

Assurance statement

Trucost was engaged by **Tennant Company** to provide assurance of the environmental data held within its 2021 CDP climate change questionnaire response.

Intended users

The intended users of this assurance statement are the management and stakeholders of Tennant Company (hereafter, Tennant).

Responsibilities of Tennant and assurance provider

The management of Tennant has sole responsibility for the preparation and content of CDP Climate Change Response (hereafter, CDP). Trucost's statement represents its independent and balanced opinion on the content and accuracy of the information and environmental data held within.

Assurance standard

Trucost 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 (greenhouse gas emissions)

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

Scope and limitations

Trucost was engaged to assure the data and claims in Tennant's 2020 CDP response, encompassing the period of 1 January 2020 – 31 December 2020. Tennant took an operational control approach. Trucost was asked to assure reporting for Scope 1, Scope 2 and Scope 3 category 11 (use of sold products) greenhouse gas emissions.

The Scope 1 and Scope 3 category 11 figures have reduced by 15% and 19% respectively compared to 2019 due to reduced operations during the pandemic. Scope 2 location-based figures have reduced by 21% due to multiple factors like impact of pandemic and emission reduction initiatives such as installation of LED lights and increased efficiency of air compressor system.

The Scope 2 market-based figures have reduced by 50% due to increase in purchase of Renewable Energy Certificates and Guarantee of Origins compared to 2019. Trucost verified the environmental impacts (as calculated by Tennant) listed within the table below.

SCOPE	SOURCE	UNIT	QUANTITY
GHG Scope 1	Natural Gas	Metric tons CO ₂ e	22,582
	LPG		
	Propane		
	Gasoline		
	Diesel		
GHG Scope 2	Ethanol		
	E85		
GHG Scope 2	Location-based		11,252
	Market-based		3,329
GHG Scope 3	Use of sold products (2020)	Metric tons CO ₂	464,012
	Use of sold products (2019) ¹		575,256

¹ When compared to FY2020 assurance statement, the Scope 3 category 11 emission values reported for FY2019 in the table varies negligibly due to methodology refinement made by Tennant.

Methodology

Trucost'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 adhere to the Principles
- Review of processes and systems used to gather and consolidate environmental data
- Verification of data accuracy for a selection of sites, including an audit of conversion factors and calculations

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PRINCIPLE	COMMENTS
<p>Inclusivity: the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability</p>	<p>Tennant continues to engage with key stakeholders such as customers, investors, employees, suppliers, NGOs, governments, communities and trade organizations. Tennant recognizes significant contribution from employees through the annual employee award program called leading edge. Employees who contributed to the Autonomous Mobile Robot (AMR) products were recognized through this program. AMR is a technology that helps to automate the cleaning process and is more efficient compared to manual operation, leading to reduced emissions.</p>
<p>Materiality: determining the relevance and significance of an issue to an organization and its stakeholders</p>	<p>Tennant identifies and ranks climate-related risks and opportunities as a part of the Enterprise Risk Assessment (ERA) process. The risk committee has identified acute physical risk events as the most material climate change indicator. Tornadoes and floods were identified as the key physical risk indicators for assets located in Minnesota, Texas and Kentucky respectively. The Covid-19 pandemic impacted Tennant's operations and Scope-1 emissions reduced by 15% compared to 2019, due to lesser orders from customers and fewer sales and service trips to customers. Similarly, the Scope 3 category 11 emissions reduced by 19% compared to 2019.</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 recognizes the opportunity to reduce downstream emissions through low emission products. It is focusing on improving the energy efficiency of equipment through measures such as replacing lead-acid batteries with li-ion ones, phasing out of Internal Combustion engines, and utilizing high-efficiency components such as brushless DC motors. Another such example is the S16 rider sweeper that is completely battery powered and is energy efficient compared to its predecessor, which was either battery operated or optional engine powered.</p>
<p>Impact: Organizations should monitor, measure and be accountable for how their actions impact broader ecosystems</p>	<p>Tennant has set a Science Based Target (SBT) to reduce absolute Scope 1 and 2 emissions by 25% in 2030 from a 2016 base year and reduce Scope 3 category 11 emissions 50% per U.S. dollar of equipment revenue by 2030 from a 2016 base year. With respect to Scope 1 and 2 absolute emissions Tennant has achieved a reduction of 34.8% in 2020 compared to 2016 baseline. Similarly, it has reduced Scope 3 category 11 emissions intensity by 26.9% in 2020 compared to baseline. The emission reduction can be attributed to both, emission reduction initiatives and the impact of the pandemic. Tennant is tracking the performance of its scrubbers that use the ec-H2O™ and ec-H2O NanoClean® technology. This technology electrifies water to be used for cleaning and avoided 12,500 mT CO₂e in 2020 (versus traditional cleaning with detergents) based on the life cycle analysis study conducted by Tennant.</p>

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Findings, conclusions and recommendations

The Principles:

Nothing came to Trucost's attention to suggest that Tennant's CDP Response does not adhere to the AA1000 Principles.

Data reliability:

Tennant has implemented a good process and software system to collect global energy consumption and uses a spreadsheet tool to calculate GHG emissions. The most up-to-date conversion factors available were used. Upon evaluating this system, Trucost found that data was accurate overall and any minor corrections were made as necessary.

Assurance provider

Trucost has been researching, standardizing and validating corporate environmental performance data since 2000. Trucost's research team has the relevant professional and technical competencies and experience to conduct an assurance to the AA1000 standard. Trucost 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.

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