

Climate Targets and ESG Update

November 2022



Thank you for your interest in Nordson Corporation's Climate Targets and ESG Update. This update introduces important time-bound, climate-related targets consistent with achieving the 1.5° C global warming scenario recommended by the Intergovernmental Panel on Climate Change (IPCC). It also provides an overview of our strategic plans to achieve these targets and key progress to date. The appendix provides an update on certain environmental, social, and governance (ESG) metrics with year-over-year comparisons.

For a more comprehensive review of our ESG strategy, programs, and initiatives, please refer to our [ESG Report](#) published in November 2021.

Message from Our CEO



At Nordson, ESG elements have been central to our culture and success for many years and are embodied in our Philosophy and Values. Nordson's precision technology solutions support customers in their pursuit of efficient and sustainable manufacturing. Our differentiated products improve yields, reduce material consumption, and enable the use of environmentally friendly materials and processes. Nordson equipment is also used to manufacture products that contribute to a clean-energy future. Recent acquisitions of NDC Technologies¹ and CyberOptics² enhance our portfolio of measurement, control, test, and inspection technology solutions that enable customers to closely monitor production, optimize manufacturing processes, and minimize scrap and waste.

We have long sought to maintain a lean and efficient footprint in our operations to minimize environmental impact. In the past year, we implemented a utility bill management (UBM) solution to centrally compile our energy data, and we established global baselines for Nordson's Scope 1 and Scope 2 energy consumption and CO₂ emissions. Our Scope 1 and Scope 2 environmental footprint compares favorably with many other manufacturing and industrial companies on a normalized emissions/revenue intensity basis.

With a global baseline established, we are pleased to take the next step in our ESG journey by establishing the following climate action targets:

- **Achieve a 50% reduction in net Scope 1 and Scope 2 CO₂ emissions by 2030***
- **Achieve net zero Scope 1 and Scope 2 CO₂ emissions by 2050**
- **Procure 70% of electricity from renewable sources by 2050**

We believe that initiatives to address climate change and other ESG efforts present opportunities for significant environmental, operational, and financial benefits. Pursuing meaningful action in these areas supports – and is supported by – Nordson's Ascend strategy for long-term profitable growth.

Thank you for your continued support of Nordson. Our climate action efforts are a cornerstone of our ESG strategy, and we are pleased to share our progress and our path to long-term achievement of our targets.

Sundaram Nagarajan

President and Chief Executive Officer

NORDSON'S ASCEND STRATEGY

	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.

* Based on a 2021 gross emissions baseline, adjusted for acquisitions/divestitures

¹ November 2021

² November 2022

Measuring and Managing Our Environmental Footprint

Responsible stewardship of our environment and natural resources is a cornerstone of Nordson's commitment to sustainable development. Our efforts are guided by the emergence of science-based targets and leading frameworks and standards, including recommendations from the IPCC to achieve a 1.5° C global warming scenario and from the Science-Based Targets Initiative. In 2021 and 2022, we made substantial progress on several important milestones and initiatives:

- Implemented a centralized system to compile and analyze energy consumption and emissions data across global Nordson sites.
- Established Scope 1 and Scope 2 CO₂ emissions reduction targets to be achieved through energy efficiency improvements, clean energy generation and sourcing, and carbon offset programs.
- Implemented a multimillion-dollar annual capital investment program to fund sustainability and energy efficiency initiatives in our facilities.
- Invested in reforestation and forest conservation programs in regions where Nordson operates and/or in regions with high biodiversity. Specifically, Nordson purchased carbon offsets representing 20% of our 2021 global emissions, including 100% of 2021 emissions from our Westlake, Ohio, USA, headquarters through a local Northeast Ohio land conservancy.

Nordson's Climate Targets

Achieve a **50% reduction** in net Scope 1 and Scope 2 CO₂ emissions **by 2030***



Achieve **net zero** Scope 1 and Scope 2 CO₂ emissions **by 2050**



Procure **70%** of electricity from renewable sources **by 2050**



* Based on a 2021 gross emissions baseline, adjusted for acquisitions/divestitures

Nordson's Climate Strategy

To meet our climate targets, Nordson has developed and begun to implement short- and long-term strategies to invest in operational improvements, efficiency enhancements, clean energy generation and procurement, and carbon offset programs. These strategies utilize a disciplined, data-driven approach to ensure we prioritize the most impactful actions and embrace accountability on our journey to achieve net zero Scope 1 and Scope 2 CO₂ emissions by 2050.

Division and site leaders will be empowered and expected to make decisions and execute on our climate strategy in a way that is most impactful to their businesses and their stakeholders, with corporate resources, guidance, and support available. This framework reflects an Owner Mindset and supports our Winning Teams philosophy to foster a purpose-driven culture and shared strategic vision that recognizes and celebrates environmental progress.

Tracking Our Performance

Accurate and complete data is an essential foundation for environmental management and sustainability/efficiency improvements. Data enables us to set targets, prioritize the most impactful opportunities, and track our progress. Since we published our [ESG Report](#) in November 2021, we implemented a companywide UBM solution to compile and set baselines on key environmental, emissions, and consumption data. The details of our global Scope 1 and Scope 2 CO₂ emissions data are in the appendix.

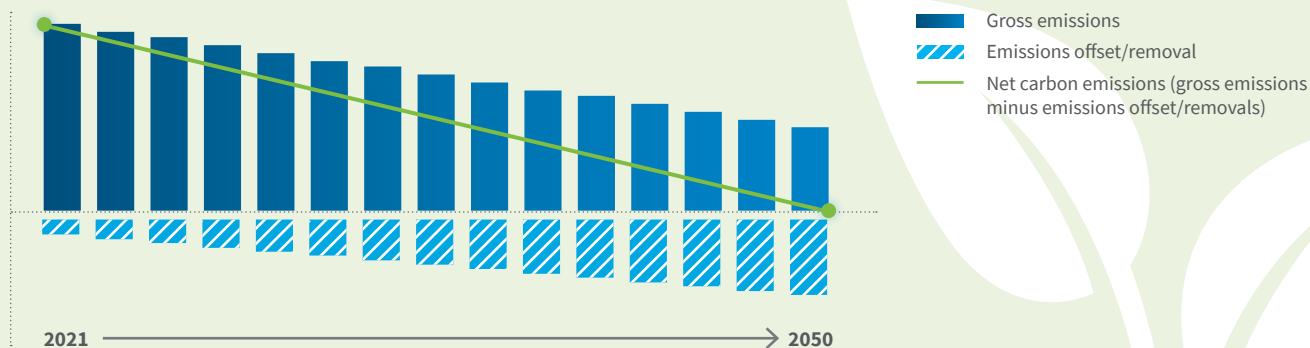
Driving Continuous Improvement in Our Operations

Beginning in fiscal year 2023, Nordson is implementing a multimillion-dollar annual capital allocation earmarked for sustainability and efficiency improvements at our facilities. Eligible projects may include facility upgrades for HVAC, insulation, and lighting systems; onsite solar, wind, and other energy generation; and manufacturing equipment upgrades, retrofits, and replacements that drive energy efficiency.

We expect these investments to reduce our environmental footprint while also improving our operations and/or achieving financial returns. The United States recently enacted legislation³ that should provide helpful tailwinds to our efforts by providing tax incentives for renewable energy generation and building efficiency improvements.

Nordson has retained an international energy consulting company to provide expertise and assistance to our teams on a range of efficiency and energy-related projects. In parallel, members of our continuous improvement team are assisting global facility operations in the implementation of cellular manufacturing improvements that support the NBS Next growth framework within our Ascend strategy. Cellular manufacturing improves efficiency and reduces waste, resulting in sustainability, operational, and financial benefits. To foster a shared strategic vision around environmental responsibility, we will publicize key achievements and lessons learned companywide to encourage adoption of best practices across divisions and celebrate environmental leaders within the company.

NORDSON'S PATH TO NET ZERO SCOPE 1 AND SCOPE 2 CO₂ EMISSIONS BY 2050⁴



³ In particular, the Inflation Reduction Act of 2022, Public Law No. 117-169

⁴ Column values and the net emissions trend line are intended to demonstrate our general strategy to pursue gross emissions reductions and carbon offsets in parallel to achieve net emissions goals. Actual progress is unlikely to track the linear trends or precise scale shown.



Investing in Carbon Offsets

In 2022, Nordson invested in eight projects to plant approximately 20,000 trees, representing a carbon offset of approximately 7,000 metric tons, or 20% of Nordson's global 2021 Scope 1 and Scope 2 CO₂ emissions. We also invested in forest conservation offsets equivalent to 100% of Nordson's 2021 Scope 1 and Scope 2 CO₂ emissions from our Westlake, Ohio, USA, headquarters through a project with the Western Reserve Land Conservancy in Northeast Ohio.

Carbon offsets through conservation and reforestation help sequester carbon emissions and avoid carbon release while also promoting biodiversity, supporting local and indigenous cultures, and improving air and water quality. These programs offer an immediate opportunity for Nordson to invest in existing environmental improvement projects as we pursue our medium- and long-term climate action plans. Consistent with current thought leadership in climate science, we are pursuing these nature-based carbon offsets in parallel with – not in lieu of – emissions reductions through efficiency improvements in our operations and clean energy generation and procurement. The cost of the carbon offsets also helps Nordson internalize the cost of our own emissions and hold ourselves accountable to long-term climate goals.

Developing a Comprehensive Clean Energy Strategy

Onsite clean energy generation and procurement of clean energy from offsite sources will be key elements in achieving our climate action goals. We are actively reviewing our global energy procurement practices in consultation with internal stakeholders and outside experts to develop a long-term strategy that balances clean energy consumption, operational needs, and cost controls. Grid mix (i.e., electricity from the utility grid) in certain areas is tilting toward increasingly clean energy, while grid mix in other areas remains more reliant on fossil fuels. Our intent is to utilize data (where available) to drive clean energy adoption at sites with a fossil fuel-heavy grid mix and substantial energy consumption, though all global sites will remain in scope for appropriate efficiency and clean energy procurement efforts.

Supporting Tree Planting and Conservation To Offset Our Carbon Emissions

When deciding which tree-planting projects to support, Nordson intentionally selected projects and regions where we maintain active operations and/or regions with high biodiversity value. Our nine projects in 2021 were as follows:

- Brazil – Reforest the Mata Atlantica
- India – Trees for Tigers
- Kenya – Mount Kenya Trust
- Nepal – Eden Projects
- Tanzania – Usambara Biodiversity Conservation
- USA – Western Reserve Land Conservancy in Northeast Ohio
- USA – California Wildfire Recovery
- USA – National Forest Recovery
- UK – Community Tree Planting

For more information on our tree-planting projects, visit our recently launched [Company Forest page](#), which was created in partnership with the nonprofit organization Tree-Nation. Information on the Northeast Ohio conservation project offsetting our 2021 emissions from our headquarters in Westlake, Ohio, USA, is available [here](#).



ESG Data Summary Appendix¹



MEASURING AND MANAGING OUR ENVIRONMENTAL FOOTPRINT

	2021
Natural gas and other onsite fuel consumption (gigajoules)	94,230
Scope 1 CO ₂ emissions (metric tons)	4,739
Electricity consumption (gigajoules)	298,141
Scope 2 CO ₂ emissions (metric tons)	30,729
Total facility energy consumption (gigajoules)	392,371
Total gross Scope 1 and Scope 2 CO ₂ emissions (metric tons)	35,468
Gross Scope 1 and Scope 2 CO ₂ emissions intensity (mT / million revenue) ²	15.02
Forest conservation and reforestation carbon offsets (metric tons CO ₂)	7,323
Net Scope 1 and Scope 2 CO ₂ emissions (metric tons)	28,145
Net Scope 1 and Scope 2 CO ₂ emissions intensity (mT / million revenue) ²	11.92

In this report, Nordson is establishing our first global baseline of Scope 1 and Scope 2 energy consumption and CO₂ emissions. Substantially all of our global sites equal to or greater than 5,000 sq. ft. have been onboarded to a centralized utility bill management (UBM) platform to track energy data using actual data captured from utility bills. Onboarding of certain sites greater than 5,000 sq. ft. in China, Mexico and the Netherlands was still in process at the time data was finalized for this report, so actual data was not available. Sites for which onboarding was not complete at the time of data finalization and sites below 5,000 sq. ft. are included in Nordson's consumption and emissions data using estimated values based on site characteristics, such as square footage, climate/geographical region, and facility use, using actual data from comparable sites in Nordson's portfolio and/or anonymized data from other clients of Nordson's UBM vendor. Nordson reported consumption and emissions data for 2020 for a limited set of sites; this data is not being carried forward because the reporting boundary expanded for 2021 data to include all of Nordson's global sites. Data is unaudited.



FOSTERING AN INCLUSIVE AND ENGAGED CULTURE

	2019	2020	2021
Talent Management and Development			
Employee average global tenure (years) ³	9	10	10
Voluntary employee turnover rate ⁴	7%	6%	10%
Inclusion and Diversity			
Board composition - women (count/percentage) ⁵	2 / 20%	3 / 33%	3 / 33%
Board composition - racial/ethnic diversity (count/percentage) ⁵	2 / 20%	2 / 22%	2 / 22%
Board combined gender and racial/ethnic diversity ⁵	40%	56%	56%
Women in global leadership position - manager level and above	19%	18%	20%
Women in global senior leadership position - vice president and above	25%	28%	26%
Female workforce diversity - global	26%	28%	29%
Racial/ethnic workforce diversity - U.S. only	32%	33%	36%
Workplace Health and Safety			
U.S. total recordable incident rate (TRIR) ⁶	2.1	1.8	1.6
U.S. days away, restricted or transferred rate (DART) ⁶	1.3	1.3	1.2
Workplace fatalities	0	0	There were zero non-COVID fatalities. One workplace fatality was recorded due to an apparent workplace COVID transmission. Following the submission of Nordson's report, OSHA conducted an onsite inspection and issued no citation related to the incident. Nordson took steps to reiterate and reinforce all COVID-related safety protocols.



CARING FOR OUR COMMUNITIES

	2021
Donations through Nordson and the Nordson Corporation Foundation since 1989	\$135+ million
Total giving through Nordson and the Nordson Corporation Foundation	\$14.1+ million
Volunteer hours since 1989	109,000+
Foundation grants awarded (count/\$ amount)	496 / \$6.8 million
Nordson BUILDS scholarships (count/\$ amount)	193 / \$759,500



OPERATING WITH INTEGRITY AND RESPONSIBILITY

	2021
Board independence - independent/non-independent	8 / 1
Board independence - Committee members and Committee chairs (percentage)	100%
Attendance at Board and Committee meetings by each director (percentage)	75% or greater
Board average tenure of independent directors (years)	8

¹ All data is calendar year or as of December 31 of the applicable year, unless otherwise indicated

² Emissions intensity is based on CY21 emissions / FY21 revenue

³ As of October 31 of year indicated

⁴ Does not include retirees

⁵ As of the proxy record dates for each year (e.g., the 2021 numbers are based on a January 4, 2022 proxy record date)

⁶ Inclusive of COVID-19 related incidents

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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," "could," "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 third-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 ESG Report are aspirational and not guarantees or promises that such goals will be met. The Company undertakes no obligation to update or revise any forward-looking statement in this report.