

S&P Global Sustainable1 Assurance

Tennant Company assurance statement: AA1000AS v3

S&P Global Sustainable1, a business of S&P Global Inc. (hereafter, “Sustainable1”) was engaged by Tennant Company (hereafter, Tennant) to provide assurance of selected environmental data held within its 2023 CDP Response and 2023 Sustainability Report.

Intended users

The intended users of this assurance statement are the management and stakeholders of Tennant.

Responsibilities of Tennant and assurance provider

The management of Tennant has sole responsibility for the preparation and content of 2023 Sustainability Report and CDP Climate Change Response (hereafter, “CDP”). Sustainable1’s statement represents its independent and balanced opinion on the content and accuracy of the information and environmental data held within.

Assurance standard

Sustainable1 undertook the assurance in accordance with AA1000AS v3 (2020) Type 2 moderate-level assurance, covering:

- ✓ Evaluation of adherence to the AA1000AP (2018) Principles of inclusivity, materiality, responsiveness and impact (the Principles)
- ✓ The reliability of specified environmental performance information (energy use and greenhouse gas emissions)

Sustainable1 used the Global Reporting Initiative (GRI) and the GHG Protocol to evaluate Tennant’s performance information and adherence to the Principles.

Scope and limitations

Sustainable1 was engaged to assure the data and claims in Tennant’s 2023 external reporting, encompassing the period of 1 January 2022 – 31 December 2022. Sustainable1 was asked to assure reporting for Scope 1, Scope 2 Location-based and Market-based and Scope 3 Category 11. Tennant took an operational control approach.

Sustainable1 verified the environmental impacts, as calculated by Tennant, within the table below.

SCOPE	SOURCE	UNIT	QUANTITY
GHG Scope 1	Natural gas	Metric tonnes CO ₂ e	24,578
	Diesel		
	Gasoline		
	LPG		
	Propane		
	E85		
GHG Scope 2	Electricity (Location based)	9,246	
	Electricity (Market based)	997	
GHG Scope 3	Use of sold products	464,637	

Methodology

Sustainable1’s assurance activities included the following:

- Review of the processes by which Tennant defines the sustainability issues that are relevant and material to its operations and its stakeholders.
- Interviews with managers responsible for sustainability performance and data collection.
- Assessment of the extent to which Tennant’s sustainability activities adheres to the Principles.
- Review of processes and systems used to gather and consolidate environmental data. The data sources that Sustainable 1 reviewed includes invoices, spreadsheets and other data points.
- Verification of data accuracy for a selection of sites, including an audit of conversion factors, and calculations.

PRINCIPLE	COMMENTS
<p>Inclusivity: the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability</p>	<p>Tennant’s key stakeholders include its customers, investors, communities, and employees. It regularly engages with these internal and external stakeholders through various channels, such as its annual employee engagement survey, internal and external sustainability website with a dedicated email address for submission of feedback, through direct dialogue as well as indirect communication through strategic and sales account managers with customers regarding how Tennant’s products support their sustainability goals, and communicating with suppliers through the supply chain team regarding code of conduct with a focus on issues relevant to its supply chain and value chain. The company publishes its annual sustainability report and other ESG disclosures for its customers, investors, and peers. During 2022, Tennant reported an increased level of engagement across all stakeholder groups as a result of its materiality and strategy refresh process. It conducted direct interviews, surveys, and interactive workshops among its internal and external stakeholders such as employees, customers, NGOs, and trade organizations. Internally, there was involvement from Tennant’s executive leadership and C-suite leaders in driving the materiality refresh process. Tennant’s Board has oversight of the sustainability program, policies, and practices through the Governance Committee, which is also responsible for reviewing the annual sustainability report. The senior management team, consisting of C-suite leaders overlooks the ESG strategy development, implementation, and performance. Tennant’s Sustainability Team, led by the Director of Sustainability, reports to the Board and the senior leadership, and is responsible for establishing cross-functional teams and strategy implementation.</p>
<p>Materiality: determining the relevance and significance of an issue to an organization and its stakeholders</p>	<p>In 2022, Tennant conducted a refresh to its previous materiality assessment conducted in 2014. Going forward, the company plans to increase the frequency of its materiality updates to every three years. For the 2022 assessment, Tennant partnered with a third-party consultant (GlobeScan) to identify priority issues based on the impact of its operations on the environment and society and the impact of environment and society on the company’s financial success. The assessment adopted a forward-looking approach to identify issues relevant in the present scenario as well as indicators for issues that would increase in relevance over the next 5 to 10 years. Some of the factors considered in the materiality refresh process were an evaluation of the existing corporate strategy to determine a path forward; enterprise risk management; research of prominent sustainability trends; environmental and social impact reports; customer and competitor analysis; stakeholders’ perspectives; standards; frameworks; and ESG ratings. Through this process, the company identified 28 material issues, which included topics such as biodiversity and land use; water and wastewater management; chemical use and management; labor relations; and responsible materials sourcing. These were in addition to the topics identified in the previous assessment. The updated materiality assessment has also prompted an expansion of Tennant’s sustainability strategy to include more people-focused issues, such as the healthy shared spaces and environmental topics. In 2022, Tennant formally mapped its strategy to certain United Nations Sustainable Development Goals (UN SDGs) such as responsible consumption and production (goal 12), decent work and economic growth (goal 8), climate action (goal 13), affordable and clean energy (goal 7), reduced inequality (10); and good health and wellbeing (goal 3).</p>

<p>Responsiveness: an organization's response to stakeholder issues that affect its sustainability performance and is realized through decisions, actions and performance, as well as communication with stakeholders</p>	<p>Tennant has in place multiple avenues for its stakeholders to communicate feedback which also includes an internal webpage and intranet for its employees to raise concerns and queries to the sustainability team and regular communication of its sustainability initiatives through stories and blogs on social media channels, such as LinkedIn. It has established a whistle-blower policy and an ethics hotline with dedicated phone and email channels for raising relevant concerns securely and without fear of retaliation. The number of company ethics reports submitted through the hotline and the turn-around time for investigation and resolution are tracked annually in the company's ESG scorecard. Further, Tennant maintains a matrix of customer queries received throughout the year to gain insights on general trends regarding customer requests. Customer queries regarding carbon footprint and use-phase emissions influenced Tennant's aim to set a science-based Net Zero target. Similarly, other stakeholder insights and feedback prompted steps such as inclusion of water use among new material topics and increase in propriety of responding to the CDP water security questionnaire. In 2022, Tennant conducted inclusivity trainings for its global leadership, senior management, and HR teams with an aim to reach more employees across the organization in coming years. Additionally, questions focused on diversity, equity, and inclusivity (DE&I) were introduced in the employee engagement survey and Tennant Foundation's grant application form.</p>
<p>Impact: Organizations should monitor, measure and be accountable for how their actions impact broader ecosystems</p>	<p>Tennant tracks and reports annually its environmental and social impact through various metrics, such as GHG emissions, renewable energy consumption, waste management and recycling, total amount of giving through Tennant Foundation, number of volunteer hours, number of safety incidents, global days away/ restricted or transfer (DART) rate, and total number of ethics hotline reports. In the coming years, with the implementation of the new sustainability strategy, the company plans to include more metrics, such as introduction of DE&I targets, water data and more robust waste data. Having achieved its existing science-based target of reducing Scope 1 and 2 GHG emissions in 2020 by 25% from 2016 baseline, Tennant used the SBTi tools to start setting long-term emissions reduction targets with 2022 as the baseline. In December 2022, Tennant signed its commitment to achieve Net Zero emissions by 2040. It has developed a comprehensive roadmap toward achieving this goal with various short- and long-term targets focusing on renewable energy consumption and reduction of Scope 1 and 2 emissions. It is currently in the process of SBTi validation of these commitments. In 2022, the company achieved a reduction of approximately 7.5% in its Scope 3 Category 11 GHG emissions against the 2016 baseline, keeping it on track to achieve its 2030 target of 50% reduction. Tennant implemented measures such as upgrading building automation systems for more efficient HVAC controls, LED lighting upgrades, introducing energy efficient manufacturing equipment, and installation of solar panels at its manufacturing plant in Brazil to improve operational efficiency and to increase renewable energy use. Further, the Tennant Foundation invested over USD 834,000 toward its social impact areas through its grant program, employee gift-matching and equipment donation in 2022.</p>

Findings, conclusions and recommendations

The Principles:

Nothing came to Sustainable1's attention to suggest that Tennant's selected environmental data held within its CDP Response and annual Sustainability Report does not adhere to the AA1000 Principles.

Data reliability:

Tennant has implemented rigorous processes to collect and aggregate global energy consumption and GHG emissions. Upon evaluating this system, Sustainable1 found that data was accurate overall and any minor corrections were made as necessary.

Assurance provider

Sustainable1 has been researching, standardizing and validating corporate environmental performance data since 2000. Sustainable1's research team has the relevant professional and technical

competencies and experience to conduct an assurance to the AA1000 standard.

Sustainable1 has conducted this assurance independently and impartially and in compliance with S&P Global's policies and procedures, including its Code of Business Ethics that provide a framework relating to ethical conduct, conflict of interest and compliance with law.

**S&P Global Sustainable1, a business of S&P
Global Inc.
London, July 2023**



Richard Mattison
Vice-Chair, Sustainable1



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