

# 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 the environmental data held within its 2022 CDP Response and 2021 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 the 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 (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 2021 external reporting, encompassing the period of 1 January 2021 – 31 December 2021. Sustainable1 was asked to assure reporting for Scope 1, Scope 2 and Scope 3 category 11. Tennant took an operational control approach.

Sustainable1 verified the environmental impacts, as calculated by Tennant, within the table in the adjacent column.

SCOPE	SOURCE	UNIT	QUANTITY
GHG Scope 1	Natural Gas	Metric tonnes CO <sub>2</sub> e	24,105.6
	Gasoline		
	Diesel		
	E85		
GHG Scope 2	Electricity Power (Location Based)	Metric tonnes CO <sub>2</sub> e	10,201.5
	Electricity Power (Market Based)		1,903.6
GHG Scope 3	Use of sold products (2021)	Metric tonnes CO <sub>2</sub> e	496,239.3
	Use of sold products (2020)		464,012.3

### 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><b>Inclusivity:</b> participation of stakeholders in developing and achieving accountable and strategic responses to sustainability</p>	<p>For Tennant, customers, investors and employees are the primary stakeholders. Its comprehensive list of stakeholders includes suppliers, governments, NGOs and communities as well. Tennant engages with its stakeholders as opportunities arise. It also publishes a list of stakeholder groups, strategies and tactics used for engaging with them as well as ways of addressing their concerns and priorities.</p> <p>Tennant’s most vocal stakeholders have been its customers. The company keeps a list of all the customer inquiries and attempts to respond to all of the inquiries. In fact, it is laying out a plan to better equip other teams (Sales team) to respond to customer queries. If a particular issue is raised frequently or if multiple stakeholders raise a particular issue, Tennant takes a deeper look at how to address it.</p> <p>The company has intensified its efforts on social practices. In December 2021, it published its human rights policy. Tennant also hired a new leader to develop a global strategy on Diversity Equity &amp; Inclusion (DE&amp;I).</p>
<p><b>Materiality:</b> determining relevance and significance of an issue to an organization and its stakeholders</p>	<p>Tennant completed its updated materiality assessment in Q1 of 2022, in partnership with GlobeScan. The company identified 28 material issues which are being incorporated into its updated sustainability strategy. New issues identified during the materiality assessment include brand alignment, the extent to which sustainability and ESG issues are integrated across the organization, biodiversity and land use, and physical impacts of climate change. The new materiality assessment focuses on measuring business, environmental and societal impacts.</p> <p>In January 2021, Tennant participated in the Sustainable Development Goals (SDGs) Ambition Accelerator Program which helped identify better ways to apply SDGs to its business. The program also helped highlight what circularity could mean for its products, the steps it can take to improve circularity, and the systemic risks and opportunities it would need to address to achieve 100% circularity.</p>
<p><b>Responsiveness:</b> an organization’s response to stakeholder issues that affect its sustainability performance, which is realized through decisions, actions, and performance, as well as interaction with stakeholders</p>	<p>The company has been very active in engaging with stakeholders and ensuring their input is effectively incorporated into the sustainability strategy. It has designated teams and departments that are required to understand the concerns raised by stakeholders and develop action plans for effective resolution. The company also regularly engages with the Product Development and R&amp;D teams to ensure they are aware of the concerns raised by stakeholders. The company prioritizes internal communication via emails and department meetings.</p> <p>Based on customer feedback, the company has improved its processes for measuring the energy consumption and carbon footprint of its products. The company has an internal objective to develop products that offer measurable impact improvements. To accomplish this, the company’s Engineering and Product Development teams hold sustainability and target-setting discussions during the design phase of new products. To track progress, the company records the total number of sustainability targets set at the beginning of new product development and reviews how many targets were met at the launch of the product. A few examples of targets are product energy efficiency, electrification of products from internal combustion engines to corded or battery-based, and improved recycling of lithium-ion batteries.</p>

<p><b>Impact:</b> 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. With respect to Scope 1 and 2 absolute emissions, Tennant has achieved a reduction of 36.9% in 2021 compared to the 2016 baseline, successfully achieving the target. It is in the process of setting new targets under the SBTi (by end of 2022). It has also set a SBT to reduce Scope 3 category 11 emissions by 50% per US dollar of equipment revenue by 2030 from a 2016 base year. As of 2021, the company achieved a 32.2% reduction in its Scope 3 category 11 emissions.</p> <p>In 2014, the company set a target to achieve zero waste to landfills. It constantly reviews its operations to identify opportunities to reduce waste. It tracks the total waste materials recycled, and the waste reductions from continuous improvement projects. The company's EH&amp;S department heads programs and processes to track and manage hazardous waste. It is currently building infrastructure to better track and manage the waste generated from manufacturing. The company takes into consideration life cycle assessments and end-of-life assessments of products when designing and manufacturing products.</p>
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## Findings, conclusions, and recommendations

### The Principles:

Nothing came to Sustainable1's attention to suggest that Tennant's CDP Response 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 provides 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 2022**



**Steven Bullock**  
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