



Creating
a cleaner,
safer,
healthier
world



Tennant Company

2018

SUSTAINABILITY REPORT



SUSTAINABILITY REPORT

2018



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Reinventing how the world cleans.



MESSAGE
FROM THE CEO

Chris Killingsstad
President & CEO

Over the course of 2018, I saw many examples of strong progress toward our Corporate Sustainability objectives and goals.

One critical, foundational piece of work we completed was the introduction of our Guiding Principles – a set of beliefs and values that are the most important attributes of Tennant Company culture. Over the past several years, we took a very intentional approach to understand more about our culture. What are the things we want to protect and keep? What are the things we need to improve and build on for the future?



Welcome to our 2018 Corporate Sustainability Report.

The nine Guiding Principles include our core value of Stewardship, which we define as leaving things in better condition than when we found them. Stewardship, Ethical Company, and Authenticity are the principles which “BUILD ON OUR LEGACY.”

We know that Global Collaboration and Empowerment are important enablers that help make Tennant Company an Innovation Leader. These three Guiding Principles encourage us all to “THINK IN NEW WAYS.”

Employees value growing personally and professionally through Impactful Work. Employees are motivated by challenging new assignments that arise from our principle of Growth Orientation which guides our employees to constantly look forward and challenge the status quo. Energizing Opportunities enable employee development while unique and challenging work experiences make for exciting careers. These three Guiding Principles enable employees to “PURSUE NEW EXPERIENCES.”

People are the foundation of our success.

You will see the Guiding Principles strongly reflected in our 2018 Corporate Sustainability Report. We are excited to share some of our highlights, including:

- Employee affinity groups building and finding community through pioneering projects;
- Making progress under the Safety Operating

Model introduced in 2017 with 18% reduction in Operations safety incidents and 50% incident reduction in North America Sales and Service;

- Recycling more than 4,000 tons of industrial materials across our global operations;
- Receiving International Good Design and IDEA awards which recognize the T350 and T600 products, both introduced in 2018;
- Achieving Leadership Level (A-) score for a second consecutive year under CDP Supply Chain Climate Change program;
- Receiving the Business of Manufacturing Sustainability Award – Large Company from Minneapolis/St. Paul Business Journals.

You’ll find many more inspiring stories in the following pages. I’m extremely proud of what Tennant Company accomplished in 2018. Together, we are creating lasting change for a cleaner, safer, and healthier world!

Thank you for your support of Tennant Company.



A RECOGNIZED LEADER IN THE CLEANING INDUSTRY

OUR BRANDS

Our family of brands help to create healthy, safe and attractive environments for the people and places in our customers' care.



OUR PRODUCT CATEGORIES

Scrubbers || Sweepers || Sweeper-Scrubbers || Extractors
Burnishers & Floor Machines || Vacuums || Pressure Washers
Tools || Service || Coatings || Pre-Owned Machines
Parts || Leasing || Specialty Cleaning Equipment || On-Site
Generation Technology





ABOUT TENNANT COMPANY —

Founded in 1870 by George H. Tennant, Tennant Company, a Minnesota corporation incorporated in 1909, began as a one-man woodworking business, evolved into a successful wood flooring and wood products company, and eventually into a manufacturer of floor cleaning equipment. Throughout its history, Tennant has remained focused on advancing our industry by aggressively pursuing new technologies and creating a culture that celebrates innovation.

Today, Tennant Company is a recognized leader of the cleaning industry. We are passionate about developing innovative and sustainable solutions that help our customers clean spaces more effectively, addressing indoor and outdoor cleaning challenges.

Tennant Company is committed to empowering our customers to create a cleaner, safer and healthier world with high-performance solutions that minimize waste, reduce costs, improve safety and further sustainability goals.

OUR MARKETS

Building Service Contractors ||
Manufacturing || Logistics &
Warehouse || Retail || Education ||
Healthcare || Aviation & Transport ||
Mining || Automotive || Government ||
Food & Beverage || Hospitality

OUR RECOGNITION



Tennant Company receives awards and recognition, which validates the work we are doing to achieve our vision for a cleaner, safer, healthier world.

SUSTAINABILITY AWARD

Minneapolis/St. Paul Business Journal

T600 FLOOR SCRUBBER

International Design Excellence Award

T350 FLOOR SCRUBBER

Good Design Award



[www.
ipcworldwide.
com](http://www.ipcworldwide.com)

In IPC the processes are certified by "approved bodies" that help companies to improve and keep the production and controls at high standards. Thanks to this, IPC has achieved important improvement objectives both in organization and product quality.



IPC Group Joins Tennant Company—

In 2017, Tennant Company made its largest acquisition in its nearly 150-year history.

Italy-based IPC Group is a leading provider of professional cleaning solutions for commercial markets. The company was established in 2005, following the merger of a number of leading companies in the professional cleaning sector, each specializing in a different product segment. The company has 11 offices worldwide and sells in more than 100 countries.

IPC Group produces small- to mid-sized commercial cleaning machines and equipment, including floor sweepers and scrubbers, vacuum cleaners, high-pressure washers, and related aftermarket parts and services. IPC Group also expands Tennant's product portfolio to cleaning tools and supplies, such as multi-purpose cleaning trolleys, window-washing systems, antibacterial microfiber mops and cloths, and a wide array of consumables.

"Acquiring IPC Group is a strategic move that aligns with our growth aspirations. IPC Group significantly increases our presence and market share in Europe, and more than doubles Tennant's current EMEA business. We will gain the scale to accelerate both Tennant's and IPC Group's growth, and better leverage our cost structure in EMEA. Importantly, our businesses are highly complementary and differentiated in our geographies, products and go-to-market approach," Chris Killingstad, Tennant Company president and chief executive officer.

IPC Group sells its products under the brand names IPC, IPC Foma, IPC Eagle, IPC Gansow, ICA, Vaclensa, Portotecnica, Sirio and Soteco, Readysystem, Euromop, and Pulex. Both companies' brands will continue to operate in their markets, as they do today. The companies also have highly complementary sales channels. Tennant anticipates that this will provide incremental sales opportunities for both companies going forward.



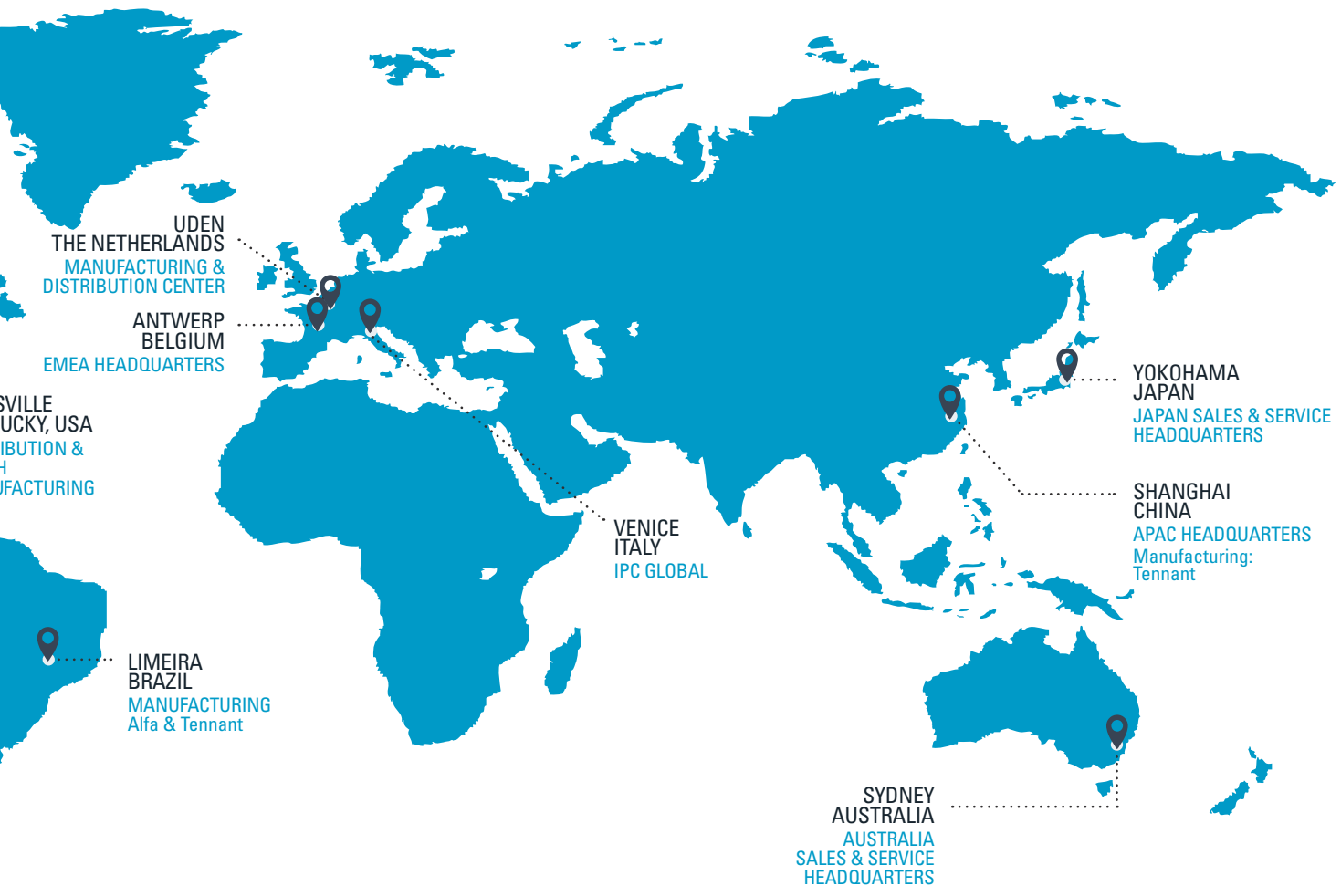
IPC GROUP

LIKE TENNANT COMPANY, IPC GROUP IS COMMITTED TO PRODUCT INNOVATION AND SUSTAINABILITY, WITH A FOCUS ON REDUCING ENERGY, WATER AND DETERGENT USE.

GLOBAL FOOTPRINT



Tennant Company sells products directly in 15 countries and through distributors in more than 80 countries. The Company serves customers in these geographies via three geographically aligned business units: The Americas, which consists of North America and Latin America; EMEA, which consists of Europe, the Middle East and Africa; and APAC, which consists of the Asia Pacific region.



4,341

employees worldwide*

*as of December 31, 2018

Employees by Region

AMERICAS

2,387

employees

EMEA

1,580

employees

APAC

374

employees

About this Report



Our 2018 report builds on prior year's initiatives and report content.

Tennant Company's core business model, governance, policies, practices, customers and stakeholders changed little between 2017 and 2018. However, in 2017 Tennant Company acquired IPC Group with the strategic intent to grow our combined European business. We began integrating the IPC businesses in 2018, but IPC will remain out of scope for our 2018 Corporate Sustainability Report (CSR). We intend to incorporate IPC carbon emissions into the 2018 CDP response and in parallel will

bring IPC into the reporting boundary for the 2019 CSR.

Stakeholder concerns and priorities, as well as our material issues and opportunities, have not changed drastically from 2017. The stakeholder assessment workshops that occurred in 2013 helped to identify our material issues. We regularly engage and reaffirm three main material issues: GHG Emissions, Waste and Water, with our three main Stakeholder groups: Employees, Customers, and Investors. The material issues help to shape our objectives, goals, and metrics for our four focus areas: Products, GHG Emissions & Energy, Waste, and People & Communities. Additionally, the General Standard Disclosures did not change year over year.

The reporting boundary for 2018 shows minimal change from 2017. Our 2018 divestiture of WaterStar assets will have little impact on our 2018 GHG emissions because we are still in possession of the now-vacant facilities. The 2018 CSR will be published before our 2018 GHG emissions are confirmed and submitted to CDP's Supply



Our Stakeholders



Chain Program. As a result, you will notice the GHG emissions data will repeat from the 2017 CSR. We made the decision to decouple the GHG emissions data from the full Sustainability Report so we could publish the report earlier in the year for our stakeholders. The intention is to use this format moving forward; if you have comments or concerns please contact SustainabilityReport@tenantco.com.

Additional details regarding our Stakeholder Engagement, Materiality Analysis and Reporting Boundary can be found in the Appendix. The Global Reporting Initiative Index, which is used to ensure we are reporting on relevant and material information supporting our sustainability initiatives, can also be found in the Appendix.

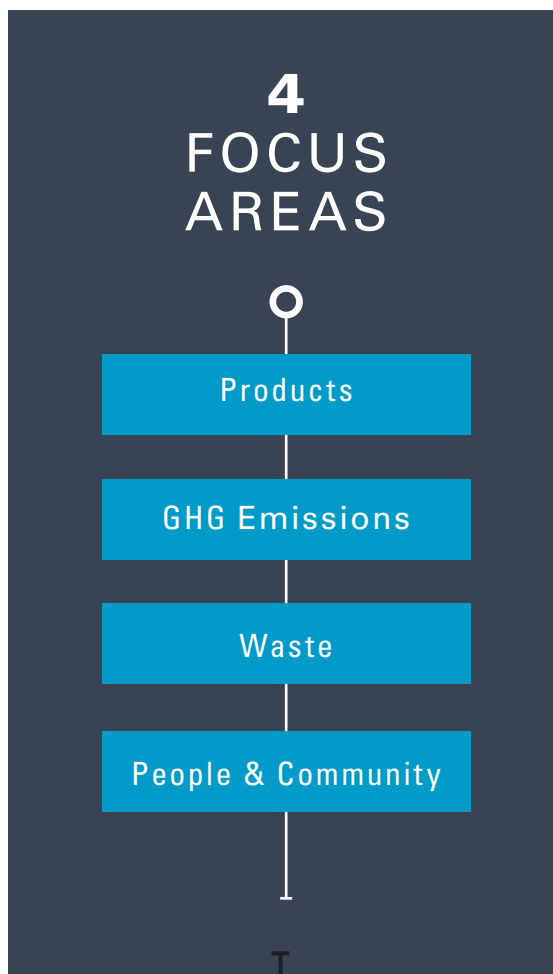


Tennant Company employees in
Holland, Michigan, USA

TENNANT COMPANY SUSTAINABLE ENTERPRISE



Tennant has established long-term, quantitative, measurable goals for four focus areas





4,000 +
TONS

industrial materials recycled globally



18%
REDUCTION

in safety incidents in Operations



50%
REDUCTION

in safety incidents in North America Tennant Company Sales & Service

MN SUSTAINABLE BUSINESS AWARD



COMMUNITY INVOLVEMENT

2,655

Employee Volunteer Hours



\$564,065

Charitable Donations



FIRST **100** COMPANIES GLOBALLY TO HAVE OUR SCIENCE-BASED TARGET APPROVED

A-



Score with CDP Supply Chain Program

Designated in Leadership Level

SIX

Sustainability Target Metrics Achieved at launch of new products

2018
Tennant Company Sustainable Enterprise
HIGHLIGHTS



PRODUCTS

FOCUS AREA



Tennant Company is committed to creating and commercializing breakthrough, sustainable cleaning technologies. These solutions empower customers to significantly reduce their environmental impact in the product “use phase” and help to create a cleaner, safer, healthier world. With this proven model in place, we will extend innovation toward cradle-to-cradle solutions to realize broader sustainability improvement.

T350 Scrubber

*Winner of the IDEA &
Good Design Awards*



T600 Scrubber

*Winner of the Good
Design Award*



PRODUCTS

INDUSTRIAL DESIGN AWARDS

Tennant Company continues to win industrial design awards for newly introduced equipment. In 2018, the T350 and T600 machines were both recognized for their ease of use, productivity enhancements, and sustainability attributes. Prestigious awards in the design community, the IDEA and International Good Design awards won in 2018 showcase the company's continued commitment to design excellence, brand image and quality echelon recognized by our customers around the globe.

Product objective, targets & progress

2018

Tennant Company products enable our customers to significantly reduce their environmental impact. Reducing the environmental impact during the years they use the equipment, i.e., the “use-phase,” is a key element of our Technology & Product strategies. Tennant Company’s annual investment of approximately 3-4% of sales in Research & Development has aided the Company’s breakthrough innovations and offerings like robotics, ec-H2O NanoClean®, the Pro-Panel™, IRIS, and Smart-Fill™.

In 2018, Tennant’s greenhouse gas emissions targets were set and approved by the Science-Based Target initiative. Our scope 3 “use of sold products” target is driving our engineering organization to think differently about how we design products. We now have a requirement in the initial strategy phase of each development project to talk through sustainability improvement ideas; this takes place before any actual engineering design occurs. Having this discussion early allows for more ambitious change with each new product design.

As shown below, the number of environmental impact improvement targets set in 2018 rose significantly as multiple product engineering teams committed to designing machines with low environmental impacts in the use phase. Once these projects are completed, each team will report on the number of achieved targets, continuing Tennant Company’s journey of reducing the footprint of our products.

PRODUCT SUSTAINABILITY TARGETS METRICS

Statistics	2018	2017	2016	2015	2014	TOTAL
Number of environmental impact improvement targets set	19	4	1	7	4	35
Number of environmental impact improvement targets achieved at launch	2*	4	1	6	4	17

* Not all Projects had reached launch as of December 31, 2018

T7 AMR

Autonomous Mobile Robot



If you have attended any cleaning industry tradeshow over the past few years, it has been difficult to miss the autonomous cleaning machines being demonstrated. Rising labor costs and high turnover continue to create challenges in the cleaning industry, so driverless equipment is generating a lot of excitement. The Tennant T7AMR (Autonomous Mobile Robot) is designed to work safely and efficiently alongside employees so they can focus more on high-value tasks. Equipped with Brain Corp's autonomous navigation platform (BrainOS®), the T7AMR is designed to operate in complex, real-world environments while safely avoiding people and objects. The "teach and repeat" model will help ensure consistent cleaning performance as the machine will only clean where it is taught to clean.

This advanced solution is just one more example of how Tennant Company is continuing to optimize the cleaning process and deliver more sustainable products to the market.



"This cleaner is another great example of technology helping make the Walmart job better—rather than riding on a floor-cleaning machine for several hours, the associate is now working with robotics to complete their duties. The machine allows our associates more time to focus on completing other tasks within the role, but most importantly, it frees them up to serve our customers better."

John Crecelius, Walmart Senior VP of Central Operations

SCIENCE-BASED TARGETS INITIATIVE (SBTi)



Tennant Company Featured in SBTi Scope 3 Guidance



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

As a manufacturer of energy-intensive equipment, nearly every product Tennant Company sells either plugs into the wall directly, requires electricity to charge batteries, or burns fuel to power an engine. Consequently, the company's primary source of enterprise greenhouse gas emissions is the use of our products. Reducing energy use, by improving energy efficiency of our equipment, will directly reduce our scope 3 value chain emissions.

In 2018, the company set a scope 3 target with the Science-Based Targets initiative, as some of the greatest potential for significant emissions reduction lies within our product design.

The Science-Based Targets initiative recognized Tennant Company's leadership in scope 3 discipline and requested we be interviewed for a story in their Best Practices in Scope 3 Greenhouse Gas Management report. They highlight the journey of identifying relevant scope 3 emission categories, through hiring an engineer to develop a new methodology and tool for calculating use of sold products emissions.

[The full report can be found here.](#)

ABOUT THE SCIENCE-BASED TARGETS INITIATIVE

The Science-Based Targets initiative (SBTi) is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

The SBTi defines and promotes best practice in science-based target setting and independently assesses companies' targets.

"To date, most companies have focused on tackling the emissions they have direct control over. Either those under their own operational control (scope 1) or those from the purchase of electricity and heat (scope 2). The business community is responsible for the majority of global emissions, while value chain (scope 3) emissions account for the majority of most companies' greenhouse gas emissions. Put simply, companies cannot do their share without addressing scope 3 emissions."

Source: Science-Based Targets initiative

WHAT ARE SCOPE 3 EMISSIONS?

Scope 3 emissions are all indirect emissions that occur upstream and downstream of the direct operations (i.e., manufacturing, facilities and fleets).



TOP SCOPE 3 Emissions



Use of sold products



Purchased goods & services



Upstream transportation & distribution



Employee commuting

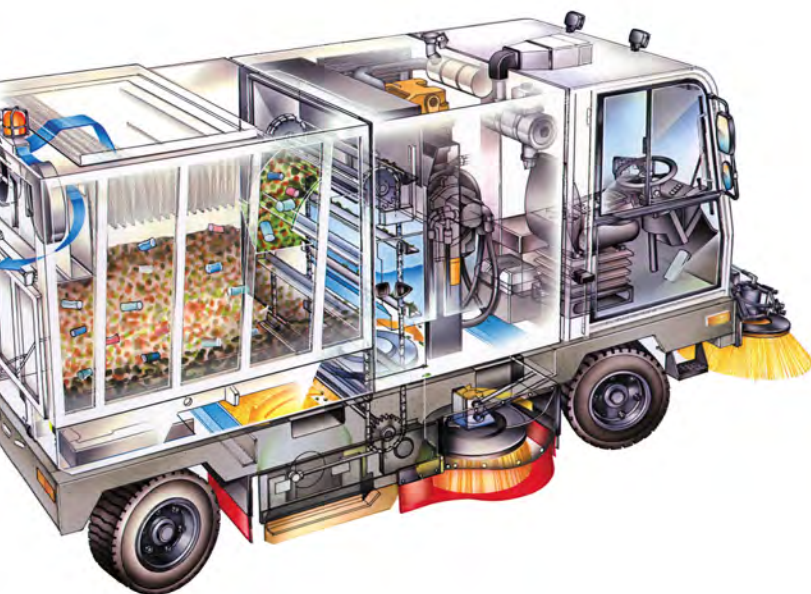


SENTINEL

OUTDOOR SWEEPER

Not all product updates come in the form of a brand-new machine model. Some are enhancements to existing machines. Sentinel, Tennant Company's largest outdoor ride-on sweeper, offers new features in 2018 that provide improved visibility, overhauled controls, and onboard engine data logging for more productive maintenance.

Many new cars on the road today have an automatic stop/start feature to save on fuel, emissions, and noise while sitting at a stoplight. Similarly, Sentinels with the new Cummins engines will automatically reduce the engine speed when the machine comes to a complete stop. But operators can rest assured that the engine speed will immediately restore to the last saved value when they're ready to continue with the job.



NEW FEATURES



With more leg room and an improved control screen layout, the new Sentinel cab works harder for operators.



Safely monitor the side and rear areas of the machine with the PerformanceView™ camera system.

T600 SCRUBBER



The optional Diamabrush™ system provides a chemical-free alternative to floor coating removal and concrete resurfacing.

The Tennant T600 is an industrial-strength walk-behind scrubber that was designed for easy operation in even the toughest environments. Like its siblings, T300 and T500, this machine comes with the optional Pro-Panel® LCD touch screen, which includes maintenance videos and machine information in 28 different languages. Tank cleanout, scrub brush removal, and squeegee operation were all designed with the operator in mind, allowing cleaning to be done easily and efficiently, therefore providing more time for additional cleaning tasks.

Other optional features such as thin plate pure lead (TPPL) batteries and Diamabrush™ enhance the T600's ability to tackle tough jobs. TPPL batteries permit opportunity charging, have a long life, do not require watering, and are fully recyclable. Diamabrush™ tools provide a chemical-free alternative to floor coating removal and concrete resurfacing.



GHG EMISSIONS FOCUS AREA



At Tennant Company our goal is to reduce GHG emissions (direct and indirect) used in our operations and along our value chain. We transparently report GHG emissions to create mutual accountability between Tennant Company and our value stream partners, all in the spirit of creating a cleaner, safer and healthier world.



CDP SUPPLY CHAIN CLIMATE CHANGE PROGRAM

We made our sixth consecutive response under the CDP Supply Chain Climate Change program in 2018. We also became a “self-selected” CDP responder in 2018. With self-selected status, key stakeholders gain simple, straightforward access to our response and score via the CDP website.

For 2018, Tennant Company’s score was “A–” at the “Leadership” level. Our score progression is shown in Table 6.a. We are pleased with the continuous improvement and remain fully committed to the energy and GHG emissions governance principles advocated by CDP.

Tennant Company's CDP peer grouping is the "General" sector and "Industrial Machinery" Industry Activity Group (IAG). Tennant Company scored among the top 5% of more than 75 companies in our peer group.

SCORED IN THE
TOP 5%

OF MORE THAN 75 COMPANIES IN OUR PEER GROUP

A-

AT THE LEADERSHIP LEVEL

Table 6.a

TENNANT COMPANY CDP SCORE PROGRESSION

	YEAR						
	2018	2017	2016*	2015	2014	2013	
TENNANT COMPANY	A–	A–	B	95	80	68	Disclosure Score
				C	C	D	Performance Band
INDUSTRY GROUP AVERAGE	D	D	D	60	53	49	Disclosure Score
				D	C	C	Performance Band

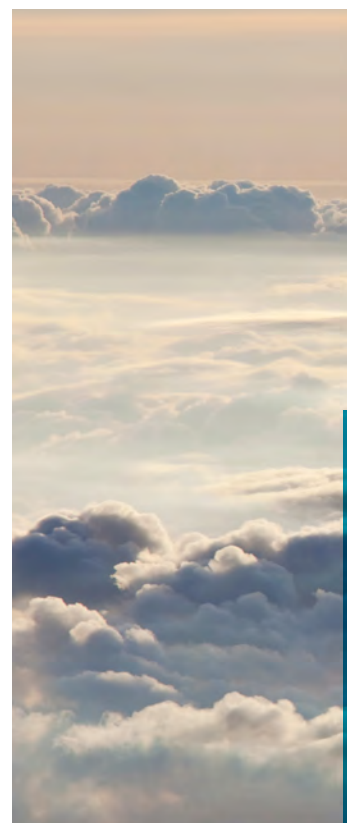
*Scoring methodology changed in 2016. Disclosure and performance combined in ladder framework.

GHG Emissions & Energy

GHG Emissions Detail



To achieve more timely publication of our 2018 CSR we decided to report 2018 emissions detail separately. We will provide full 2018 reporting year emissions detail on our website once our CDP response is filed. The detail will include progress history toward all targets as well as emission-reduction activities. The reporting year detail will also be included in the following year CSR. The quantitative emissions information which follows is from reporting year 2017.



Scope 1 & 2 GHG Emissions

In 2017, our Scope 1 & 2 GHG emissions decreased by 6.3% year over year; since 2012, we have reduced absolute GHG emissions by 3.4%. Over the same time period our revenue grew by more than 12%.

Of our 2017 total market-based emissions, Scope 1 was 22,421 mT (74%) and Scope 2 was 8,025 mT (26%).

Our first GHG emissions target (set in 2014) is a 25% intensity reduction by 2020. Progress toward this target accelerated in 2017. GHG emissions intensity

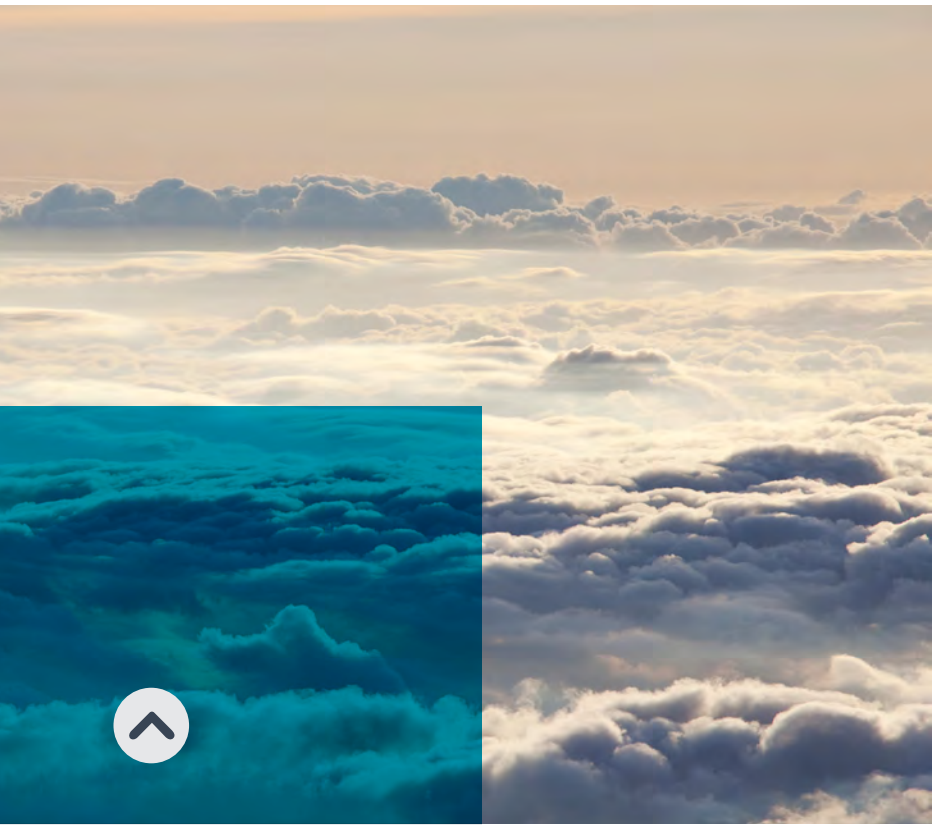
was 36.7 mT CO₂e/\$M in 2017; a reduction of 13.8% compared to the 2012 base year (Table 6.b).

Our science-based target for GHG emissions is a 25% absolute reduction by 2030. We made a strong start and good progress toward this target in 2017, with a 6.3% reduction compared to the 2016 base year (Table 6.c). Achieving absolute emission reductions while business grows is an expectation of investors and other stakeholders. Tennant Company remains fully committed to meeting this expectation.

We engaged Trucost (part of S&P Global) to provide assurance for our 2017 Scope 1 & 2 GHG emissions inventory. Assurance

was conducted in accordance with the AA1000AS (2008) standard, at AA1000 Type 2 (quantitative), moderate-level. [The Assurance statement can be found on our Sustainability website.](#)

In 2017, Field Sales & Service vehicle use was the source of 51% of our Scope 1 & 2 GHG emissions. Compared to base year 2012, fleet emissions show a very small 11.3 mT CO₂e increase – essentially flat. While the total number of vehicles and miles driven has increased significantly, our driver behavior and fleet transformation programs continue to provide both environmental and economic benefits.



Logistics, manufacturing, and office facilities produced 49% of our Scope 1 & 2 GHG emissions for 2017. Facility emissions have decreased 1,080.5 mT CO₂e since 2012. The decrease is due to a consistent stream of efficiency projects, along with renewable energy purchases. For a close look at our emissions reduction project portfolio and progress, see Table 6.e.



Science-Based Targets

In 2015, Tennant Company made a commitment to develop more ambitious GHG emissions reduction targets by engaging with the Science-Based Targets initiative (SBTi). In early 2018, we received SBTi approval for these new targets. We were pleased to be part of SBTi's April 14, 2018, announcement: "More than one hundred major global corporations are now working towards emissions reduction targets aligned with what climate science says is required to prevent dangerous global warming." One year later, the number of companies with approved SBTs is greater than 200 at time of publication.

CONGRATULATIONS TENNANT COMPANY
YOUR SCIENCE-BASED TARGET
HAS BEEN APPROVED



Table 6.b

Scope 1 & 2 GHG Emissions - 2020 Intensity Target

Category	2020 Target	2017	2016	2015	2014	2013	2012 Base Year
Total GHG1 Emissions (mT CO ₂ e) ¹		30,446	32,480	33,694	33,925	31,982	31,515
Revenue (\$M) ¹		829	809	812	822	752	739
GHG Emissions Intensity (mT CO ₂ e / Revenue in \$M)	32.0	36.7	40.2	41.5	41.3	42.5	42.6
Intensity Change from 2012 Base Year (%)	-25%	-13.8%	-5.8%	-2.7%	-3.2%	-0.3%	-

¹ GHG Emissions do not include IPC Group acquisition which closed 4/6/2017.

Table 6.c

Scope 1 & 2 GHG Emissions - 2030 Science-Based Target

Category	2030 Target	2017	2016 Base Year
Total GHG Emissions (mT CO ₂ e) ¹	24,360	30,446	32,480
Absolute Change YoY (mT CO ₂ e)	-8,120	-2,034	-
Change from 2016 Base Year (%)	-25%	-6.3%	-

¹ GHG Emissions do not include IPC Group acquisition which closed 4/6/2017.

Table 6.d

Scope 3, Category 11 GHG Emissions - 2030 Science-Based Target

Category	2030 Target	2017	2016 Base Year
Total GHG Emissions (mT CO ₂ e) ¹²	-	347,474	374,655
Equipment Revenue (\$M) ¹	-	462	459
GHG Emissions Intensity (mT CO ₂ e / Revenue in \$M)	409	752	816
Intensity Change from 2016 Base Year (%)	-50%	-7.8%	-

¹ GHG Emissions do not include IPC Group acquisition which closed 4/6/2017.

² SBT boundary excludes sold products where Tennant does not have primary design control, at 3-5% of total Cat 11 emissions

Scope 3 GHG Emissions

For the fourth consecutive year, our Scope 3 GHG emissions were assessed by Trucost. Scope 3 emissions in 2017 were 507,550 mT CO₂e, a decrease of 2% compared to 2016.

Scope 3, Category 11 – Use of Sold Products remains our highest Scope 3 priority at over 72% of our 2017 Scope 3 GHG footprint.

Our science-based target for Scope 3, Category 11 is “reduce use of sold products emissions 50% per \$USD of equipment revenue by 2030 from a 2016 base year.” We are pleased to report a strong start and good progress toward this target in 2017, with a 7.8% reduction compared to 2016. See Table 6.d.

A good portion of the Scope 3,

Category 11 reduction came from the trend toward cleaner electrical grids. For example, “In 2017, renewables accounted for 55% of the 21 GW of U.S. capacity additions, the fourth consecutive year in which renewables made up more than half” of total added capacity¹. Evolution of the utility power generation fleet will continue making a positive impact since the majority of our Category 11 emissions come from cord- or battery-powered electric equipment. Over time, product efficiency improvements will provide the largest positive impact contribution.

We engaged Trucost to provide assurance for our 2017 Scope 3 Category 11 GHG emissions inventory and 2016 base year emissions. Assurance was conducted in accordance with the AA1000AS (2008) standard, at AA1000 Type 2 (quantitative),

moderate-level. [The Assurance statement can be found at our Sustainability website.](#)

Category 1 – Purchased Goods and Services is 22% of our 2017 Scope 3 GHG footprint. In 2018, we began direct engagement with a subset of suppliers in one direct material purchasing category. The chosen material category is directly relevant to both Categories 1 and 11.

Detailed Scope 3 emissions data can be found within both our 2018 CDP Supply Chain response and our Value Chain GHG Emissions Inventory.

These reports can be found at our [sustainability website](#).

1. <https://www.eia.gov/todayinenergy/detail.php?id=36092>

Emissions Reduction through Efficiency

We continue to drive methodically toward more efficient operations and vehicle fleets. Emissions-reduction activities produce energy and fuel savings as well as reduced operating costs. In 2017, we drove continued growth in our total Scope 1 & 2 emission-reduction portfolio – see Table 6.e. Total expected emissions reduction from the 2017 project portfolio is about 4% greater than 2016. We remain excited about continuing this trend in future years.

Detailed accounting for 2018 emission-reduction activities is in progress and will be reported later. A number of projects were completed in 2018 including: facility consolidations for more efficient use of space; continuing the transformation of Sales and Service vehicle fleets via higher efficiency vehicles and driver awareness; logistics and manufacturing lift truck upgrades including opportunity charging; and general manufacturing and logistics process improvements. We started a cornerstone project to upgrade switchgear at our largest manufacturing facility. The project will be completed in 2019.



Table 6.e

Project Portfolio: Scope 1 & 2 GHG Emissions

Category	2017	2016	2015	2014	2013	2012
Number of Projects Implemented	19	16	10	15	9	6
Emissions Reduction Achieved (mT CO ₂ e)	1,185	1,312	424	661	1,128	710
Number of Projects in Process	3	2	3	1	0	1
Emissions Reduction Estimate (mT CO ₂ e)	234	1,052	58	2	0	38
Number of Projects Planned	13	13	10	7	0	2
Emissions Reduction Estimate (mT CO ₂ e)	5,094	3,918	495	425	0	300
Total Number of Projects in Portfolio	35	31	23	23	9	9
Total Emissions Reduction (mT CO ₂ e)	6,513	6,282	977	1,088	1,128	1,048

Right:
Watertown,
Minnesota,
USA Solar
Garden



Emissions Reduction through Energy Purchasing



Above: Northfield, Minnesota, USA Solar Garden

3rd Consecutive Year

For the third consecutive year, we sourced 2,000 MWh of Nederlandse wind electricity. This purchase covered more than 100% of total 2018 electrical usage at our facilities in Uden, The Netherlands.

Community Solar Gardens

In 2016, we entered into long-term Community Solar Garden (CSG) subscriptions for our two largest facilities in Minneapolis, Minnesota. Our subscriptions, along with those of other businesses and homeowners, have led to a significant increase in solar energy capacity in Minnesota. According to a report from the Minnesota Department of Commerce, Minnesota's solar energy capacity increased 47 percent in 2018.

We are subscribed to a total of twelve CSGs, all developed by NextEra

Energy Resources. Our subscribed share represents 6.1 MW AC capacity which will produce nearly 12,000 MWh per year. The first of these CSGs began producing energy in December 2017. By 2018 year-end, nine of the CSGs were operational. Throughout 2018, our share of total production was more than 6,300 MWh. We are very excited about this program!

For energy produced by our subscribed CSGs, the Renewable Energy Credits (RECs) belong to local electric utility, Xcel Energy Inc. This additional renewable energy capacity contributes to lowering Xcel Energy's Upper Midwest emission factor, which we use for reporting our market-based carbon emissions.

Renewable Energy Purchasing

Comparing 2018 and 2017, we increased total renewable energy purchasing:

2017	2018
2,850 MWh	5,100 MWh

75% Increase

Wind Energy Sourcing

In 2017, we sourced wind energy for our RECON/Service facility in Grand Prairie, Texas, and a portion of electricity consumed at our Louisville, Kentucky, Distribution Center (DC). In 2018, we expanded this sourcing to cover nearly 100% of electricity consumed at both the Louisville DC and our Coatings manufacturing site in Chicago, Illinois. We also sourced wind energy for all electricity consumed at the Water Star Inc. facility in Parkman, Ohio.

WASTE

FOCUS AREA



At Tennant Company we strive to reduce—and eventually eliminate—all forms of waste, another pillar of our Sustainable Enterprise strategy. Our aspiration is that all purchased materials provide the highest and best use attainable to our customers and all other stakeholders. This aspiration feeds our broad view of waste to include operational inefficiencies as well as material and resource waste. We define waste as materials that enter our boundary which do not become part of the products we sell.

BRAZIL

WASTE REDUCTION

Tennant Company's Sao Paulo, Brazil, office made a big step in 2018 to move Tennant closer to our aspirational goal of zero waste to landfill: the facility banned use of disposable cups. At the beginning of 2018, all employees were given a new mug for warm beverages and a water bottle for cooler beverages. This change has eliminated over 80,000 disposable cups from entering the waste stream. This is our second facility to become disposable cup free after our production facility in Holland, Michigan. Employee-led initiatives like these, spearheaded around the globe, help Tennant make significant progress on our waste reduction goals.



eliminated over 80,000
disposable cups from
entering the waste stream



HOLLAND, MICHIGAN

WASTE SORT

Each Tennant Company facility manages waste and recycling differently, primarily due to the local infrastructure. Our commercial manufacturing facility in Holland, Mich., has an established waste and recycling sorting system. Our Holland employees currently sort different types of recyclables: paper, cardboard, plastic film, plastic bottles, and cans. In the fall, we completed a waste sort at the facility to measure current waste streams and determine what more we can do to improve our recycling. We used our findings to identify areas of opportunity to improve our recycling rates and get closer to our aspirational goal of zero waste to landfill.

Combing through over 90 pounds of trash that was collected over two days, here is a glimpse of what we found:

29 PLASTIC KNIVES

120 PLASTIC FORKS

82 PLASTIC SPOONS

12 LBS. OF RECYCLABLE MATERIALS - CANS, BOTTLES, PAPER

29 LBS. OF PAPER TOWELS

WASTE

Committed to becoming a zero-waste enterprise



Tennant Company is committed to becoming a zero-waste enterprise by applying the solid waste hierarchy of Reduce, Reuse, Recycle, along with the proven principles of Lean Manufacturing and Continuous Improvement. Through our stakeholder engagement process in 2013, we determined that waste is a material issue, since all forms of waste have cost implications. As we have continued to engage with our stakeholders, waste remains a primary area of concern, especially for customers and employees.

In 2014, Tennant set an aspirational goal of zero waste to the landfill or disposal. The Solid Waste Management Hierarchy prioritizes our waste reduction and diversion tactics. Waste sorts at our facilities have helped to identify current state and highlight areas of opportunity.

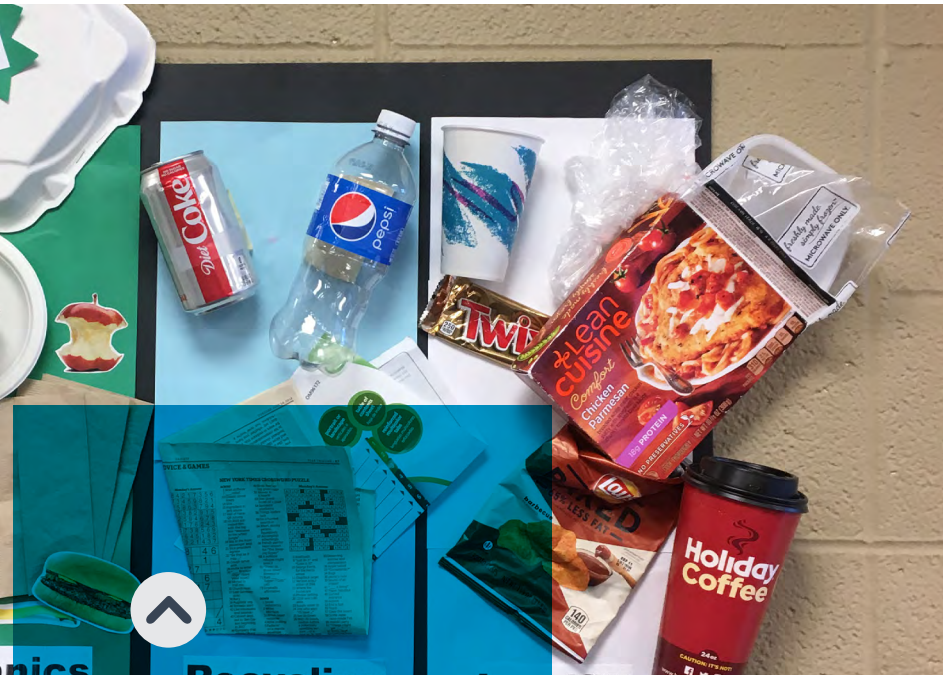
Our actions include: collecting organics at our corporate headquarters, incorporating additional recycling containers throughout the production facility in Golden Valley, and increasing our diversion of cardboard and stretch wrap at our distribution centers.

We continue to expand and improve our industrial recycling as employees identify waste streams that should be diverted. In 2018, we collected over 4,000 metric tons of industrial recycling material. Our employees regularly identify ways to reuse materials and reduce waste, including: reusing incoming dunnage on outbound shipments and working with procurement and engineering to reduce excess packaging or material before components are delivered to our facilities.

WATER

Water, which we use as efficiently as possible in our operations, is a critical resource. A water materiality assessment of Tennant Company's Minneapolis, Minnesota, campus was completed by Wenck Associates Inc. Based on the results, we concluded that water in our operations is not a material aspect for setting goals and sustainability reporting. However, consistent with our core value of stewardship, Tennant company will:

- Strive to conserve water and eliminate any wasteful water use.
- Maintain the highest possible discharge water quality in all global operations and all communities where we operate.



Chelsi Walter

Global Travel Accountant

“The new visual display makes it much easier to understand how to sort my waste. I used to have a lot of questions and would just guess or ask which receptacle to use. The visual displays really take the guess work out of waste sorting. I LOVE that Tennant Company cares about the environment and provides us this opportunity at work.”

Dennis Collins

Product Manager - AMR

“The 3D recycling signs make it very easy for me to identify what goes where when it comes to waste. It is a tailored visual for Tennant Company with everyday items that we use at one site.”

RECYCLING VISUAL COMMUNICATIONS

As we continue to push toward zero waste to landfill at our Minneapolis, Minnesota, headquarters, we’ve worked to improve our signage around waste sorting stations. At high-traffic waste stations, we replaced simple signs with 3D Posters that have real examples of types of waste employees see on a daily basis. As a result, we have seen improved accuracy in our recycling efforts, as employees see and understand where their items should be sorted.

10-YEAR ANNIVERSARY: Adopt-A-Trail & Adopt-A-Highway



In 2008, Tennant Company adopted portions of a highway and bike trail near the headquarters in Golden Valley, Minnesota. At the time, we committed to cleaning these sections twice a year. Little did we know that 10 years would fly by, but here we are, with nearly 1,000 total volunteer hours spent on these two activities alone.

As a manufacturer of cleaning equipment, Tennant Company obtains a permit to use our sweepers on the trail. We are going above and beyond our call of duty of cleaning alongside the trail by using our sweepers to remove the sand and debris from the asphalt surface. This also provides us a unique opportunity to give employees a real-world cleaning experience.

For all employees who have volunteered, it has been an amazing decade of growing friendships, developing altruism, and being the best-possible stewards we can be.



David Conyers
Sr. Program Manager
Tennant Company

“Adopt-A-Trail has special meaning for me because I am a frequent user of the trail system in the Twin Cities; the trails are an incredible regional resource and I get great pleasure working to keep the trails beautiful!”





Gretchen Olson

Executive Assistant
Tennant Company

“Adopt-A-Highway is a great opportunity to get outside and work with people from other areas of the business. This bi-annual activity demonstrates our commitment to the community and the environment by leaving a part of the world better than we found it.”

Joni Marti

Sr. Manager, N. American Sales Operations
Tennant Company

“Tennant’s adopted stretch of Highway 55 has a special place in my heart. I started working at the Dairy Queen (what is now Famous Dave’s) when I was 14, and my ex-husband and I owned the Dairy Queen for 19 years. The area feels like home to me. I also LOVE to see Tennant’s name proudly displayed as the adopter of that section of road, so I want it to always look its best and reflect well on us.”

PEOPLE & COMMUNITIES

FOCUS AREA



Tennant Company has an unwavering commitment to its employees and to a company culture of unquestionable integrity and community involvement. Over time, Tennant Company’s “community” has expanded from a humble North Minneapolis sawmill to ‘as far as the east is from the west.’ The company’s growth and expansion around the globe give us greater opportunities to focus on People & Communities, Human Rights & Ethics, and Safety. Ethics, integrity and responsibility are characteristics core to Tennant Company’s DNA.

As a Sustainable Enterprise, Tennant Company's People & Communities efforts are accountable to:

Intentional Giving -

Align donations of time, money and property with organizational vision.

Company Ethics & Human Rights -

Foster and maintain ethical work environments free of discrimination.

Environment, Facilities & Safety -

Operate our global facilities in a manner that protects the environment and promotes the health and safety of our employees and communities.

Tennant Company is an equal opportunity employer. Employment decisions are made on the basis of individual skill, ability, reliability, productivity, and other factors important to performance. We do not discriminate on the basis of race, color, creed, religion, sex, national origin, physical or mental disability, age, veteran status, pregnancy, sexual orientation, genetic information, gender identity, or any other basis protected by state or federal law or local ordinance.

TWAN BEURSKENS

Best Prevention Worker Award



Employee safety is important to Tennant Company, our employees, and especially our safety professionals. Tennant Company is proud to share that Twan Beurskens, the safety professional at our production facility in Uden, The Netherlands, was awarded the Best Prevention Worker of The Netherlands 2018. Every year, 5xbeter, a health and safety industry group in The Netherlands that focuses on metal work, selects a prevention officer from a large and a small company who inspires and implements something unique at their company.

Twan takes a proactive focus on safety. He and the employees at the Uden manufacturing facility increased focus on identifying near-miss events, which has helped to reduce the frequency of incidents or injuries over the last two years. He works to identify best solutions by including all stakeholders in resolving near-miss incidents or injuries. In many instances, solutions not only improve safety, but also have low costs while enabling long-term productivity gains. Twan strives every day to create a cleaner, safer, and healthier world.

Tennant's Safety Culture

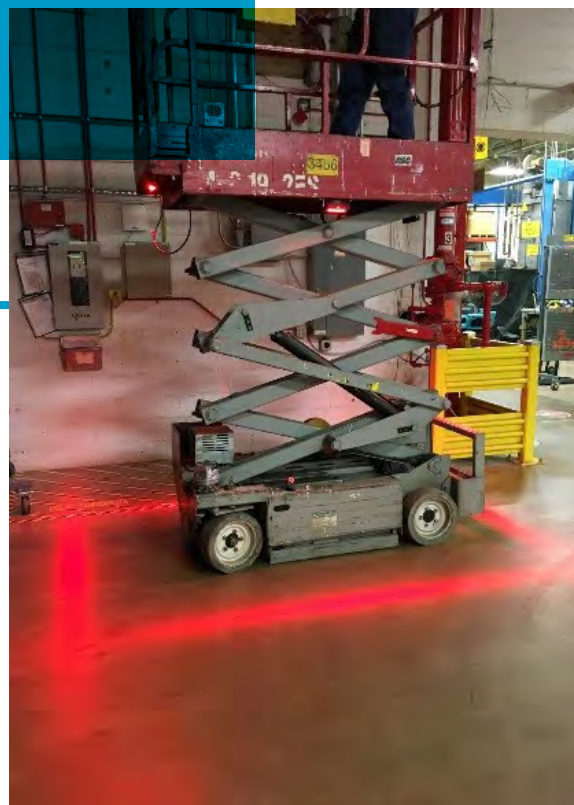
Safety First – Visibility Matters

Since Tennant Company's introduction of the global Safety Operating Model in 2017, our Safety Culture has improved across the organization. As hoped, we are gradually becoming a proactive safety organization in our global factories and North America field operations. Thanks to our demonstrated management commitment, employees are empowered to suggest solutions when facing unsafe working conditions, so a near miss doesn't turn into an injury.

A great way to improve unsafe working conditions is to improve visibility. Tennant Company facilities around the globe have implemented new ways to improve visibility in our production and warehouse facilities.

Golden Valley, MN

In the Industrial manufacturing plant at Tennant Company's headquarters in Golden Valley, Minnesota, a member of the maintenance team saw an opportunity to improve safety for all employees when they are working on the scissor lifts. Lights have been installed to shine red beams below the perimeter of the lift, to serve as a visual reminder that overhead work is being performed in the area and employees are to stay clear of the illuminated area.



Limeira, Brazil

At the Alfa brand machines production facility in Limeira, Brazil, the employee-led safety committee identified and implemented many safety and workplace improvements over the last year, including: tool safety, ergonomic improvements to work stations, improved work area layouts, and new lockers for employees. The safety committee was dedicated to training all new and current employees; increasing their knowledge and understanding of safety topics helped to identify safety concerns throughout the facility. One of their concerns was visibility in the warehouse around tight corners; the team installed convex mirrors at low visibility corners. The new mirrors both increase visibility and reduce near misses.



Louisville, KY



At the aftermarket warehouse in Louisville, Kentucky, an employee experienced a near miss while cleaning an aisle. His resolution was to add red strobe lights at the end of each aisle to indicate that there is an employee in the aisle, on foot. This gives our forklift drivers a visual warning that a pedestrian is present before entering the aisle.

N. America Sales & Service



2018 was a very successful year in driving the safety culture within Tennant Company Sales and Service in North America. A multitude of program introductions, organizational decisions, and employee cooperation and buy-in resulted in an over 50% decrease in the Incident Rate! This past year was highlighted by the introduction of online safety training programs, increased communication within in the business unit, and transparency in safety implementations, reporting, and accountability. With a clear focus and designed path forward, we look to continue this momentum through 2019.

Qingpu, China



Visual and physical safety improvements have been made along the racking at our production facility in Shanghai. Expanding warehouse space required racking to be installed adjacent to production cells. Metal grates were installed on the back of the racking to ensure materials do not fall from racking into the production areas. The Safety team also dedicated a wall in the facility for safety posters. These are a visual reminder of what safe practices look like, such as how to lift heavy objects without injury, how to properly use tools, or how to safely move throughout the facility.

KIDS DAY

For the past 14 years, Tennant Company has celebrated Kids Day at our facilities in Golden Valley, MN, and Holland, MI.

—

On Kids Day, our production facilities open their doors to children and grandchildren of Tennant employees to learn more about what goes into making a Tennant machine. During their special day, the kids tour the production facility, stretch their brain by making mini robots with the engineering teams, make their own mini machines with building blocks, learn about different sustainability topics like recycling, and build snack packs for other kids in their communities. The event creates lasting memories for kids and volunteers alike.





2018 Tennant Company China Family Day

A wonderful and colorful adventure

In July 2018, Tennant Company in China hosted Family Day at Sunshine Island Shanghai. Almost 100 Tennant China employees and their families attended the event. The children enjoyed the indoor playground, craft tables and go-kart racing. The first family day for Tennant China was a great success!



Tennant Gives Back

Employee Volunteering

Book giveaway at local elementary school

Da Nang, Vietnam

In April 2018, Tennant and its top distributor partners traveled to Vietnam for the annual Distributor Incentive Trip. While in the coastal city of Da Nang, the group took a bike ride through the rice fields and farms and ended at a local elementary school. The group was greeted by the children doing "The Chicken Dance." As part of our culture of giving back to the community here at Tennant, we provided the children at the school with books and toys. The kiddos were so excited to receive the gifts and seeing the smiles on their faces was the highlight of the entire trip.

01

Toys Collected for Donations around the globe

Toys for Tots: Chicago, MN, and The Smith Family Childrens Charity: Sydney, Australia

03

Australia's Biggest Morning Tea Fundraiser, Eastern Creek, NSW

Employees brought in sweets and savory food to raise money for Australia Cancer Council.

05

Meals on Wheels, Minneapolis, MN

A group of 45 Tennant volunteers have been delivering meals three times per week for the last two years. Together they have delivered over 1,000 meals to the local community in Minneapolis.

02

Harbor Human, Holland, MI

Employees made repairs and did some landscaping for the local humane society.

04

Women Build Events, Minneapolis, MN

Three teams of women helped build and repair homes in North Minneapolis in partnership with Twin Cities Habitat for Humanity.

06

Liberty Wildlife, Phoenix, AZ

Americas Sales Team came together for their annual sales conference and volunteered at the Liberty Wildlife to clean and repair sanctuaries.



SALES & SERVICE TRAINING EXCELLENCE

Tennant Company is committed to providing a best-in-class customer experience and we depend on well-trained employees to make this happen. That's why Tennant Company offers comprehensive training and development programs for our North American Sales Professionals, Customer Service Representatives, and Field Service Technicians. While training includes personal leadership development, Tennant Company history and culture, one focus of training is on products and technical education. The programs occur online, in the classroom and in the field.

Customer Service Training

Our Customer Service Representative (CSR) training is an intensive four-week classroom training that incorporates job shadowing, live feedback and equipment training. The CSRs quickly learn how to use our systems while shadowing experienced staff. Those same peer mentors help provide feedback to the new CSRs and problem-solving tricks they have learned over the years.

There is a strong partnership between the Customer Service trainers and leadership to ensure employee success. The team works to provide a positive work environment focused on opportunities and create the best match of role to employee skills. The CSRs also have access to professional and skill-building courses and are encouraged to spend time each month on their personal development.

Service Technicians

Our Service Technician training is a comprehensive mix of online, in person classroom and in the field over the first eight months of employment. Our Service techs are experienced professionals and quickly learn that our scrubbers are more complex than meets the eye. The Service technicians learn about our machines and how to diagnose and service them through the peer mentors and from online modules. There is continued advanced technical training after the first six to eight months of employment. Advanced Technical Training covers electrical and hydraulic systems. This helps us to ensure that we're getting trained and experienced employees to our customers as fast as possible.

The local peer mentor provides guidance on how to service the machine, but also provides insight into how Tennant Company facilitates service, to ensure a consistent customer experience. The 360-degree training approach includes peer-assisted learning as well as manager training on coaching their new employees. This ensures that the success of the employees is a team effort and not the sole responsibility of the manager of the Training and Education teams.

Sales Representative Training

Our Sales force completes intentional and comprehensive training over the first 12-18 months of employment. This includes online, in person and field-based activities. The goal of the training is for our new sales representatives to learn about Tennant Company's brands, culture, go-to-market strategy, in addition to the portfolio of products and services available. The training is structured to align the approach to customers and provide consistent messaging on value, relevance and business impact.



Brandon Dunn

Customer Service Representative
Tennant Company



“This was the best training I have had in my career. I felt fully prepared to hit the ground (or floor) running once our training was completed.”

Latisha Foster

Customer Service Representative
Tennant Company



“The training here at Tennant Company was very hands on and provided all the information required to allow a person to feel confident the moment they get on the phones. I felt very confident and ready to answer calls after training, I was provided with all the necessary material that I would need from the start and having my mentor next to me made it even better.”

OUR TRAINING RESULT

The comprehensive training that each customer-facing employee receives ensures that our customers are receiving appropriate advice when it comes to selection and service of machines, protecting our brands, and providing the best service and support in the industry. The Training teams regularly receive positive feedback supporting the quality of training and setting up our employees for success.

INTERNATIONAL WOMEN'S DAY



On March 8, 2018, Tennant celebrated International Women's Day, a globally recognized day to celebrate the social, economic, cultural and political achievements of women.

Employees wore purple to symbolize women and attended an event that allowed for thoughtful discussion around the theme #PressForProgress, which is a call to accelerate gender parity. A video with messages from Tennant employees around the globe shared how women plan to #PressforProgress and support women in their day-to-day lives.

International Women's Day will be celebrated annually at Tennant Company as a part of the TEAL Women's Group, which was established in 2017.

Affinity Groups

at Tennant Company

Creating a sense
of belonging,
purpose and
value for our
employees.

At Tennant Company we believe the best way to engage our employees is through a strong intentional value proposition that creates a sense of belonging, purpose and value for each employee. A recent Deloitte global human capital trends report supports this position by stating that making work meaningful and giving people a sense of belonging, trust and relationships are the most important factors in improving work life balance.

We're excited by an emerging trend where Tennant Company employees are establishing internal groups of people to come together around mutual topics of interest. These grassroots groups give employees a strong sense of community and belonging as they network with others who share their interests. In our Marketing Department, employees have formed "Culture Club" to put focus on elements of culture and employee satisfaction.

Similar to the "Culture Club," our Field Operations Team is bringing together members from different functions in their business unit to provide coworkers energizing opportunities to improve their work environment. For example, a holiday mystery gift exchange gave team members opportunities to learn about and get to know a member of a different team, in a different part of their building, creating a lasting sense of community among employees. These new relationships are making the workplace a more positive and inviting place to be and are breaking down barriers, allowing teams to have more collaborative work relationships.

The Culture Improvement Association (CIA) is another grassroots employee group that organizes volunteer events, soup potlucks, and pancake breakfast fundraisers, bringing together employees from engineering and other functions within their building. These events are helping to create that important sense of belonging to an employee community and ultimately to Tennant.





There has also been some cross-pollination between the CIA and Culture Club in 2018. The groups hosted a bean bag tournament, and the final game had the Culture Club winners facing off against the CIA winners. The teams from both Marketing and Engineering came out to show their support and management's support of the activity included an ice cream truck for the competitors and onlookers. As two functions that must work closely together to execute Tennant Company global strategies, a friendly game can create the foundation for strong collaborative relationships.

Tennant Company supports these employee groups as they are one way for us to live out our guiding principles to think in new ways, pursue new experiences, and build on our legacy. We look forward to the many important relationships that help our employees Think in new ways as creators of new and continue to ask "what can I do {NEW today?"

GUIDING PRINCIPLES

TENNANT COMPANY SUPPORTS THESE EMPLOYEE GROUPS AS THEY ARE ONE WAY FOR US TO LIVE OUT OUR GUIDING PRINCIPLES TO THINK IN NEW WAYS, PURSUE NEW EXPERIENCES, AND BUILD ON OUR LEGACY.



EARTH DAY CELEBRATIONS

Tennant Company celebrated Earth Day 2018 over the week leading up to April 22, 2018. The Sustainable Enterprise team used the week to educate our global employees on Tennant Company's sustainability efforts, as well as how our employees can lead a more sustainable lifestyle outside of work. On Earth Day it is important to reconnect with nature and remind ourselves of what our ongoing sustainability efforts are protecting. On the last day of the week, employees at Tennant Company locations across the globe organized local Earth Day 1K walk/run events in the communities where we operate.

Individual sites celebrated Earth Day with organic lunches, banners and t-shirts, or even snowball fights.



U.S.A





Belgium
France



Netherlands

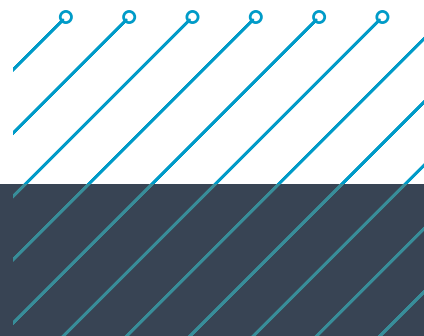


China



Australia





TENNANT COMPANY **FOUNDATION**

Tennant Company's
corporate giving
is driven by a
commitment to
creating a cleaner,
safer, healthier world
in which to live, work
and play.

GIVING PRINCIPLES

TENNANT FOUNDATION

GIVING PROGRAMS

Through corporate-directed giving and the Tennant Foundation, our company proudly supports organizations, programs and individuals who share this value and commitment. Some examples of our giving programs include:

- Tennant Employee Scholarship Program
- Volunteer Gift Matching Program
- Employee Gift Matching Program
- United Way
- Equipment Donations
- Operating and Capital Grants

TENNANT FOUNDATION

EMPLOYEE GIFT MATCHING

UNITED WAY

GRANTS

GIFT MATCHING

For nearly five decades, the Tennant Foundation Gift Matching Program has provided matching contributions on employee gifts to organizations recognized as non-profit and tax-exempt by the IRS in the United States.

VOLUNTEER GIFT MATCHING

The Volunteer Gift Matching Program recognizes the volunteer work of Tennant employees in their respective communities. This innovative program supports 40 hours or more per year of volunteer hours to a single agency with a \$200 gift if that agency would otherwise be eligible for Foundation grants. The program encourages and rewards volunteerism in response to the ever-increasing needs of local non-profit organizations.



TENNANT GIVING PROGRAM

CORPORATE

SCHOLARSHIPS

PRODUCT DONATIONS

VOLUNTEER PROGRAM

EQUIPMENT DONATIONS

Tennant Company donates Tennant equipment to non-profit organizations to further our vision of creating a cleaner, safer, healthier world. We consider it an imperative that our company is a steward to the communities in which we do business. Organizations that are non-profit entities, with 501(c)(3) designation and who do not have a religious affiliation, may be eligible for equipment donation. Equipment donations may be granted to any eligible organizations in the United States. Consideration will be given to the potential for a donation to adversely impact the business of a Tennant partner or distributor. Therefore, Tennant may consult its partners prior to making a final decision.

SCHOLARSHIP PROGRAM

In 1980, the Tennant Scholarship Program was implemented for eligible children of regular full-time or part-time Tennant employees. A maximum of 22 new scholarships are available annually, with awards of \$1,500 per year for full-time study. Each scholarship is limited to four consecutive years for those students attending any approved post-high school educational program. Students must requalify for scholarships each year. Scholarships are granted on the basis of educational performance, extracurricular involvement and potential to succeed in the chosen educational program.

GRANT PROGRAM

Tennant Foundation grants are directed to organizations serving our headquarters community around Minneapolis and are typically modest operating grants. When considering requests for grants, the Tennant Foundation considers: Whether this request furthers our commitment to create a cleaner, safer, healthier world in which to live, work and play. Improving the “quality of life” in our community through environmental programs or social services is one perspective in our grant making. Workforce readiness through education, vocational rehabilitation and other similar services is a second category of giving. Finally, contributing to cultural and arts organizations that enable our employees and their families to “play” is an area of giving for the Tennant Foundation.

Tennant Company will consider making in-kind or equipment donations outside of the Foundation when requests are employee-supported, when they help to further our giving mission and if the recipient organization meets eligibility requirements.

GRANT PROGRAM

APPLICATION PROCESS

Organizations interested in submitting a grant request should complete the Minnesota Common Grant Application Form and explain how their organization's work helps to further Tennant Foundation's mission to create a cleaner, safer, healthier world in which to live, work and play. Only qualified 501(c)(3) organizations with no religious affiliation are eligible to receive a grant. The Foundation does not normally fund capital campaigns or organizations funded by the United Way.

Mail completed applications to:
Tennant Foundation
701 North Lilac Drive, P.O. Box 1452
Minneapolis, MN 55440

LIVE. WORK. PLAY. 2018 GRANTS AWARDED*

Adopt A Husky Minnesota
Alzheimer's Association Minnesota
American Heart Association
American Red Cross
Animal Humane Society
Augsburg Fund
Banyan Community
Be The Match
Beyond Our Door
Big Brothers Big Sisters Services, Inc.
BLIND, Inc.
Blue Water Theatre
Bridging
Buffalo Hospital Foundation
Carleton College
Catholic Relief Services
Children's Dyslexia Centers Inc. - EC
Children's Theatre Company
Community Action House
Companion Rabbit Network
Cookie Cart
Crescent Cove
Cystic Fibrosis Foundation - MD
Dare to Care Foodbank
Donors Choose
Dunwoody College of Technology
Feed My Starving Children
Flight Expo Inc.
Ford Piquette Avenue Plant
Fraser
Great Minds Learning Center
Green Girls Inc.
Grinnell College
Growth & Justice
Guthrie Theater
Habitat for Humanity
Heifer International
Hennepin Theatre Trust
HIRED
Holland Rescue Mission
Holt International Children's Services, Inc.
Hope Academy
Iowa State University Foundation
JDRF International - NY
John Carroll University
Junior Achievement
Liberty Wildlife
Lupus Foundation of America, Inc.
Lutheran Social Services
MEDA
Milwaukee Rescue Mission
Minneapolis Institute of Arts
Minneapolis Recreation Development
Minnesota Opera
Minnesota Orchestra
Minnesota Public Radio
Minnesota State Fair Foundation
Minnesota Stroke Association
Minnesota Transportation Museum
Minnesota Zoo Foundation
Minnesota's Private Colleges
Mississippi Park Connection
MN Children's Museum
MN Institute for Talented Youth
MN Landscape Arboretum Foundation
Muscular Dystrophy Association
N C Little Memorial Hospice Inc.
NAMI
Nepal Cleft & Burn Center
Northern STEM Robotics
Oregon Friends of Shelter Animals
Outdoor Discover Center
Ovarian and Breast Cancer Alliance
Pacific Garden Mission
Pancreatic Cancer Action Network
People Serving People
Planned Parenthood Federation of America
Plymouth Crime and Fire Prevention Fund
PRISM
ProLiteracy
PROP
Rowan University Foundation
Samantha Harber Fund
Science Museum of MN
Second Harvest Heartland
Shakopee Area Catholic School
Sharing and Caring Hands
Springboard for the Arts
St. David's Center
St. Vincent de Paul Society - OR
Stages Theatre Company
Susan G. Komen
The Bakken Museum
The Food Group
The Rotary Foundation
The Sheridan Story
The St. Paul Chamber Orchestra
The Wildcat Sanctuary
The Works Museum
Together Rising
Toys for Tots
Treehouse Inc.
Trinity Equestrian Center Kids Kamp Inc.
Twin Cities Public Television
Union Gospel Mission
University of Minnesota
Urban Strategies, Inc.
Walker Art Center
Women Venture, LLC
WUWM Milwaukee Public Radio
YMCA Camp Ihduhapi
YMCA of the Greater Twin Cities
Twin Cities Public Television
Union Gospel Mission
United Doberman Rescue & Canine Castaway
United Way
Unity Christian High School Ed Foundation
University of Minnesota
University of Southern California
Walker Art Center
Washington State University
Wildlife Rehabilitation Center of Minnesota
Women Venture, LLC
World Vision
World Wildlife Fund
YMCA
Youthprise

**Includes Foundation Board Grants and Tennant Employee Gift Matching*

2018 FINANCIAL DATA FOUNDATION & GIVING

FISCAL YEAR ENDED DECEMBER 31, 2018

TENNANT FOUNDATION

Total Grant Disbursement	\$460,855 ⁽¹⁾
Total Number of Grants	39
Total Employee Gift Matching	\$50,255
Administrative Expenses	\$30,545
Expenses as a Percent of Disbursements	6.6%
Grants Paid in 2017	
Social Services (LIVE)	\$101,544
Environmental (LIVE)	\$60
Health & Safety (LIVE)	\$6,997
Cultural (PLAY)	\$80,600
Education & Workforce Readiness (WORK)	\$97,854
Public TV & Radio (WORK)	\$10,100
United Way	\$163,700
Total Foundation Contributions	\$460,855

TENNANT GIVING

Tennant Scholarship Program	\$108,670
Equipment & Inventory Donations	\$85,922
Total Giving Contributions	\$194,592 ⁽²⁾
GRAND TOTAL (1), (2)	\$655,447

Tennant Company Scholarship Program

22 NEW

The Tennant Foundation is pleased to announce that 22 new scholarships were awarded to children of Tennant employees for the 2019-2020 school year. An additional 43 scholarships originally granted between 2016-2018 have been renewed. The total amount of scholarships funded during the 2019 Scholarship program is \$97,550.

Since 1980, the year the scholarship award program was implemented, a total of 658 students have received tuition assistance for a grand total award of \$2,344,125.

2018 TENNANT COMPANY SUSTAINABLE ENTERPRISE PERFORMANCE SUMMARY

Tennant has established long-term, quantitative, measurable goals for four focus areas: People & Communities, Products, GHG Emissions/Energy, and Waste.

Focus Area	Objective	Metric	2018	2017	2016	2015	2014	Notes
Products	Develop Products that offer measurable environmental impact improvements, in one or more customer use-phase categories.	Number of targets set.	19	4	1	7	4	Process implemented Aug. 2014
		Number of targets achieved at launch.	2*	*	1	6	4	*Projects had not reached Launch as of 12/31/2017
	Conduct cradle-to-grave LCA on internal combustion powered product or a new technology/ business model offering.	Complete LCA	✓	Started	New in 2016			Scheduled completion 2018
	Develop a methodology and tool to calculate product portfolio impacts for Water and GHG Emissions that meets GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Develop long-term improvement targets.	Methodology and tool development	✓	✓	Started	New in 2015		
		Long-term, product portfolio target for GHG Emissions (Use of Sold Products- Scope 3, Category 11) set.	✓	✓	Started	New in 2015		
		Long-term, product portfolio target for water use set.	-	-	-	New in 2015		

Focus Area	Objective	Metric	2018	2017	2016	2015	2014	
People & Communities	Corporate Giving	Employee volunteer Hours	2,655	2,058.5	2,234	3,107	1,500	
		Tennant Giving**	\$655,447	\$465,497	\$576,789	\$854,762	\$507,276	
	Safety Incidents	Operations	5.18	6.29	7.28	4.49	5.23	
		NA TSSC***	2.69	6.5	4.31	3.45	2.96	
	Incident Severity	Operations	4.07	3.52	3.85	3.14	3.51	
		NA TSSC***	2.07	4.66	1.26	1.25	1.94	
	Company Ethics	Number of Complaints	21	18	13	15	12	
		Percent Closed	100	100	100	100	100	
		Average days open	85	65	121	18.8	23.75	
	**Includes sum of Tennant Foundation Grant disbursements, Employee Gift Matching, Equipment donations and Employee Scholarship Program.							
	***North American Tennant Sales and Service Company							

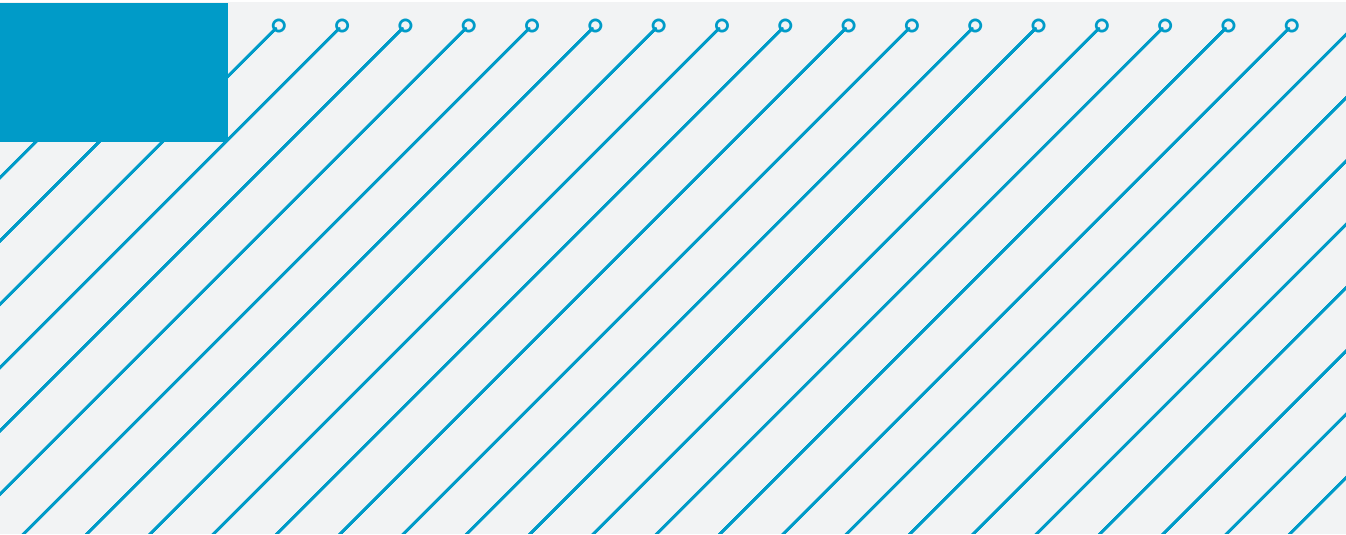
Focus Area	Objective
Waste	Our aspirational waste goal is zero waste to landfill and energy recovery. Due to our scale and materials diversion infrastructure, we recognize zero waste may not be achievable or business practical. Nonetheless, we continuously review our operations and look for waste-reduction opportunities.

Focus Area	Objective	Metric	2017	2016	2015	2014	2013	2012	Notes
GHG Emissions/ Energy	Reduce GHG Emissions	Scope 1+2 emissions intensity reduced 25% by 2020. Base year is 2012. (Target: 32)	36.7	40.2	41.5	41.3	42.5	42.6	mT CO ₂ e per million US\$ revenue
		Long-term, science-based target(s) for Scope 1+2 emissions set.	✓	Started	New in 2015			SBTi approved early 2018	
		SBT: Reduce absolute Scope 1 and 2 emissions 25% by 2030 from a 2016 base year. (Target: 24,360)	30,446	32,480	New in 2015			mT CO ₂ e	
		Scope 3 (upstream & downstream) LCA complete.	✓	✓	✓	✓	Completed annually for reporting year shown and reported to CDP		
		SBT: Reduce Scope 3 use of sold products emissions 50% per \$USD of equipment revenue by 2030 from a 2016 base year. (Target: 409)	752	816	New in 2017			mT CO ₂ e per million US\$ equipment revenue	
		Supply Chain sustainability—all categories assessed, one direct material category selected for pilot engagement.	✓	✓	✓	New in 2014			
		Supply Chain sustainability—program defined and engagement started.	Started	-	-	New in 2014			



**United Way Day of Caring
Holland, MI:**

Employees prepared rooms for new residents, cleaned the facility and gardened at the Family Hope Center.



INDEX



There are two outputs from this exercise:

1. **Stakeholder Materiality Analysis Matrix (Figure 1)**
2. **Focus areas for our sustainable enterprise initiative:**
 - a. *Products*
 - b. *GHG Emissions/Energy*
 - c. *Waste (all forms)*
 - d. *People and Communities*

MATERIALITY WORKSHOPS

During 2013, we conducted six materiality workshops globally; participants represented key functions at each of our major locations.

The first step was to brainstorm Tennant Company's internal and external impacts on the environment, society, and economy. We used a prioritization process, based on the GEMI (Global Environmental Management Initiative) Metrics Navigator™ tool, to prioritize the list of environmental, social, and economic issues and opportunities. This brainstorming and GEMI tool allowed the company to ensure that we are focusing on topics our stakeholders are concerned about, but are also relevant to our operations.

We identified many issues that were similar or related. Issues were grouped into, what are now called, our four focus areas. The topics were also mapped onto a matrix to demonstrate how each topic impacts the environment and Tennant Company's stakeholders (Figure 1: Stakeholder Materiality Analysis Matrix).

The final phase of establishing objectives, goals, and metrics was completed in 2014. For the goal-setting process, we used several small working groups. Working group members included company leaders who will have a key role and impact on achieving results in a given focus area. The working groups established goals for each area that will be tracked through our sustainability reporting. These

objectives, goals, and metrics can be found in the focus area sections of this report.

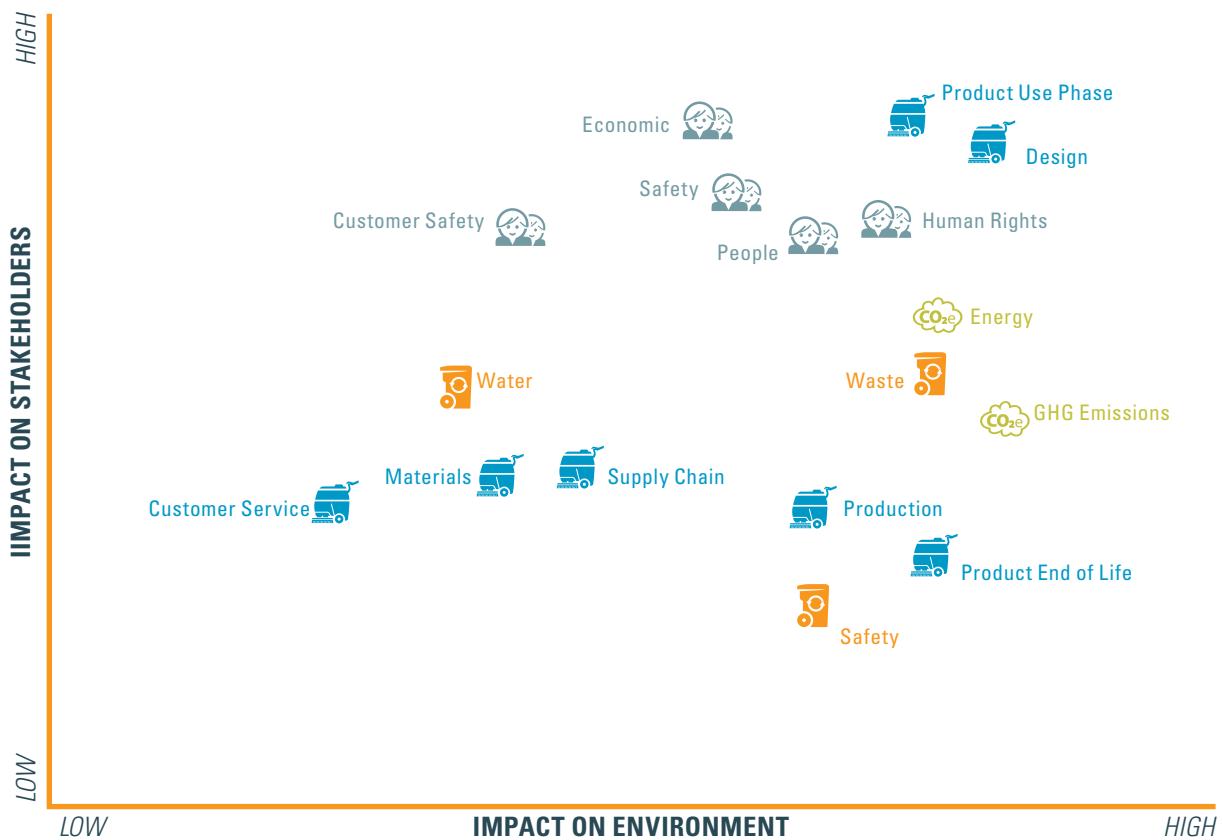
In 2018, we reviewed a large number of important issues that were brought to our Sustainable Enterprise team by internal and external stakeholders. Many of the issues aligned with the four focus areas from the 2014 exercise. We have taken the information further to identify where the issues impact Tennant's value chain so we can better prioritize future projects. This can be seen in Table 2: Material Topics Value Chain Map.

Carbon Reporting Boundary

Tennant Company leases, rents, or owns many facilities globally. These facilities, along with the global sales and service fleets, make up the Company's Scope 1 and 2 carbon emissions. Many of these facilities are relatively small and used for sales and/or service offices, parts warehouses, or storage. Based on analysis of the facility ownership/rental/lease arrangement and utility usage, we have identified 32 facilities as material and to be included in our reporting boundary for 2017. All fleets in countries with direct sales and service presence are within the reporting boundary. The facilities outside the boundary are, in aggregate, less than 1% of our total emissions and energy consumption. Tennant Company closed on the IPC Group (IPC) acquisition on April 6, 2017; facilities and fleets acquired as part of IPC are excluded from 2017 GHG emissions reporting boundary. We intend to bring IPC inside the boundary for 2018 CDP reporting.

Tennant Company has updated our internal reporting calendar, which means starting with the 2018 report, we will be decoupling the events of 2018 featured in this report from the carbon reporting. This will allow Tennant to publish our annual Corporate Sustainability Report in a timely fashion, creating a more relevant report for our stakeholders.

FIGURE 1
Stakeholder Materiality Analysis Matrix



Product	Waste
GHG Emissions/Energy	People & Communities

Materiality Value Chain

Table 2

FOCUS AREA	ISSUE	Research & Development	Source of Material	Upstream Supply Chain	Production	Downstream Supply Chain	Use of Products	End of Life
PRODUCTS								
Customer Service	Management of warranty claims, recalls, and customer issues	•				•	•	•
Design	CO ₂ emission reduction & energy efficiency	•		•			•	
	LCA in product design & environmental performance improvement	•	•	•	•		•	•
Materials	Material sourcing of conflict & critical minerals and the associated risks	•	•	•				
	Production risks from supply disruptions of rare earth metal minerals	•	•	•	•			
Product End of Life	Recyclability, reusability, remanufacturing, and hazardous waste disposal	•	•	•				•
Product Use Phase	Product use phase including water consumption	•					•	
	Product use phase including emissions and fuel consumption	•					•	
Production	Management and disposal of toxic substances such as mercury and lead					•		•
Supply Chain	Quality control with supply chain partners		•	•	•			
	Returnable packaging			•	•			
	Direct economic impacts including taxes and tariffs		•	•		•		
	Environmental and social standards strategy in the supply chain includes criteria for raw material sourcing, recyclable and renewable materials		•	•				
GHG EMISSIONS/ ENERGY								
Energy	Energy consumption from production phase				•			
	Energy consumption within supply chain			•		•		
	Fuels & electrical grid - renewables		•	•	•	•	•	
GHG Emissions	Climate change mitigation			•	•	•	•	
	GHG emissions production & products			•	•	•	•	

FOCUS AREA	ISSUE	Research & Development	Source of Material	Upstream Supply Chain	Production	Downstream Supply Chain	Use of Products	End of Life
WASTE								
Safety	Occupational health risk from electronic waste				●	●		●
Waste	End-of-life products reclaiming systems for: reuse, recycling, and recovery of materials	●		●				●
	Waste stream management including process efficiency	●		●	●	●		
Water	Enterprise water use				●			
PEOPLE & COMMUNITIES								
Economic	Diversity in governance bodies	●	●	●	●	●		
	Indirect economic impacts		●	●			●	●
	Precautionary principle approaches for business	●	●	●	●	●	●	●
Customer Safety	Product safety including: safe handling of product, product security					●	●	●
Human Rights	Human Rights Focus: discrimination, ethics, corruption & bribery, human rights	●	●	●	●	●	●	●
People	Labor practices		●	●	●	●		
	Community involvement	●			●			
Safety	Occupational Health and Safety: risks exposure to toxic chemicals, operations, and supply chain		●	●	●	●	●	●



STAKEHOLDER ENGAGEMENT

Tennant Company performed an extensive materiality assessment with our stakeholders in 2013. The outcome helped define the company's current Sustainable Enterprise strategy. Considering our recent acquisitions, Tennant Company anticipates returning to our stakeholders to refresh this materiality assessment.

The process performed in 2013 for identifying material issues was multi-step. We first identified stakeholder groups and key members of each group. We then defined our engagement strategies for each group, with no group being engaged the same way. For some groups we employed proxies where direct dialogue was not practical. Table 3, Stakeholder Engagement Strategy and Tactics, lists each stakeholder group, the strategies and tactics used for engaging them, and their concerns and priorities. Our three primary stakeholder groups are: customers, investors, and employees.

The objective of the stakeholder engagement and materiality exercises was to identify and prioritize stakeholder needs, expectations, and concerns. These were then used to define what Tennant Company should address within our sustainability programs. The material topics determined by this

process are covered in the body of this report and in the GRI Index (Appendix).

For the customer stakeholder group, we directly engaged our global Strategic Accounts sales managers, account managers, and sales support staff to mine customer requests. The top three areas of concern for our customers are (Table 2): greenhouse gas emissions (carbon and energy), waste, and sustainability policies. An emerging area of interest is our value stream, both up and downstream, including: human rights, labor practices, safety, ethics, and corruption.

Investor engagement occurs through meetings with our investor relations personnel. Investors' primary interests are economic and governance, which are covered in our [SEC filings](#). However, there is emerging interest in our environmental stewardship and carbon reporting.

Our final primary stakeholder group is our employees, whom we engage with in many ways. First, through a series of regional materiality workshops completed in 2013. These workshops identified what our employees were concerned about when it came to Tennant Company and the environment. Second, through an all-employee



attitudinal survey, which was conducted in 2015. Based on this employee survey, Tennant refocused our Human Resources priorities to address areas of opportunity for our Sustainable Enterprise strategy, such as communication and collaboration, while continuing to support stewardship, job fit and impact. We use different collaboration platforms to educate and request feedback from employees, as well as formal and informal training on a variety of sustainability topics, including waste and recycling.

Engagement for Scope 3 supply chain emissions (Categories 1, 4 and 9) come primarily from our partners in the manufacturing, warehousing, and transportation sectors, with manufacturing being the largest. A small number of suppliers account for 17% of our Scope 3, Categories 1, 4 and 9 emissions. The top 25 suppliers account for 50% of raw material spend in 2018. In 2018, Tennant prioritized sourcing categories in which to begin supplier engagement based on the Scope 3 GHG Emissions and Water footprint analysis completed in 2014. This cross-functional effort involved procurement, engineering, and sustainability departments.

Table 3
Stakeholder Engagement Strategies, Tactics and Areas of Interest

Stakeholder Group	Engagement Strategy <i>What strategy will Tennant employ to engage stakeholders?</i>	Engagement Tactic <i>How will Tennant implement these strategies?</i>	Major Issues & Concerns <i>What are stakeholders most concerned about?</i>
Customers	Know customers’ concerns and needs, meet their reasonable expectations	Direct dialogue with customers where feasible Leverage customer requests for information as proxy for their sustainability priorities Publish performance in CSR and CDP reporting	GHG emissions, waste, water, packaging, supply chain, end-of-life (EOL) Sustainability plans and certifications, sustainability-minded innovations
Investors	Proactively share sustainability highlights with investors	Include sustainability performance information on website Publish performance in CSR & CDP reporting	Return on investment Security of investment
Employees	Know employees’ concerns and needs, meet their reasonable expectations Promote sustainable mindset and actions at work and at home	Conduct all-employee attitudinal survey at regular intervals Form employee focus groups to address key concerns and issues Refer interested employees to online CSR report Formal and informal training on sustainability focused topics.	Varies by region and includes topics such as: GHG emissions & energy, waste reduction & recycling
Value Stream	Maintain a secure, reliable, balanced and respectful partnership with suppliers and distribution channel members	Vet suppliers’ compliance with Tennant’s supplier guidelines and expectations Meet reasonable needs of distribution channel members and respect their business Biannual Supplier Summit	Risk mitigation
Governments	Have policies in place to ensure full compliance with regulatory requirements	Monitor regulations, react to changes and new legislation as appropriate	Regulatory compliance: conflict minerals, emissions, discharges, hazardous materials, safety, labor practices, anticorruption and ethics
Communities	Have policies and practices in place to ensure Tennant is an exemplary corporate resident: locally, nationally, globally	Meet local codes for emissions, discharge, noise, etc. Offer employment opportunities at fair market compensation Give back to communities in which we work, live and play	Employment, compliance with ordinances, taxes
NGOs <i>(Non-Government Organizations)</i>	Partner with those whose mission is aligned with Tennant’s business objectives Remain open to dialogue from NGOs who are not aligned but may provide other benefits	Support through memberships and sponsorships; participate in meetings, forums and workshops	Support and align with their mission
Trade Organizations & Partners	Maintain membership in organizations that are aligned with Tennant’s business purpose	Support through memberships and participation in industry work groups, forums and workshops	Support and align with their mission



GRI INDEX

Disclosure Number	Disclosure Title	Page Number (or Link)	Reference
102-1	Name of the organization	Pg. 7	
102-2	Activities, brands, products, and services	Pg. 7	
102-3	Location of headquarters	Pg. 10	
102-4	Location of operations	Pg. 10	
102-5	Ownership and legal form	10-K Pg. 1	
102-6	Markets served	Pg. 7	
102-7	Scale of the organization	Pg. 11	Total number of employees: 4,341
102-8	Information on employees and other workers	Pg. 84	
102-9	Supply chain	Pg. 64	
102-10	Significant changes to the organization and its supply chain		No significant changes to the organization and its supply chain occurred in 2018.
102-11	Precautionary principle or approach		Environmental impact factors are identified during the design of new products. Tennant Company also submitted a Scope 3, Category 11 Science-Based Target for approval in 2018. This continued work is a reflection of our focus on the precautionary principle in product design and operations.
102-12	External initiatives	Pgs. 16, 24, 32, 38	

102-13	Membership of associations	Pg. 81	See 415.1
102-14	Statement from senior decision-maker	Pg. 4	
102-15	Key impacts, risks, and opportunities	10-K Pgs. 6-8	
102-16	Values, principles, standards, and norms of behavior	Pg. 38	We have an employee handbook ethics policy, anticorruption training, and nondiscrimination policy which are available to all employees in digital and printed formats. We have an ethics hotline to anonymously report ethics, discrimination, unsafe workplace conditions.
102-17	Mechanisms for advice and concerns about ethics		We have an employee handbook ethics policy, anticorruption training, and nondiscrimination policy which are available to all employees in digital and printed formats. We have an ethics hotline to anonymously report ethics, discrimination, unsafe workplace conditions.
102-18	Governance structure	Proxy 11-14	Tennant Company is governed by our Board of Directors, which has four standing Board Committees: Audit, Compensation, Executive and Governance, Each committee of Tennant Company's Board of Directors has a written charter covering the committee's purpose and responsibilities. The Charters and Corporate Governance Principles for Tennant Company's Board Committees are available at Tennantco.com More information is available in our Proxy.
102-19	Delegating authority	Proxy Pgs. 11-14	
102-20	Executive-level responsibility for economic, environmental, and social topics	Proxy Pgs. 14-16	Economic responsibilities are held by the Audit Committee, Environmental responsibilities roll into the SVP of Human Resources, and Social responsibilities roll into the General Council.
102-21	Consulting stakeholders on economic, environmental, and social topics		Director of Sustainable Enterprise reports to the CEO who is on the Board of Directors. Sustainable Enterprise team consults with stakeholders and provides information to highest governance body through the Director of Sustainable Enterprise.
102-22	Composition of the highest governance body and its committees	Proxy Pgs. 5-10	



102-23	Chair of the highest governance body	Proxy Pg. 12	
102-24	Nominating and selecting the highest governance body	Proxy Pg. 17	
102-25	Conflicts of interest	Proxy Pg. 11	
102-26	Role of highest governance body in setting purpose, values, and strategy	Proxy Pg. 12	
102-27	Collective knowledge of highest governance body	Proxy Pgs. 5-10	
102-28	Evaluating the highest governance body's performance	Proxy Pg. 18	
102-29	Identifying and managing economic, environmental, and social impacts	Proxy Pgs. 14-16	Economic responsibilities are held by the Audit Committee, Environmental responsibilities roll into the SVP of Human Resources, and Social responsibilities roll into the General Council.
102-30	Effectiveness of risk management processes	Proxy Pg. 13	
102-31	Review of economic, environmental, and social topics	Proxy Pgs.11-14	
102-32	Highest governance body's role in sustainability reporting		Report is reviewed by members of the executive management team and Sustainable Enterprise to ensure material topics are covered.
102-33	Communicating critical concerns		
102-34	Nature and total number of critical concerns	CDP 8-15	
102-35	Remuneration policies	Proxy Pgs. 23-36	

102-36	Process for determining remuneration	Proxy Pgs. 23-28	
102-37	Stakeholders' involvement in remuneration	Proxy Pg. 26	
102-38	Annual total compensation ratio	Proxy Pg. 48	
102-39	Percentage increase in annual total compensation ratio		-2:1
102-40	List of stakeholder groups	Pg. 64	
102-41	Collective bargaining agreements	Pg. 64	Collective bargaining agreements exist where required per local laws.
102-42	Identifying and selecting stakeholders	Pg. 64	
102-43	Approach to stakeholder engagement	Pg. 64	
102-44	Key topics and concerns raised	Pg. 66	
102-45	Entities included in the consolidated financial statements	10-K Pgs. 5, 8-9	
102-46	Defining report content and topic Boundaries		Send out a call for content to management team, in addition to a brainstorm meeting with report team. Ensure content aligns with four focus areas.
102-47	List of material topics	Pg. 60	
102-48	Restatements of information	None for 2018	
102-49	Changes in reporting	Pg. 61	
102-50	Reporting period		Calendar year 2018 (January 1-December 31)

102-51	Date of most recent report		2017 report published in September 2018.
102-52	Reporting cycle		Report published on an annual basis.
102-53	Contact point for questions regarding the report		Questions and comments pertaining to this report can be directed to: SustainabilityReport@tennantco.com
102-54	Claims of reporting in accordance with the GRI Standards		This report has been prepared to follow the GRI Standards Core.
102-55	GRI content index		GRI Content Index
102-56	External assurance		No External Assurance of CSR, External assurance for CDP.
103-1	Explanation of the material topic and its Boundary	Pg. 62	Materiality Value Chain
103-2	The management approach and its components		Detailed at the beginning of each focus area.
103-3	Evaluation of the management approach		Year-over-Year progress chart shows continued progress towards & individual sections will go into more details
201-1	Direct economic value generated and distributed	10-K Pg. 12	
201-2	Financial implications and other risks and opportunities due to climate change	10-K Pg. 21	

201-3	Defined benefit plan obligations and other retirement plans	10-K Pgs. 45-47	<p>A new retirement plan was implemented in 2018 in Brazil. This plan provides for 100% company matching contributions on the first 4% of employee contributions. 80% of employees enrolled in this plan shortly after implementation.</p> <p>The Retirement Savings Plan in the U.S. and Canada offers a 75% match on the first 4% of deferrals, or a 3% total company match. Employees are eligible for the company match beginning on their hire date. 94% of employees actively participate in the U.S. plan and 90% participate in the Canada Plan. In addition, the savings plan offers a profit sharing option which has averaged 2.81% over 16 years. Tennant Company's Profit Sharing Program is designed to reward employees for contributing to the achievement of the goals and objectives that drive the company's success. We want employees to mutually share in our success. The profit sharing component does not require employee participation.</p>
201-4	Financial assistance received from government		Tennant Company did not receive financial assistance from governments in 2018.
202-2	Proportion of senior management hired from the local community	Table 202-2 Hiring Process	5 out of 6 members of senior management team are from the local community.
203-1	Infrastructure investments and services supported	Pg. 53	Tennant Company Foundation
203-2	Significant indirect economic impacts	Pg. 56	Tennant Company Foundation donations
204-1	Proportion of spending on local suppliers		<p>27% of spend is with local suppliers, globally.</p> <p>MN - 59%</p> <p>KY- 0% \$80,435,744.09 local \$25,518.71</p> <p>MI -11% total: \$67,730,405.58 local \$7,373,804.65</p> <p>MX - 100% \$599,128.50</p> <p>NL - 30% total: \$34,334,105.08 local \$10,255,024.38</p> <p>JP - 0.5% total \$486,127.84 local \$2,426.53</p> <p>AU - 67% total \$821,340.90 local \$552,111.91</p> <p>CN - 84% total \$16,198,400.83 local \$13,685,397.84</p>

205-1	Operations assessed for risks related to corruption		We comply with the provisions of the U.S. Foreign Corrupt Practices Act (FCPA) of 1977, the UK Bribery Act 2010, and other applicable ABAC (anti-bribery, anti-corruption) laws and regulations. Accordingly, our relevant policies prohibit any payments to persons, foreign officials, or foreign political parties for the purpose of obtaining, retaining, or directing business.
205-2	Communication and training about anti-corruption policies and procedures		We regularly conduct online business ethics training across our employee base and online ABAC training to select job functions. Additionally, on a risk-based approach we conduct supplemental live and web-based business ethics and ABAC training to select employees and third parties.
205-3	Confirmed incidents of corruption and actions taken		None in 2019.
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		None in 2019.
302-1	Energy consumption within the organization	CDP Pgs. 47-51	
302-2	Energy consumption outside of the organization	CDP Pgs. 55-56	
302-3	Energy intensity	CDP Pgs. 24-26 & GHG section	
302-4	Reduction of energy consumption	CDP Pgs. 5, 24-26	
302-5	Reductions in energy requirements of products and services	Pg. 20	
303-1	Interactions with water as a shared resource	Pg. 34	Water is not material to our process, but our customers are concerned about water. We have developed different technologies that allow our customers to monitor their water use and/or use less water to clean their floors.

305-1	Direct (Scope 1) GHG emissions	CDP Pg. 38 & GHG section Pg. 28	
305-2	Energy indirect (Scope 2) GHG emissions	CDP Pg. 39 & GHG section Pg. 28	
305-3	Other indirect (Scope 3) GHG emissions	CDP Pgs. 41-45 & GHG section Pg.28	
305-4	GHG emissions intensity	CDP Pgs. 24-26 & GHG section Pg.28	
305-5	Reduction of GHG emissions	CDP Pgs. 24-26, 46 & GHG section Pg.28	
306-3	Significant spills		There were no significant spills in 2018.
307-1	Non-compliance with environmental laws and regulations		There were no significant fines or sanctions for non-compliance with environmental laws or regulations.
308-1	New suppliers that were screened using environmental criteria		Not at this time
308-2	Negative environmental impacts in the supply chain and actions taken		Not at this time
401-1	New employee hires and employee turnover		18.33% Global New Hire rate for 2017 16.31% Global Turnover rate for 2018

<p>401-2</p>	<p>Benefits provided to full-time employees that are not provided to temporary or part-time employees</p>		<p>Tennant Company provides a competitive benefits package as part of a Total Rewards Paradigm (benefits, compensation, well-being, and recognition).</p> <p>Benefits for employees vary for global locations and are designed to be competitive for the local market and comply with local laws and regulations. The Benefit package for U.S. employees includes a robust variety of competitive benefit options. The benefits package details can be seen in Table 401-2 Wellness and Well-Being Program.</p> <p>In 2018, our total compensation included salaries, benefits, bonuses, commissions, stock awards, and retirement benefits. Comprehensive benefits include medical, dental, and vision plans; disability coverage; and life insurance help employees stay healthy and secure their families' well-being.</p> <p>Tennant Company values the wellness and well-being of our employees and their families. That's why we established the comprehensive Wellness and Well-Being program.</p> <p>In 2018, we continued our wellness and well-being programming with enhanced financial rewards for wellness program participation, onsite education sessions, and increased robust communications including a new online wellness page on our intranet and internet sites. Just over 20% of our U.S. employees actively participated in onsite screenings which provided meaningful insight into their health status. In 2018 we offered unlimited wellness coaching for every employee enrolled in health insurance in the U.S. Our wellness vendor offers customized coaching on a variety of health and wellness topics for employees and their spouses.</p> <p>On an ongoing basis, we organize on-campus wellness training, webinars for remote employees and events where employees can take the time to invest in their health and well-being. In 2018 we hosted over a dozen wellness training events, 16 different health screening events, and multiple flu shot events. These events were designed to further engage and educate our employees and their families in their benefits designed to promote their wellness and well-being.</p> <p>Wellness can also mean having someone to talk to who can offer advice and support. Our advocacy program offers free services designed to take care of our employees. With a simple phone call or email employees can connect with an expert who can help them navigate their insurance benefits, help them find doctors or facilities, compare prices of procedures, review medical bills, set appointments, or compare prescription drug prices to help identify cost savings. Similarly, our Employee Assistance Program helps employees and families better manage life transitions, work-related stress, and other personal challenges. Our program is designed to help employees lead happier and more productive lives at home and at work. The free, confidential services cover assessment, referral, and intervention assistance for major life events. Employees can get assistance with stress, relationships, work conflicts, family and parenting programs, anger, grief, addiction, eating disorders and mental illness.</p>
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401-3	Parental leave		<p>Tennant Company designs its parental leave programs to comply with local laws, regulations and to be competitive in the market.</p> <p>In the United States, Tennant Company grants up to 12 weeks of leave as specified by the federal Family and Medical Leave Act (FMLA) for, among other things, a family member’s serious health condition and the birth or adoption of a child. An additional leave of absence for personal reasons may be granted when approved by appropriate management for up to six months. Personal reasons may include education, family issues, etc. In 2018 Tennant Company announced a new Parental Leave for new parents which allows for up to 40 hours of paid time off. For those just starting to grow their families, in the U.S. Tennant Company offers support for fertility services and adoption assistance. We also provide free resources to parents, including breastfeeding support and spaces for new mothers, and webinars and workshops on parenting topics.</p>
403-1	Workers representation in formal joint management–worker health and safety committees		<p>Tennant Company has health and safety committees at most of the production facilities globally. The committees include members of plant management and employees from the different departments at the facility. Some of the work these committees have completed in 2018 can be found in the Safety section of the report.</p>
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities		<p>There were zero work-related fatalities in 2017.</p> <ul style="list-style-type: none"> · Incident Rate: $\# \text{ recordable injuries} \times 200,000 \text{ hours} \div \text{Actual hours worked}$ · Severity (DART) Rate: $\# \text{ of DART cases} \times 200,000 \text{ hours} \div \text{Actual hours worked}$ <p>Tennant Company uses the following definitions when reporting near misses, incidents and injuries.</p> <p>Near miss: Anything considered unsafe. An event where no property was damaged and no personal injury sustained, but where, given a slight shift in time or position, damage and/or injury easily could have occurred. Something you walk away from or past and think to yourself “someone could have been hurt” or “that was close.”</p> <p>Incident: An unplanned, undesired event that results in personal injury requiring only in-house medical attention (i.e., band-aid), property damage or spill.</p> <p>Injury: An unplanned, undesired event that results in personal injury requiring outside medical attention.</p>

404-1	Average hours of training per year per employee	Pg. 46	<p>There are many points throughout the year that our employees complete training employees, whether that be safety training, ethics training, orientation or machine operation training. There is not currently a central point that manages and monitors enterprise training. Below is a snapshot of a few different training programs:</p> <p>In 2018, North American Sales and Service trained 11,397 hours online and 8,056 hours in person, with an average of 80 hours/person trained. The North American Customer Service team completed 13,824 hours of in-person training, and 3,581 hours of online training, with an average of over 380 hours/person trained.</p> <p>An online new hire benefit orientation is available for US employees. In 2018 150 individuals participated in this training representing over 16 hours of training.</p> <p>Open Enrollment was also available through online training and in person training. Between in-person and online training, over 25% of our employees participated in this training in 2018. This represents over 50 hours of training that was performed and completed.</p> <p>Workers compensation training is offered on the basics of workers compensation and the manager’s role in workers’ compensation claims. The goal is to improve manager’s knowledge of workers compensation processes to improve employee outcomes and health when they are injured at work.</p>

404-2	Programs for upgrading employee skills and transition assistance programs		<p>Talent Management/Development: Tennant Company utilizes an annual Talent Review process to identify top talent, critical roles, successors, and plan individual development. Individual development plans are used to help employees to enhance their skills and prepare them for future opportunities. In addition to the Talent Review, Tennant Company currently offers two leadership development programs designed to help leaders understand the behavioral expectations associated with their level of leadership. HR also deploys an annual Performance Management training for current managers and employees to help them understand their role and responsibilities in the process.</p> <p>Tuition Reimbursement: All qualified employees are eligible for tuition reimbursement for approved courses. Reimbursement amounts vary based on the number of hours an employee works, the course level (undergraduate/graduate), the grade received, and any other financial assistance received by the employee.</p> <p>Transition Assistance/Career Management: Tennant Company offers outplacement and career management services through Career Partners International (CPI) for eligible employees. The level of support varies based on the level of the employee.</p>
404-3	Percentage of employees receiving regular performance and career development reviews		All eligible legacy Tennant Company employees received a performance review with the goal of completing the review within one month of the scheduled common review date (April).
405-1	Diversity of governance bodies and employees	405-1 Diversity in Governance Table	





406-1	Incidents of discrimination and corrective actions taken		In the ordinary course of business, allegations of discrimination may be received by Tennant Company through supervisors, representatives of Tennant Company's Human Resources organization, Tennant Company's Ethics Hotline or external authorities. The Ethics Hotline number is available globally and complaints may be made anonymously, where allowed by law. All allegations are promptly investigated using internal or external independent investigators. Tennant Company enforces a strict anti-retaliation policy to encourage employees to provide prompt notice of issues and to encourage early resolution. In addition, Tennant Company's Human Resources organization regularly audits internal procedures and responds to requests for information from external authorities, such as state and federal labor and government contracting authorities.
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Supplier code of Conduct	Not at this time
408-1	Operations and suppliers at significant risk for incidents of child labor	Supplier code of Conduct	It is Tennant Company's policy that it will not employ, nor knowingly engage with suppliers who employ, workers younger than the minimum age prescribed by local law. Notwithstanding, Tennant Company's policy is to not employ, nor knowingly engage with suppliers who employ, workers younger than 15 years of age.
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Supplier code of Conduct	Tennant Company does not use, nor does it knowingly engage with suppliers who use, forced labor, whether in the form of prison labor, indentured labor, bonded labor, slavery, or otherwise.
412-1	Operations that have been subject to human rights reviews or impact assessments		Tennant Company's operations are regularly reviewed to ensure human rights, ethics, and labor practices are aligned with our corporate policies and practice. The Company maintains a global hotline to receive complaints and issues, anonymously, where allowed by law, and enforces a strict anti-retaliation policy to encourage self-regulation.

412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		100% of our suppliers who either sign our form of supply agreement or provide product via PO (subject to our T&Cs) are subject to our Supplier Core Expectations which include human rights.
414-1	New suppliers that were screened using social criteria		Not at this time
414-2	Negative social impacts in the supply chain and actions taken		Not at this time
415-1	Political contributions		<p>Aside from our participation in public industry bodies that recommend product safety standards, in which cases our participation is appropriate, public, and fully transparent, Tennant Company does not lobby or participate in public policy development.</p> <p>We do support Non-Governmental Organizations (NGOs) that work to improve conditions in facilities; e.g., Healthy Schools Campaign, Environmental Initiative, and The NorthStar initiative at the University of Minnesota. We believe the goals of such organizations are aligned with our vision of creating a cleaner, safer, healthier world.</p>
416-1	Assessment of the health and safety impacts of product and service categories		<p>Tennant Company actively engages internal and external test and evaluation agencies to review products for health and safety impact and to ensure Tennant Company is compliant with all applicable product regulations. This occurs during new product development, and also during a product's lifecycle as updates are made to meet the changing needs of our customers and stakeholders, and to meet changing regulations in our markets. Through Tennant Company's Quality Assurance process, issues are reviewed regularly.</p> <p>Any issue impacting health or safety related to our products is addressed immediately by various committees that are authorized to implement any necessary changes.</p>

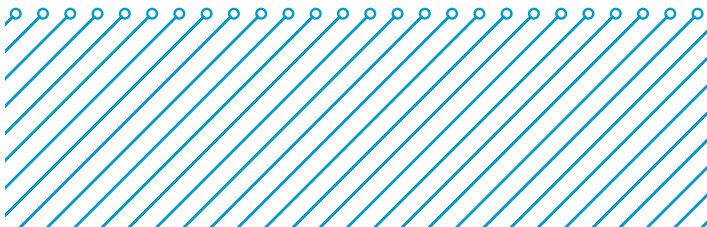
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		Zero in 2018
417-1	Requirements for product and service information and labeling		Internal ISO processes dictate that Tennant Company identify and comply with applicable product safety regulations which includes labeling. Product safety regulations dictate what information appears on our machine data labels. We also track sourcing information on some components in order to inform customers regarding substance origin and restrictions, including presence of: minerals sourced in conflict areas, REACH substances, latex, animal-based products and recycled content. Lastly, Tennant Company complies with WEEE and RoHS directives in Europe.
417-2	Incidents of non-compliance concerning product and service information and labeling		We resolved the incident related to the warning we received in 2017. We had no additional incidents in 2018.
417-3	Incidents of non-compliance concerning marketing communications		None for 2018
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		None for 2018
419-1	Non-compliance with laws and regulations in the social and economic area		Zero in 2018

2018 WELLNESS AND WELL-BEING PROGRAM

Table 401-2

 <p>HEALTHY LIVING</p>	<p>Programs that help our employees live a healthy lifestyle</p>	<p>Health insurance (individual and family) Dental insurance (individual and family) Vision insurance (individual and family) Preventive Care (Wellness screenings, flu shots) Virtual Health Health Club Dues Reimbursements Smoking Cessation</p>
 <p>FINANCIAL SECURITY</p>	<p>Programs that help our employees achieve financial security</p>	<p>Life insurance AD&D Disability insurance (including long-term) Flexible spending accounts (health care and child care) Bonus plans 401(k) savings plan (including company matching contribution and profit sharing) Health Advocacy Long-Term Care Insurance Auto & Home Insurance Program Health Savings Account</p>
 <p>STEWARDSHIP</p>	<p>Programs to help employees give back</p>	<p>Volunteering Employee Gift Matching Volunteer Gift Matching</p>
 <p>LIFE BALANCE</p>	<p>Programs to help employees maintain strong mental well-being</p>	<p>Employee Assistance Program Adoption assistance Tuition reimbursement Dependent scholarship program Paid sick days Paid vacation Bereavement leave Paid jury duty leave Paid military leave Legal services plan Travel assistance program</p>

SECTION 102-8



MINNEAPOLIS, MN, USA

ANNUAL SPRING CLEANUP —

Employees swept and scrubbed the trails and parking lots at the MN Zoo and MN Landscape Arboretum.



TENNANT COMPANY GENDER BY AGE GROUP

AGE		
>60	175	42
51-60	709	143
41-50	693	153
31-40	676	179
20-30	378	101
<20	6	2



MALE



FEMALE

TENNANT COMPANY EMPLOYEES BY GEOGRAPHY & GENDER

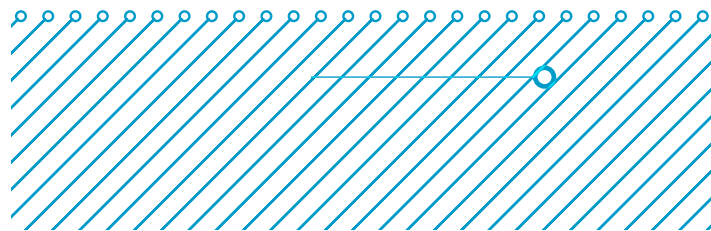
COUNTRY	MALE	FEMALE
AUSTRALIA	72	20
BELGIUM	27	40
BRAZIL	135	42
CANADA	75	3
CHINA	93	45
FRANCE	90	14
GERMANY	65	6
JAPAN	31	8
MEXICO	52	22
NETHERLANDS	200	29
NEW ZEALAND	4	1
PORTUGAL	13	1
SINGAPORE	2	2
SPAIN	74	4
SWEDEN	2	0
THAILAND	1	0
UNITED KINGDOM	64	16
UNITED STATES	1,637	367



MALE



FEMALE



TENNANT COMPANY

GENDER BY AGE GROUP

Country	FEMALE						MALE					
	< 20	20 - 30	31 - 40	41 - 50	51 - 60	> 60	< 20	20 - 30	31 - 40	41 - 50	51 - 60	> 60
Australia		4	8	4	3	1		9	19	26	14	4
Belgium		5	11	21	1	2		1	12	11	3	
Brazil	1	22	9	5	5		1	41	49	27	15	2
Canada				1	1	1		6	16	19	27	7
China		11	32	2				19	57	16	1	
France	1	1	6	5	1			13	30	33	13	1
Germany		1	2	1	2			12	22	12	18	1
Japan		1	3	1	2	1			6	18	7	
Mexico		4	8	8	2			10	13	16	12	1
Netherlands		3	5	11	9	1	1	14	35	48	85	17
New Zealand				1					1		2	1
Portugal					1				5	5	3	
Singapore			1	1						2		
Spain		1	2	1				10	23	32	8	1
Sweden										1	1	
Thailand										1		
United Kingdom		2	8	5	1			1	7	19	29	8
United States		46	84	86	115	36	4	242	381	407	471	132

SECTION 405-1

TENNANT COMPANY DIVERSITY IN GOVERNANCE



BOARD OF DIRECTORS as of March 15, 2019



US ONLY

US Employees as of 12/31/2018	"Hispanic/Latino"	Black/African	Asian	Other	Total	"Not Disclosed"	"Vet Status" Protected	"Vet Status" Not Protected	"Vet Status" "Prefers Not to Answer"
Senior Management				7	7	N/A		7	
Managers	9	2	6	193	210	N/A	9	196	5
All Others	165	117	100	1,402	1784	N/A	105	1,583	96

Table 202-2:
Tennant Company Hiring Process Overview

Hiring Process Phase	Actions
Phase 1 - Approvals	Hiring Managers create requisitions. HR Business Partners approve requisitions. Further approvals may be required by business leaders before a position can be posted.
Phase 2 - Posting and Candidate Generation	All positions are posted internally. If considering external candidates, Talent Acquisition(TA) coordinator will post to the jobs.tennantco.com website along with various external job boards. TA specialists will source and screen candidates. All qualified candidates will be submitted to the hiring manager for review/interview.
Phase 3 - 1st Round Interview	Prior to an in-person interview, an interview prep call will occur with the interview team. The first round of interviews will occur. A debrief meeting will occur following the interview to collect feedback and determine next steps.
Phase 4 - 2nd Round Interview	A second round of interviews may occur. Following the second round of interviews, a debrief meeting will occur following the interview to collect feedback and determine next steps.
Phase 5 - Offer & Pre-employment	Once the final candidate is identified, the offer details will be finalized, including necessary approvals. A verbal offer will be extended, followed by the formal offer letter. Upon acceptance, pre-employment checks will be initiated.



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