

Assurance statement: AA1000

Trucost was engaged by **Tennant Company** to provide assurance of the environmental data held within its 2018 CDP 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 the Corporate Sustainability Report (hereafter, CSR) and 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 (2008) Type 2 moderate-level assurance, covering:

- ✓ Evaluation of adherence to the AA1000AS (2008) Principles of inclusivity, materiality and responsiveness (the Principles)
- ✓ The reliability of greenhouse gas (GHG) 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 2018 Climate Change Questionnaire Response. This submission covered the period January 1st 2017 – December 31st 2017. Tennant took an operational control approach. This statement relates specifically to the information disclosed in the Questionnaire, and may not be interpreted as validating environmental data reporting in other sources.

SCOPE	SOURCE	UNIT	QUANTITY
GHG Scope 1	Natural Gas, Propane, Diesel, LPG, Gasoline, Ethanol, Acetylene		22,421
		Metric tons	
GHG Scope 2	Location Based	CO ₂ e	11,654
	Market Based		8,025
GHG Scope 3	Use of Sold Products (2017)		367,566
GHG Scope 3	Use of Sold Products (2016)		386,804

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 stakeholders
- Interviews with managers responsible for sustainability performance and data collection
- Verification of data accuracy for a selection of sites, including an audit of conversion factors and calculations
- Assessment of the extent to which Tennant's sustainability activities adhere to the Principles
- Limited assessment of evidence provided to support key claims in its CDP Response
- Review of processes and systems used to gather and consolidate environmental data

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:

Trucost's review included an audit of Tennant's data calculation methodology and conversion factors. Trucost found Tennant's approach to be comprehensive and accurate. Notably, this was the second year that Location Based and Market Based Scope 2 Emissions were assured, and Trucost found the data and reporting methodology to be in line with the recommendations of CDP.

Tennant has implemented good process and software systems to collect global energy consumption and uses a spreadsheet tool to calculate greenhouse gas emissions. The most up-to-date conversion factors available were used. Trucost encourages Tennant to continue to review and update emission factors annually or as available.

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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 has identified customers, investors, and employees as the company’s key stakeholder groups. Other stakeholder groups identified include value stream (suppliers and distribution channel) members, governments, communities, NGOs, and Trade Organizations & Partners. These stakeholder groups were identified during a formal stakeholder assessment that Tennant conducted in 2013. Tennant has publicly reported on the output of the stakeholder assessment, which includes engagement strategies, tactics and the identification of major issues and areas of concern for each stakeholder group. Tennant also reviews the performance of its suppliers to ensure that they are in compliance with Tennant’s supplier guidelines and expectations. A supplier summit was held in early 2017, identifying additional engagement opportunities.</p> <p>Employees are engaged via focus groups, employee surveys, and regular meetings. One output of the previous survey was an enhanced management training package to ensure more standardized approaches to engaging employees. The communication channels available to external stakeholders include direct communication through corporate communications, and investor relations and through the company’s website. With the majority of its sales and services delivered directly to customers, Tennant also has regular direct engagement with its shareholders and customers, which includes communication on sustainability issues.</p>
<p>Materiality: determining the relevance and significance of an issue to an organization and its stakeholders</p>	<p>In 2013, Tennant conducted a formal materiality assessment. This assessment included six materiality workshops where participants helped identify Tennant’s most significant sustainability impacts. These were then prioritized by significance of concern to Tennant and its stakeholders using a formal analysis tool. The results of this analysis were placed on a Stakeholder Materiality Analysis Matrix. The key sustainability focus areas identified were: Products, GHG emissions/Energy, Waste (all forms), and People and Communities. Performance goals have been set for all of these focus areas and metrics where applicable, and the company seeks to maximize investment in markets and geographies where it can have the greatest impact in these areas. Trucost recommends that Tennant continues to develop and set measurable performance metrics for these focus areas where possible.</p> <p>Tennant’s recent acquisition of IPC Group will entail a material contribution to Tennant’s overall footprint and require revision of the boundary assessment for next year’s reporting. Notably, integration of sales and client services in overlapping territories is ongoing.</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 attempts to respond to all stakeholder feedback received. The response activities undertaken following stakeholder communication depend on the complexity and potential impact of each sustainability concern. Tennant has set a target to reduce its GHG emission intensity (emissions from direct operations and purchased electricity) by 25% by 2020, relative to a 2012 base year. In 2017, Tennant set new science-based targets to: a) reduce absolute scope 1 and 2 emissions by 25% by 2030; and b) reduce scope 3 use of sold products emissions by 50% per \$USD of equipment revenue by 2030 – both from a 2016 base year. The new targets were approved by Science Based Targets initiative in early 2018.</p>

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 did not provide any services to Tennant during FY2017 that could conflict with the independence of this work. This is the fourth year that Trucost has assured Tennant environmental data held within its Corporate Citizenship Report and response to CDP.

Trucost, part of S&P Dow Jones Indices
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