidate pools, we partner with a variety of external organizations, such as the National Society of Black Engineers, Society of Women Engineers, and Women in Manufacturing. We are also making a concerted effort to build employer brand awareness at diverse colleges near our manufacturing and office facilities in the U.S.

A Spotlight on WINN

Mentoring

In August 2020, our Northeast Ohio (NEO) WINN chapter launched a mentoring program. The inaugural 6-month program paired mentors and mentees at our Northeast Ohio campuses. Each pair met monthly to discuss topics of their choice, and NEO WINN hosted social and professional development events for the group. Many of the pairs continue to meet on a regular basis. A second 6-month program has launched, expanding our reach to employees in Rhode Island, New Jersey, Connecticut, and certain sites in Europe.

Important Conversations

Our Carlsbad, California, WINN Chapter held a virtual book club discussion on Just Mercy by Bryan Stevenson in summer 2020. This discussion brought together participants from around the U.S. to discuss issues of systemic racism that were brought to the forefront through the murder of George Floyd. Nordson's CEO and several members of our executive leadership team participated in this thoughtful dialogue. This virtual approach to a national conversation was so well received that WINN has made all book club discussions national and global conversations among our employees.



Workplace Health and Safety

Ensuring all our employees leave work in the same condition as they arrive is the cornerstone of health and safety at Nordson. Our commitment to safe and healthy working conditions is evident through our leadership commitment, employee engagement, and our Journey to Zero initiative.

Our EHS Vision: Journey to Zero

Nordson is continuously improving our environmental, health, and safety (EHS) program and advancing our safety culture. In 2020, we introduced Journey to Zero, which reinforces our belief that all incidents are preventable through continuous improvement in our behaviors and risks.

Journey to Zero is founded on four guiding principles that drive the importance of workplace safety, environmental compliance, product compliance, and sustainability at all our facilities. These principles serve as the foundation for achieving our EHS vision of zero adverse health and safety impacts on our employees and zero environmental impacts on our community.

In addition to our guiding principles, Journey to

Journey to Zero's Guiding Principles:

- Embrace the mindset that all incidents are preventable: By proactively identifying risks, hazards, and threats, we can integrate defensive measures and encourage safe behaviors.
- Support our timeless value, Respect for People: We are making our people and planet the priority and taking the initiative to make adjustments in our daily operations.
- Strengthen commitment and engagement: Employees at all levels of the organization are responsible for safety. We must be dedicated to working together to promote a safe, secure, and healthy environment for all employees, shareholders, customers, and communities.
- Persist for continuous improvement: Journey to Zero is a multiyear focus on an inherently safe and environmentally friendly workplace. Zero represents an ideal state against which we can measure to drive continued improvements.

Zero is characterized by six elements that support our pathway to a safer workplace: Each element includes certain KPIs and milestones, some of which are established at a corporate level based on global requirements and best practices while others are established at the division or site level based on localized considerations. This approach is designed to enable an owner mindset with respect to site safety, led by personnel with the best visibility to "on-the-ground" conditions, within a centralized framework of governance and oversight. Rollout of these Journey to Zero elements and associated KPIs and milestones has begun at our U.S. sites and is expanding globally.

Our Journey to Zero and EHS vision extends to our contractors and vendors, who are required to review and adhere to our <u>Contractor/</u><u>Vendor Safety Program</u>. This document details Nordson's requirements for a contractor or vendor to perform work or conduct business at a Nordson facility. Additionally, all Nordson suppliers and vendors are expected to adhere to our <u>Code of Ethics</u> for <u>Suppliers and Third-Party Service Providers</u>, which includes workplace safety standards and expectations. Our supplier risk review process includes measures with respect to workplace health or safety incidents.

Implementation in Action

Journey to Zero is an ongoing process through which we are refining and continuously improving Nordson's EHS programs. Key Journey to Zero implementation initiatives include:

- A communication board focused on EHS that is visible and active
- Leadership commitment and formal endorsement as to the importance of EHS
- Formation of active EHS Committees with regular agendas, actions, and follow-ups
- Development and implementation of EHS performance metrics that are visibly posted and communicated
- Injury communications to employees with a posted summary
- Personal protective equipment policy visibly posted in relevant areas and enforced
- Confirmation that aisleways and egress paths are clearly marked and unobstructed
- Confirmation that safety equipment areas (e.g., fire extinguisher, eyewash) are clearly marked and unobstructed
- Observation process to report potentially unsafe conditions

Read more about our Journey to Zero initiative in the <u>Environmental Strategy, Oversight, Planning, and Performance</u> section of this report and on our Workplace Health and Safety page.

Our Health and Safety Policy Statement

Our commitment to maintaining the highest standards of health and safety is documented in our <u>Environmental, Health,</u> <u>and Safety Policy Statement</u>. This statement reinforces our commitment to EHS excellence through strong compliance, effective communications, consistent engagement, and informative training.

Enhancing Workplace Health and Safety at Each Facility

Our Environmental, Health, and Safety Management System (EHSMS) is designed to empower each facility to implement the safety processes and controls that deliver the most effective outcomes. Our EHSMS provides standards and supporting documents to empower each facility to take ownership of its safety culture, recognizing that exact requirements for each site will vary depending on the nature of work performed at the site and applicable local laws and regulations. We monitor site progress centrally based on the six elements, associated KPIs, and milestones described in this report to ensure ongoing progress in our Journey to Zero.

Reducing Work-Related Soft Tissue Injuries and Musculoskeletal Disorders

In 2020, our Chippewa Falls, Wisconsin site implemented a stretching program through a partnership with a local occupational medical provider. The program's goal is to reduce musculoskeletal disorders and soft tissue injuries. Teams huddle at various points in the workday to complete a series of stretches. The occupational medical provider also addresses first aid cases and treats musculoskeletal pain and injuries through stretching, taping, and massage.

EHS Committees

Every major Nordson manufacturing site in the U.S. has a cross-functional EHS Committee. The purpose of each EHS Committee is to establish a safe and secure workplace where employees take ownership of their own safety and the safety of their peers and incorporate continuous improvement practices. The EHS Committee provides a forum to communicate, identify, and resolve issues related to workplace health, safety, security, and environmental management. Sites that do not have a formal EHS Committee have a designated local EHS point of contact with appropriate corporate resources and support.

Our EHS Committees or points of contact conduct internal inspections, ensuring compliance with corporate standards and regulatory requirements. Inspection items include housekeeping, egress, emergency response equipment and procedures, hazardous waste accumulation and storage areas, and recordkeeping. EHS-related processes, procedures, and written programs are reviewed on a regular basis for accuracy and updated as needed to address any changes in regulatory, corporate, or site standards. Each site is encouraged to implement a process for employees to identify and report unsafe conditions.

Emergency Preparedness

Our security mission is to protect Nordson's personnel and its assets. Each U.S. location has an Emergency Action Plan that meets the requirements of the Occupational Safety and Health Administration (OSHA). In the U.S., there is a cross-functional, nationwide Workplace Threat Response team comprised of personnel from Security, Human Resources, and Legal. The team's role is to evaluate, investigate, and help sites navigate incidents related to workplace violence. All U.S. employees receive training on how to report workplace threats and what to do in the event of an incident, including Run-Hide-Fight. U.S. managers receive more detailed training on recognizing behaviors and how to work with local incident commanders. These locations utilize an emergency notification software system to notify employees of threats, inclement weather, utility outages, and other emergencies that may impact a facility. Site-specific evacuation and shelter-in-place plans are present at all U.S. sites, with periodic drills and information sessions to ensure continued awareness. Emergency equipment is inspected and tested regularly.

Similar policies and procedures are in place in non-U.S. locations and managed locally. We are working toward bringing non-U.S. locations under more centralized oversight while retaining primary responsibility for site-specific preparedness and response plans at the local level, with corporate resources and support as needed.



EHS Observations Programs Drive Safety Engagement and Improvement

An EHS Observation Program is designed to engage employees through identifying and correcting hazards, with an ultimate goal of preventing incidents from occurring. Observations may be submitted by name or anonymously.

In 2017, our Amherst, Ohio site implemented a near miss and observation program. Since the program's launch, the site has reported an average of 726 submittals per year, which are addressed through corrective action, an improvement project, and/or follow-up evaluation. As of October 1, 2021, nine near misses and 291 observations have been reported for the year. All the near misses and 268 observations have been closed, with the remaining 23 open observations in process.

In November 2020, our Loveland, Colorado site implemented an observation program with a goal of 200 observations in the first year. There has been significant engagement around this initiative, with 12 departments submitting more than 300 observations through August 2021. Approximately 250 submissions have been reviewed and closed, with the remaining open submissions in process.

Our Safety Performance

We record the number of workplace injuries and illnesses that require professional medical treatment beyond first aid. This information is reported in the U.S. as Total Recordable Incident Rate (TRIR) and Days Away, Restrictions, and Transfers (DART) Rate.

As we continue to enhance our culture of safety, we have placed an increased focus on collecting global safety data and intend to share more of this information in future reports.

Zero

workplace fatalities globally during 2018, 2019, and 2020



U.S. TOTAL RECORDABLE INCIDENT RATE* (TRIR)

U.S. DAYS AWAY, RESTRICTED, OR TRANSFERRED (DART) RATE*



*All years shown are calendar years, inclusive of COVID-19 related incidents.

Make Yourself a Priority: Nordson's Employee Wellness Program

Building on our comprehensive approach to workplace health and safety, Nordson's employee wellness program is designed to bring greater awareness to personal health and well-being. We believe wellness plays an important role in employees' productivity, confidence, and mental clarity in their everyday work. We also extend the same consideration to their loved ones by including the option for spousal participation. The program includes health assessments and screenings, preventive care services, activity tracking, health savings account contributions, and wellness education. Employees and spouses in the U.S. who participate in the program are eligible to save up to \$1,000 per year on their medical premiums.





» Community Involvement



Community Involvement

At Nordson, we have a long and proud history of investing in the communities where our employees live and work. We believe it is our social responsibility to share our success with our communities.

Our Commitment to Our Communities

Since our founding in 1954, investing in our communities has been integral to how we do business. As we have grown as a company, we have expanded and enhanced our positive impact. This is exemplified through the founding of the current Nordson Corporation Foundation in 1989, the long-standing partnerships we have developed over time, our employees' engagement in their communities, and our growing giving streams. In recent years, we have extended our reach internationally, with giving programs in 12 international locations.

We are committed to contributing 5% of U.S. pre-tax profits to charitable activities, which is the primary source of funding for the Nordson Corporation Foundation. We are committed to the sustainability and growth of the nonprofits we partner with and are proud of our consistent, long-term support of these organizations we know to be the backbone of our communities. In 2020, Nordson and the Foundation donated more than \$11 million through the various programs described in this section.

Stepping Up When We're Needed Most

Nordson recognizes that when the company is facing challenges, our communities are as well. In addition to our typical contributions, in 2020, Nordson allocated \$1.5 million in emergency response

Supporting Our Communities

\$126+ million

donated through Nordson and the Foundation since 1989 \$11+ million

in total 2020 giving through Nordson and the Foundation \$11 million in total charitable donations for the year. Of these funds, \$500,000 was donated to the World Health Organization and \$500,000 was approved for schools and education providers during the pandemic. The remaining \$500,000 was allocated to our U.S. facilities to distribute in their communities in response to local needs. Led by Nordson's Community Affairs Committees, each site assessed the needs of their neighbors and determined where best to allocate this additional funding.

donations to address the COVID-19 pandemic, resulting in over





through our Time 'n Talent program since 1989 500+ Foundation grants

awarded in 2020

The Nordson Impact

We encourage all employees to make a difference in our communities in ways most meaningful to them. The company provides opportunities to get involved through six community engagement programs that together create *The Nordson Impact:*



Nordson Corporation Foundation is dedicated to ÍM enhancing the quality of life in our communities by improving educational outcomes that enable individuals to become self-sufficient, active participants. The Foundation, which is primarily funded through 5% of Nordson's pre-tax profits, awards grants to nonprofits in our communities throughout the U.S., awarding more than \$126 million since 1989. In addition, employees support the Foundation by making donations during our annual "A Time to Give" Campaign and by participating in our Community Affairs Committees. The Community Affairs Committees are comprised primarily of regular (non-Foundation) employees. We believe it is important to have direct employee engagement during the process of reviewing grant applications, determining how to distribute Foundation funds to local causes, and evaluating progress and impact. Our current distribution targets 70% funding to education and 30% funding to arts and culture and human welfare. In 2020, the Foundation awarded 551 grants, totaling \$7.9 million. Many of these grants were awarded to long-standing partners with which we have strong relationships. The Foundation conducts an annual review of current and potential partnerships to ensure strategic alignment and aid in prioritizing allocation of funds.

Time 'n Talent represents Nordson's employee volunteer efforts worldwide, including general and skills-based volunteering, participation in our major "Big Build" construction projects, and nonprofit board service. Employees are encouraged to take advantage of Nordson's volunteer release time, which provides U.S. employees up to 16 hours of paid time off to volunteer for Nordson-sponsored events. Nordson also supports employees who volunteer with an organization for at least 40 hours in a year by awarding a \$500 "Dollars for Doers" grant to that organization. Despite the limitations due to the COVID-19 pandemic, our employees found innovative ways to donate their time in support of meaningful causes. Read more in the sidebar on this page.

A Time to Give is our annual employee giving campaign in the United States. Teams of Nordson volunteers across the country plan localized campaigns, including pledge drives, fundraising events, and volunteer events through Time 'n Talent. Nordson matches all funds raised during the campaign, doubling its impact. The 2020 virtual campaign raised more than \$200,000 for our communities. **Nordson BUILDS Scholarships** support college students residing or attending college near a Nordson facility and pursuing majors related to manufacturing. Our goal is to help students from our communities build brighter futures for themselves, and to develop a diverse, highly skilled talent pool for the future. In 2020, 219 students received scholarships, totaling \$758,000. Of the recipients, 47% were female and 51% were racially diverse.

Matching Gifts double the donations Nordson employees or retirees make to U.S. nonprofits. Nordson matches any donation of \$25 or more to qualified educational, cultural, civic, or human welfare organizations, up to a total of \$10,000 per calendar year per individual. Gifts of securities, real estate, and other tangible property are also eligible for matching funds when their current market value is clear. In 2020, matching contributions totaled \$1.3 million.

Nordson Corporate Donations support programs around the world that fall outside the priorities or eligibility of the Foundation. Corporate donations from Nordson fund our BUILDS scholarships, international giving, Time 'n Talent events, and matching gifts programs. They also support meaningful for-profit organizations in our communities and may include sponsorships that promote awareness of Nordson.

Engaging Our Employees

Despite the challenges of COVID-19, our employees continued to seek ways to support our communities, including through virtual volunteer opportunities. For example, Nordson employees dedicated over 100 hours reading 38 books to help Words Alive select titles for its reading library. In partnership with RePlay for Kids, a nonprofit dedicated to repairing and adapting toys for children with disabilities in Northeast Ohio, Nordson employees completed 52 toy modifications from the safety of their own homes during a February 2021 initiative.

Giving by the Numbers



2020 NORDSON CORPORATION AND FOUNDATION GIVING BREAKDOWN

NORDSON CORPORATION AND FOUNDATION GIVING, 2016 - 2020

Supporting Our Neighbors Around the World

Nordson encourages our locations around the world to invest in their local communities, and we offer support by providing a framework and process for identifying opportunities. Similar to our approach in the U.S., each site engages with local nonprofit organizations to understand their needs. Each team then makes recommendations for philanthropy and volunteerism based on what they learn. The Nordson Corporation Foundation executive director advises and supports each team through this process while empowering local teams to employ an owner mindset in the management of their local philanthropy. Locations active in their communities include Brazil, Canada, China, Germany, India, the Netherlands, Spain, and the U.K.

30+ Years Feeding Our Communities

For over 30 years, Nordson has supported the Second Harvest Food Bank of North Central Ohio. On a rotating basis, Nordson teams participate in Nordson Night at the Food Bank, an evening of volunteering and team building. Nordson also funded the construction of the Nordson Food Distribution Center, which opened in 2015 and has enabled the food bank to triple its capacity.

Educating the Next Generation of STEM Professionals

Recognizing the importance of introducing students to science, technology, engineering, and mathematics (STEM) careers at an early age, Nordson supports a pipeline of K-12 STEM education programs in our communities across the country. These programs, including <u>Nordson Tech Time</u>, provide students with hands-on activities and problemsolving experiences, empowering them to develop an innovative and exploratory mindset.







Operating with Integrity and Responsibility

- » Corporate Governance
- » Ethics and Compliance
- » Cybersecurity



Corporate Governance

The founders of Nordson adopted a corporate philosophy by which the company strives to be a vital, self-renewing, worldwide organization within the framework of ethical behavior and enlightened citizenship. Today, that ethical foundation remains the bedrock of our corporate governance practices, as our Executive Officers and Board of Directors set the strategic direction of the company, manage risk, and define our values and culture.

Board of Directors

Our Board of Directors oversees the management of the business and affairs of the company in accordance with all applicable laws and regulations. Our directors possess a high level of proven and relevant business experience, maintain high ethical standards, and demonstrate a continued commitment to strong corporate governance.

We believe a diverse and representative Board is important to managing a successful organization. As of October 1, 2021, our Board is composed of nine directors, including three females (33%) and two racially or ethnically diverse men (22%), representing 56% overall diversity (with rounding).

Board of Directors at a Glance*



^{*}Data as of October 1, 2021.

**Includes women and racially or ethnically diverse individuals.



Nordson Corporation's Board of Directors: John A. DeFord; Arthur L. George, Jr.; Frank M. Jaehnert; Ginger M. Jones; Jennifer A. Parmentier; Victor L. Richey, Jr.; Michael J. Merriman, Jr.; Sundaram Nagarajan; Mary G. Puma.

Governance Highlights*

 100%
 7

 independent
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 committee members and committee chairs
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75% or greater

attendance at Board and Committee meetings by each director

Hedging/pledging transactions

Strict policy of no pledging or hedging of company shares by directors or executive officers

Board, Committee, and peer self-assessments

conducted on a regular basis

Share ownership guidelines

Directors – 5x cash retainer CEO – 5x base salary CFO – 3x base salary Other executive officers – 2x base salary

Our Board recognizes the importance of Board refreshment to ensure that directors possess a composite set of skills, experience, and qualifications necessary to successfully oversee the company's strategic priorities. We do not believe in a specific limit for the overall length of time an independent director may serve; however, we believe that the tenure spectrum of our directors should provide an effective mix of deep knowledge and new perspectives. In the last two years, our three Board committees rotated their chairs to ensure continued diverse perspectives. As of January 4, 2021, the majority of our directors have a tenure of 0 to 5 years on our Board. Our Governance Guidelines further provide that a director is expected to retire at the conclusion of the Board meeting immediately prior to his or her 72nd birthday.

Board Committees

Our Board is led by our independent Chair. All directors other than our CEO are independent as defined by our Governance Guidelines and the Nasdaq Stock Market. The Board has three chartered committees and each committee is comprised of independent directors. Board committees are:

- Audit Committee
- Governance & Nominating Committee
- Compensation & Organization Committee

The Board and Board Committees play an important role in the oversight of Nordson's ESG program, with additional responsibilities and oversight carried out by company leadership and employees. For example, the **Audit Committee's** responsibilities include oversight of the risks faced by the company and the policies, guidelines, and processes by which management assesses and manages the company's risks, including its financial, cybersecurity, environmental, and other risk exposures. The Audit Committee is also responsible for reviewing the company's compliance with applicable laws and regulations and the company's Code of Business Conduct and Ethics.

The **Governance & Nominating Committee's** responsibilities include determining the qualifications, qualities, skills, and other expertise required to be a director and to develop, and recommend to the Board for its approval, criteria to be considered in selecting nominees for director. In considering each director nominee and the composition of the Board as a whole, the Governance & Nominating Committee considers a diverse group of experiences, qualifications, attributes, and skills that the Governance & Nominating Committee believes enables a director nominee to make significant contributions to the Board, Nordson, and our shareholders. The Board is committed to an inclusive director search process, which includes actively seeking diverse candidates, including women and minority candidates, for each search the Board undertakes. The Governance & Nominating Committee is also responsible for corporate governance practices and procedures, including identifying best practices.

The **Compensation & Organization Committee's** responsibilities include review of executive compensation, executive talent management, review of equity-based compensation plans, and oversight of the company-sponsored tax-qualified plans that are subject to the Employee Retirement Income Security Act. The Committee receives talent updates several times during the course of the year, which include updates on talent pipelines and key talent development moves. Executive talent and succession planning are reviewed on an annual basis.

Read more about the Board and its committees in our <u>Governance</u> Guidelines and 2021 Proxy Statement.



Ethics and Compliance

Ethical and responsible business conduct is fundamental to our success. Our ethical practices stem from our founders' unyielding commitment to treat all stakeholders – shareholders, customers, suppliers, communities, and, most importantly, employees – the right way. Our values of Integrity, Excellence, Customer Passion, Energy, and Respect for People stem from this commitment and reflect the behaviors we strive to include in every aspect of the way Nordson conducts business.

Ensuring Ethical Behavior

As a global company, Nordson operates in over 35 countries with diverse and ever-changing laws, cultures, and practices. We conduct ourselves with integrity at all times and operate in full compliance with the laws and regulations that govern our global business activities. Our unwavering commitment to ethical behavior reflects high standards – including those that go beyond what is legally required or even commonly practiced in certain geographies.

Our <u>Code of Ethics and Business Conduct</u> provides the basic guidelines needed to understand our responsibilities in conducting business on behalf of Nordson and making the right decisions. The Audit Committee of our Board of Directors is responsible for monitoring and evaluating the effectiveness of our Code of Ethics and Business Conduct. Our General Counsel serves as our Ethics and Compliance Officer. Our practices are implemented and monitored by our Ethics and Compliance Officer, our Global Trade Compliance Group, Product Compliance and Safety Groups, and other departments, including Internal Audit, Legal, Human Resources, and Communications.

Our Code of Ethics and Business Conduct applies to all Nordson directors, officers, employees, and subsidiaries. Wherever we are located throughout the world, we all have a duty to meet the standards set out in the Code. The Code clearly outlines expected behavior on a full range of ethical considerations and is a global policy – available in 12 languages – that all employees, executive officers, and our Board of Directors agree to follow. On an annual basis, all employees are required to attend training on the Nordson Code and sign an acknowledgement form that they have read and understand the Code. This also applies when we acquire a new company – Code of Ethics and Business Conduct training and acknowledgement are part of our standard acquisition integration process. For more information, visit our <u>Ethics &</u> <u>Responsibility page</u>.

We expect Nordson's representatives, agents, suppliers, and consultants to uphold standards corresponding to our Code, which are outlined in our <u>Code of Ethics for Suppliers and Third-Party</u> <u>Service Providers</u>, whenever operating on our behalf. In addition, processes are in place to conduct diligence on such third parties prior to engaging, including a diligence process specific to distributors, sales representatives, and other third-party sales organizations.

It is Nordson's policy to respect human rights in all our activities and to support the principles set forth in the Universal Declaration of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and the United Nations Guiding Principles on Business and Human Rights. We expect all Nordson employees will work to reduce the risk of potential human rights violations by identifying risks, monitoring those risks, and remediating any non-compliance. For more information, visit our <u>Human Rights page</u>.

Compliance and Training

We comply with national and international laws, including U.S. Export Administration Regulations; the European Union Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) initiative; International Traffic in Arms Regulations (ITAR); Restriction of Hazardous Substances Directive (RoHS); California Transparency in Supply Chains Act of 2010; and the UK Modern Slavery Act. Our facilities also comply with the Automated Export Systems (AES), which is used by U.S. exporters to electronically declare their international exports. These export declarations are known as Electronic Export Information (EEI) and are reported to the Census Bureau to help compile U.S. export and trade statistics. This information is also shared with the Bureau of Industry and Security Directorate of Defense Trade Controls, and other federal agencies involved in monitoring and validating U.S. exports.

Nordson's <u>Global Trade Compliance Policy, Conflict Minerals</u> <u>Policy</u>, and <u>Supplier Code of Conduct</u> supplement our adherence to the aforementioned regulations. We provide employee training globally to address our policies and codes. Our online training modules include: Intellectual Property, Insider Trading, International Trade Compliance, Ethical Choices: Thinking Things Through, Workplace Health & Safety, and Sexual Harassment: What Leaders Need to Know.

We maintain records of all employee training sessions, due diligence efforts, and internal investigations and compliance reviews, as well as accurate books and records that fairly reflect our transactions. Our audit department maintains a thorough system of internal accounting controls and conducts risk-based audits of our compliance policies.

Reporting Ethical Concerns

Nordson Corporation is committed to an environment where open, honest communications are the expectation, not the exception. Our employees are expected to report all suspected violations of company policies and the law, including incidents of harassment or discrimination, directly to their manager, Human Resources, or the Ethics and Compliance Officer. We also provide confidential, anonymous reporting through our third-party helpline, EthicsPoint, which is available 24 hours per day, 7 days per week via a toll-free telephone line or the internet. The <u>EthicsPoint</u> reporting system is also available to suppliers and other external stakeholders. Web-based reporting is offered in 25 languages, and telephone-based reporting is offered in more than 150 languages.

We take appropriate steps to investigate all such reports and will take action as necessary. If misconduct is identified, we are committed to evaluating and remediating any root cause and/or systemic issues, if present. Under no circumstances will employees be subject to any disciplinary or retaliatory action for reporting, in good faith, a possible violation of our Code or applicable law or for cooperating in any investigation of a possible violation.





Cybersecurity

Protecting the confidentiality, integrity, and reliability of Nordson's systems, networks and information is essential to ensuring we are always there for our customers. We have a defined cybersecurity roadmap and employ a continuous improvement approach to safeguarding our systems.

Nordson's Cybersecurity Roadmap

Nordson's cybersecurity roadmap includes multiyear investments aimed at protecting data, managing and improving privacy controls, and increasing maturity. Our defined program has been in place for many years and is overseen at the Board level.

The Board's Audit Committee, with input from management, identifies, assesses, and monitors the company's cybersecurity and other information technology risks and threats as well as the measures implemented by the company to mitigate and prevent cyberattacks. The Board receives periodic reports from the Audit Committee on the company's cybersecurity program.

On a regular basis, we conduct cybersecurity maturity assessments to measure our progress against the National Institute of Standards and Technology (NIST) framework. The results from these assessments drive our investments in cybersecurity as we continue to address gaps that may emerge.

Cybersecurity Training

Cybersecurity training is conducted annually and at the start of employment with Nordson. Training includes modules relating to recognition of phishing attacks, how to keep information secure, and best practices to protect assets. Additional training modules are available to employees through our learning management system, Nordson University. Other activities, such as monthly phishing tests, are conducted to reinforce training and ensure employees are able to identify a potential threat. Nordson is proud to be a member of the Northeast Ohio CyberConsortium (NEOCC), which is focused on building an active, trusted network of public and private organizations across industries to enhance cybersecurity resilience and response, better protect digital and physical assets, create safer and stronger communities, and advance the technology leadership of the region.

Certain statements contained in this report are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by terminology such as "may," "will," "should," "expects," "anticipates," "believes," "projects," "forecasts," "outlook," "guidance," "continue," "target," or the negative of such terms or comparable terminology. These statements reflect management's current expectations and involve a number of risks and uncertainties. These risks and uncertainties include changes in laws, regulations, or public policy; the evolution of technology relating to energy and environmental management; the complexity of commodity supply chains; recycling and waste management infrastructure and capabilities in local markets; the volatility of markets for raw materials, recycled materials, and energy; the capital and operating cost of implementing clean energy, water reduction, recycling, and waste management technologies; competitive pressures on product pricing and services; success, impact, and timing of our business strategies; the performance of hird-party service providers in connection with energy and environmental management; and the risks, uncertainties, and other factors discussed in Item 1A (Risk Factors) and elsewhere in the Company's most recently filed Annual Report on Form 10-K and in its Forms 10-Q filed with the Securities and Exchange Commission, which should be reviewed carefully. The Company goals presented in this report.

