

2019 Sustainability Report





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Message from the CEO

In the first half of 2020, two significant events have occurred that will each make their mark on history. The virus that causes COVID-19 fundamentally altered the way we do business and live our lives. The killing of George Floyd by Minneapolis police officers, in the city that has been Tennant Company's home since our founding, unleashed an anguished reaction from communities that have been denied justice for too long, and launched protests around the world.



This 2019 Corporate Sustainability Report (CSR) focuses on the months before these episodes became part of our global experience, but I would be remiss if I failed to acknowledge these historic moments. One of Tennant Company's core values is Stewardship, and as good stewards, we respect and value our community—within the company and in the cities and neighborhoods where we live and work. Our focus on Stewardship also shapes how we try to understand the events we've experienced this year and the inescapable ways in which a global pandemic and a deeply divided, inequitable society intertwine.

As a society, we have much work to do, and Tennant Company intends to be part of the solution. Our employees have led the way, by responding to both the pandemic and the unrest in our communities, in remarkable ways. The Tennant Foundation has also increased their focus on supporting our neighborhoods and is seeking out ways to work toward social justice. Finally, our leadership and our Board of Directors are engaged in important discussions about the ways we need to act on our values of stewardship and inclusivity in the company and in the world. We will explore these in greater depth next year in the 2020 CSR.

Continued >

I am proud and grateful for the ways in which our teams have responded to difficult events around the world over these last few months.

Looking back to 2019, which we'll review in-depth in these pages, Tennant Company had an active year beginning with our acquisition of Gaomei Cleaning Equipment Company based in Hefei, China. This acquisition helped to further strengthen our market position in China by adding another strong brand to Tennant's global portfolio.

Aided by the guiding principles we introduced in 2018, the Tennant community made progress toward Corporate Sustainability objectives and goals under the leadership of our Sustainable Enterprise team. Together, we:

- **Continued to embrace advanced power solutions**, ramping up electrification efforts across all brands and geographies with the introduction of products powered by lithium-ion batteries and hydrogen fuel cells.
- **Achieved Leadership level (A-) score** for the third consecutive year under the CDP Climate Change program.
- **Began creating a welcoming environment** at our new World Headquarters located in Eden Prairie, MN, where we partnered with a furniture broker to 're-home' 1,000 workstations acquired with the property rather than sending eight semi-loads of office furniture to the landfill.
- **Maintained our focus on safety improvements** in Sales and Service operations. These teams are working smarter, while providing a great level of service to our customers. They reduced safety incidents by 30% from 2018.

- **Volunteered more** in our communities. As an example, our team in Holland, Michigan, volunteered in their community 185% more in 2019 than in any previous year, in part due to the commitment of the Helping Hands organizing team. Each employee in the facility had the opportunity to give back to their community thanks to the efforts of local leadership.
- **Fostered future talent** through our internship and Junior Achievement volunteer programs. Getting more young people interested in Manufacturing and Engineering is good for Tennant and our community.

I am also pleased to report that in 2019 we became a Signatory of the United Nations Global Compact (UNGC). As our company continues to expand globally, we understand the importance of demonstrating our commitment to the UNGC's Ten Principles in the areas of Human Rights, Labor, Environment and Anti-Corruption. This report is also our first annual Communication on Progress, and in it we describe the progress we've made toward the Principles in our daily operations, culture and planning.

Overall, 2019 was a year of great progress for Tennant Company. I invite you to explore the details in the following pages.

In 2020 Tennant Company will celebrate our 150th anniversary. Despite the circumstances created by the COVID-19 pandemic, 2020 promises to be another year of action and achievement. A century-and-a-half ago, Tennant Company was a small sawmill on the banks of the Mississippi River. The talent, energy, and vision of my colleagues past and present have propelled us to our current position as an internationally known and respected manufacturer of high-quality equipment. I'm excited to see what the future Tennant Company will become.

Thank you for your continued support of this great enterprise.



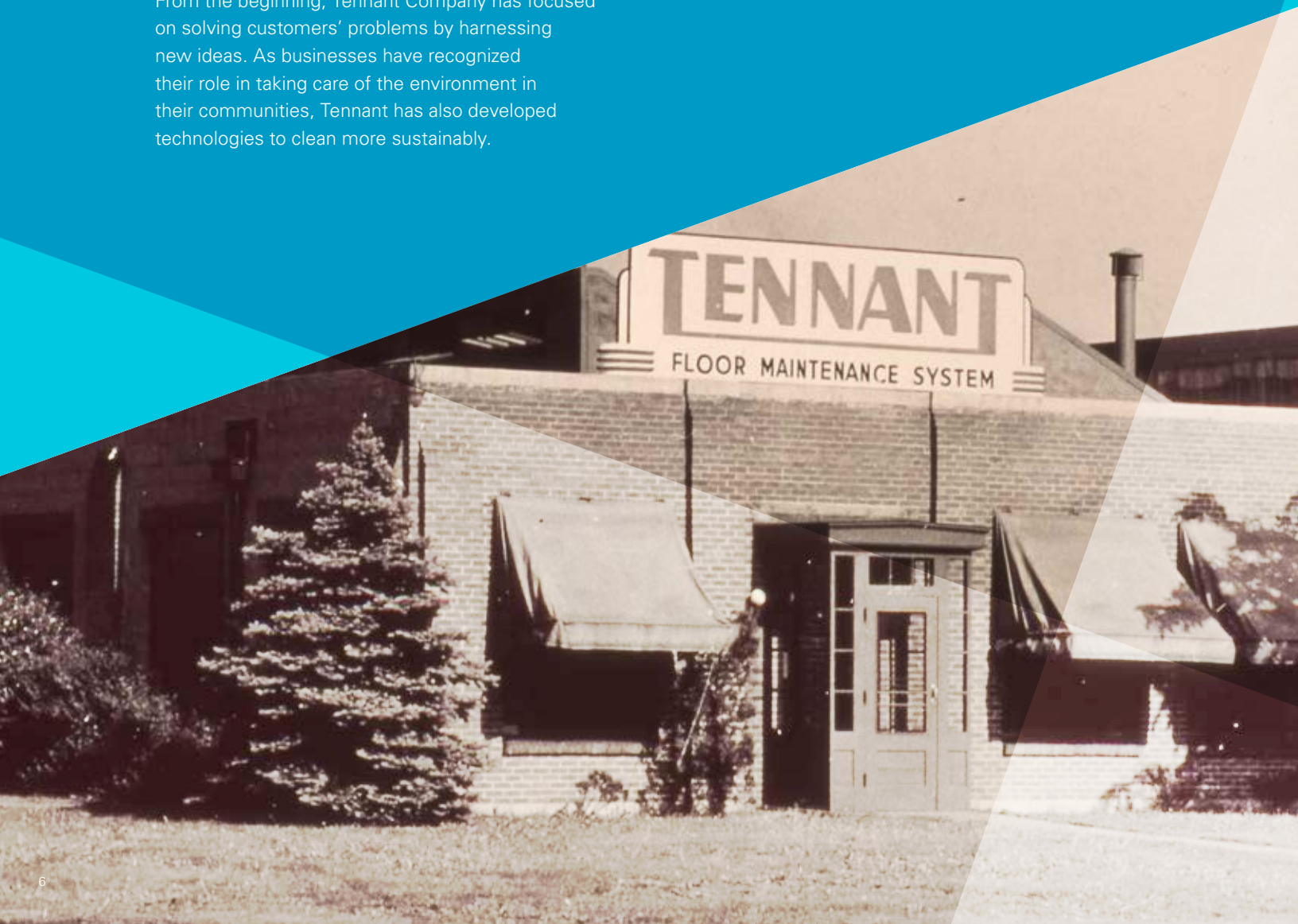
Chris Killingstad, President & CEO

In 1870, George H. Tennant founded a small woodworking company on the banks of the Mississippi River in Minnesota.

Making wood floor products evolved into providing wood care, and eventually manufacturing floor cleaning equipment. Today, Tennant Company is known throughout the world for our innovative, high-quality, reliable floor cleaning equipment.

From the beginning, Tennant Company has focused on solving customers' problems by harnessing new ideas. As businesses have recognized their role in taking care of the environment in their communities, Tennant has also developed technologies to clean more sustainably.

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 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



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 validate the work we are doing to achieve our vision for a cleaner, safer, healthier world.

2019 Good Design Award for the T7AMR

Organized by the Chicago Athenaeum Museum of Architecture and Design along with Metropolitan Arts Press Ltd.

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.



EMPLOYEES WORLDWIDE*

4,529

**as of December 31, 2019*

EMPLOYEES BY REGION

AMERICAS

2,357

EMEA

1,582

APAC

590

**UDEN,
THE NETHERLANDS**

DISTRIBUTION CENTER &
MANUFACTURING: TENNANT

**ANTWERP,
BELGIUM**

EMEA
HEADQUARTERS

**VENICE,
ITALY**

IPC GLOBAL
MANUFACTURING:
IPC & VLX

**SYDNEY,
AUSTRALIA**

AUSTRALIA
SALES & SERVICE
HEADQUARTERS

**YOKOHAMA,
JAPAN**

JAPAN SALES
& SERVICE
HEADQUARTERS

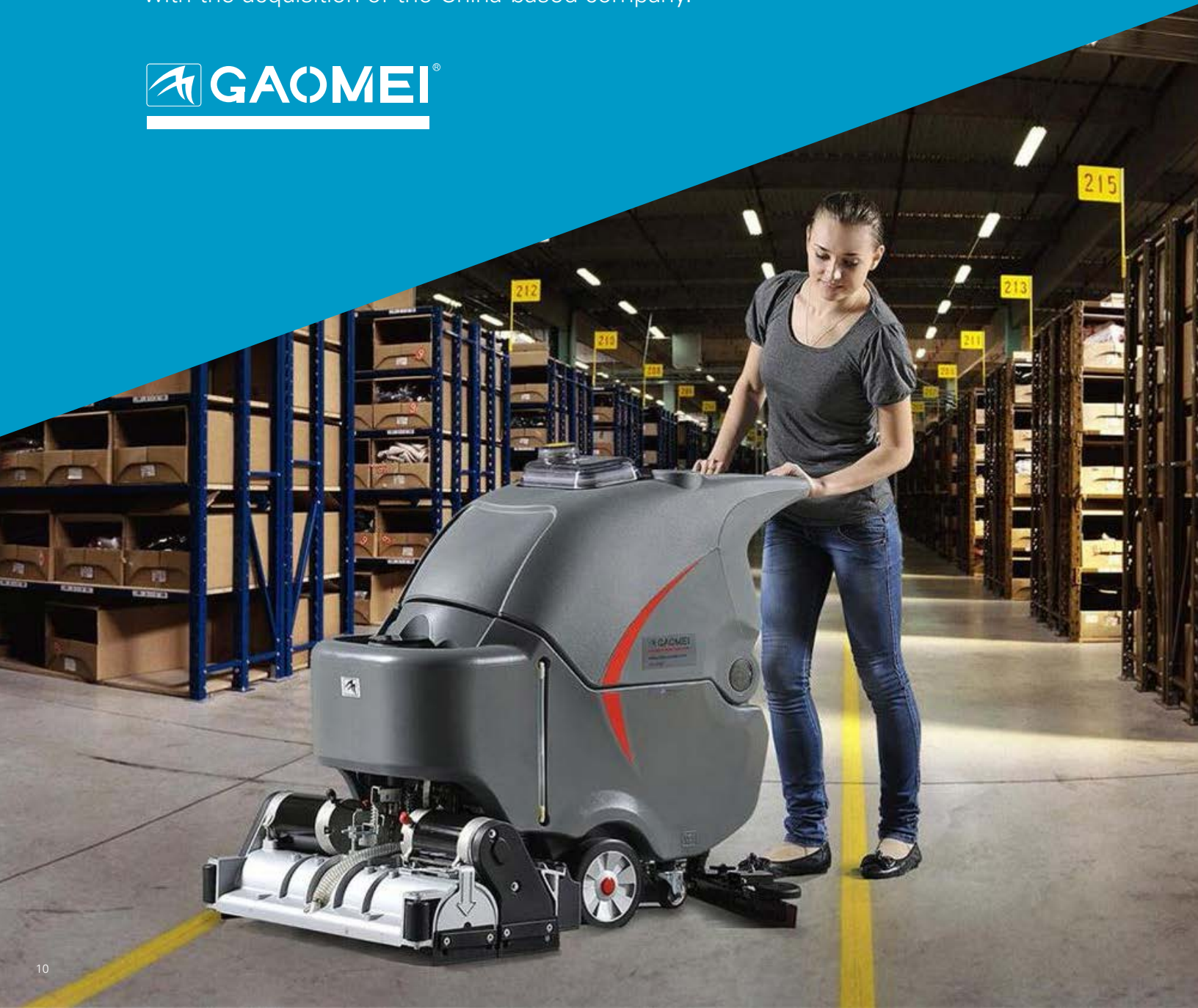
**SHANGHAI,
CHINA**

APAC
HEADQUARTERS
MANUFACTURING:
TENNANT &
GAOMEI



Gaomei Cleaning Equipment Company Joins Tennant Company

Tennant Company expands its Asia-Pacific presence with the acquisition of the China-based company.



Gaomei Cleaning Equipment Company, Ltd., is a renowned professional cleaning equipment manufacturer specializing in small- to mid-sized cleaning equipment for the commercial and industrial markets. Established in 1997, the company sells equipment globally, with a focus in Asia and its home country, China.

Tennant Company completed the acquisition of Gaomei in January of 2019, expanding Tennant’s local China manufacturing footprint, providing additional scale to compete, and enhancing profitability. Gaomei also adds another strong brand into Tennant’s global brand portfolio following Tennant’s acquisition of European-based IPC Group in 2017.

“Our acquisition of Gaomei will help Tennant further strengthen our market position in China through a highly complementary product portfolio and differentiated go-to-market strategy. We are excited about our combined potential in this strategically important market. We look to build on the 21-year legacy Gaomei has established as a recognized leader in the Chinese market,” commented Pat Schottler, Tennant Company Vice President, Asia Pacific (APAC).

The Gaomei acquisition represents another step toward global diversification for Tennant Company. The company will remain focused on building the Gaomei brand, advancing its innovative product portfolio, and growing market presence.

We are excited about our combined potential and look to build on the 21-year legacy Gaomei has established as a recognized leader in the Chinese market.



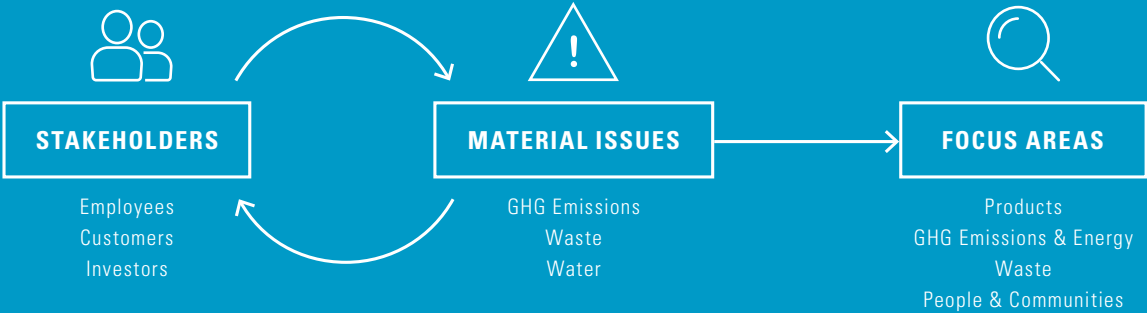
Our 2019 report builds on prior years' initiatives and report content.

Tennant Company's core business model, governance, policies, practices, customers and stakeholders changed little between 2018 and 2019. However, in January 2019 Tennant Company acquired Gaomei Cleaning Equipment Company with the strategic intent to continue our global diversification of revenue and expand our presence in China. Gaomei Products are included in this 2019 CSR but, due to decoupling of the carbon emissions reporting from the Corporate Sustainability Report, Gaomei enterprise and product emissions are not included in the Carbon Emissions section.

Stakeholder concerns and priorities, as well as our material issues and opportunities, have not changed drastically from 2018. 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 2019 shows moderate changes from 2018 because IPC has been incorporated into reporting, expanding our footprint in Europe, mainly Italy. The 2019 CSR will be published before our 2019 GHG emissions are confirmed and submitted to CDP's Supply Chain Program. As a result, you will notice the GHG emissions data will be from 2018. 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 Index. 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 Index.



Circular Economy

Since the industrial revolution, our modern economy has depended on the transformation of natural resources into products. Today, fossil fuels and other natural resources are still the driving forces behind economic growth. However, this linear model of “take-make-waste” has an extensive value chain and associated waste streams resulting in huge environmental impacts. Recently, the concept of the circular economy has emerged to fundamentally shift the way we utilize resources and design our products.

A circular economy is based on the principles of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems. As Tennant Company designs and manufactures products in-house, we have taken these principles as guidance to developing our future products and processes. In fact, we are already firmly rooted in keeping products in use with our RECON™ program, where we take back products from customers, recondition them, and then resell to customers looking for a high-quality product at a lower price.

Tennant Company is also a member of the **Minnesota Sustainable Growth Coalition (SGC)**, a business-led partnership focused on advancing the next frontier of corporate sustainability and the circular economy. Member companies collaborate and share expertise within three primary focus areas of clean energy, water, and materials. While we are committed to all three, Tennant Company has joined the Materials team to help advance a circular economy by focusing on these key areas: design for circularity, reuse or repurpose, recycle, and regenerate. Our involvement in the SGC will not only bring meaningful, positive impacts to our broader communities and partner companies, it will help accelerate us on the path to becoming a more sustainable enterprise.



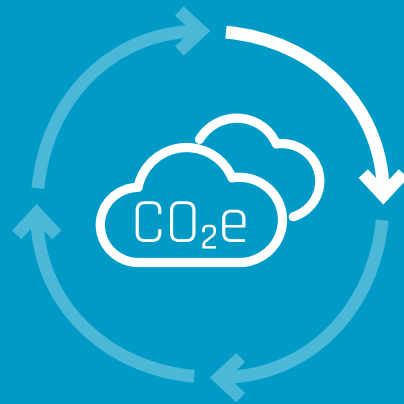
A cross-functional team of Tennant employees attended the first annual Circularity19 conference, hosted by GreenBiz, in Minneapolis, MN.

From Left to Right: Roy Rickaby- Design Quality Engineer, Rob van Rooij- EMEA Global Supply, Sarah Wolters- Product Management Specialist, Kate Powers- Senior Sustainability Specialist, Kurt Adelman- Senior Engineer, Abby Liubakka- Senior Product Stewardship Engineer, Matt Hetler- Senior Engineer.

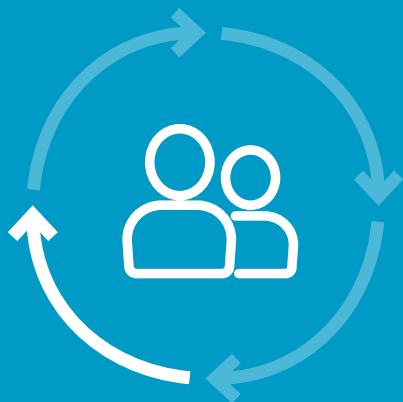
Tennant has established long-term, quantitative, measurable goals for four focus areas.



PRODUCTS



GHG EMISSIONS/ENERGY



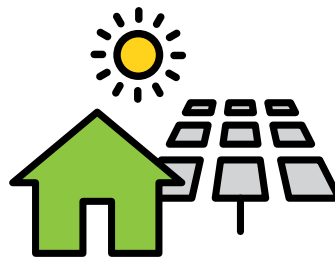
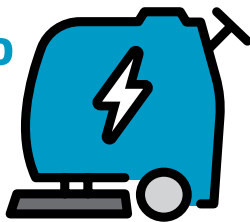
PEOPLE & COMMUNITIES



WASTE

99%

of products sold in 2019 were electric



2019 CSG subscriptions provided more than 8,600 MWh of electricity, which is equivalent to the annual power needed for more than

750 homes

Sustainability Target metrics achieved at the launch of new products:

12 



30% reduction

in safety incidents and severity with North America Tennant Sales & Service



CPD Score

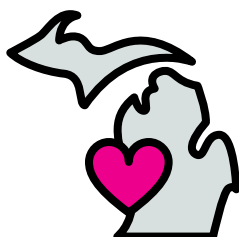
3rd Consecutive Year of A- Score with CPD Supply Chain program, designated Leadership Level

Recycled Industrial Materials

4,500 tons 

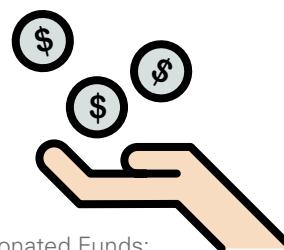


Volunteer Hours: more than 3,500



Holland, MI increased volunteer hours

185%



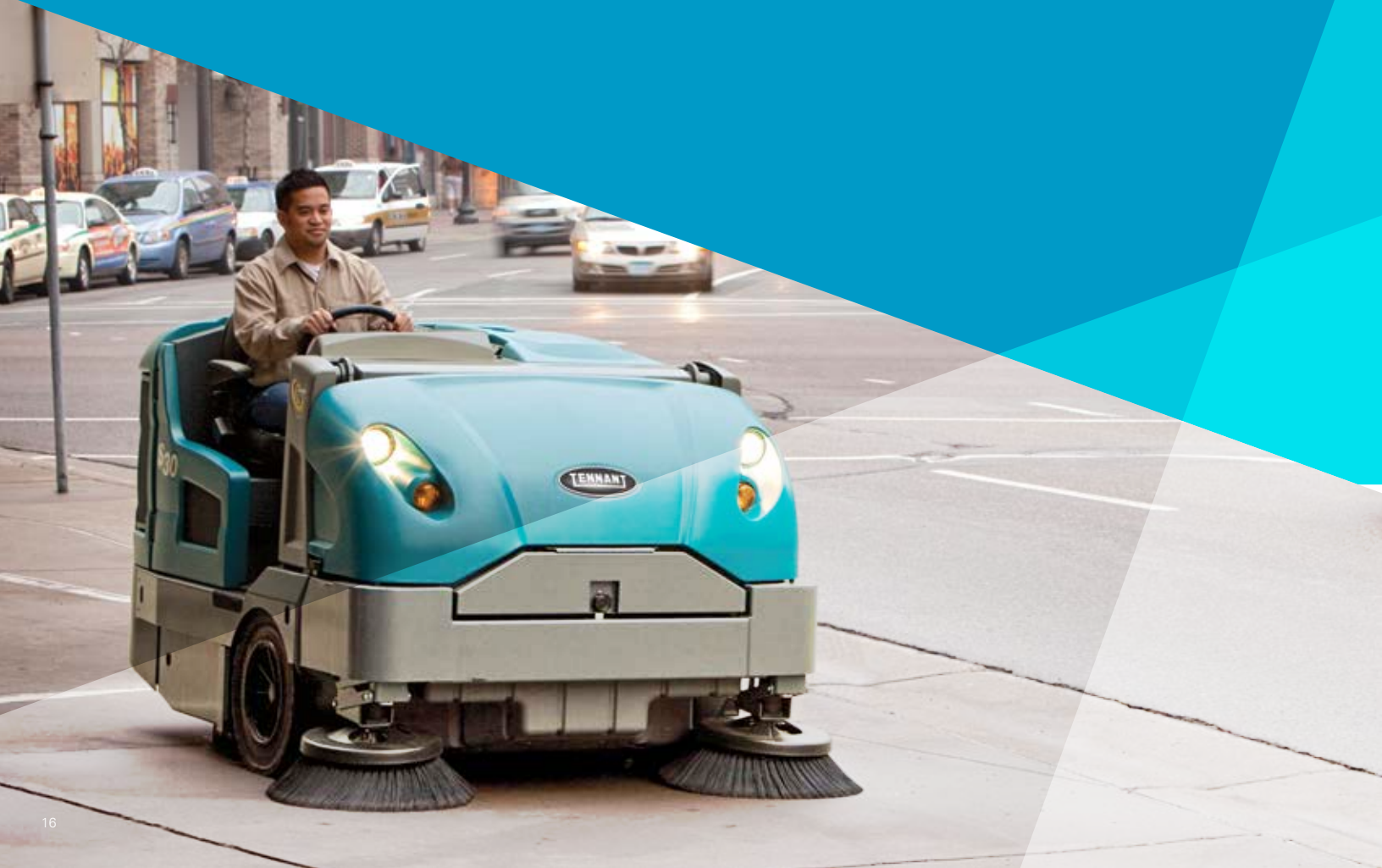
Donated Funds:

\$462,000



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.



PRODUCT OBJECTIVES, TARGETS AND PROGRESS

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

As energy and water efficiency remain global macro trends, Tennant Company products are being designed to use these resources more efficiently. A focus on electrification, high-technology batteries, and autonomous cleaning will bring efficient and low-impact solutions to lessen the burden for our customers. We are already reaping the benefits of implementing a sustainability strategy review in each new product development project, which allows the design teams to be more ambitious in their sustainability goals.

For 2019, we included IPC and Gaomei products into our carbon emissions reporting, and began the process of sharing product sustainability strategies. The results from these efforts will be published in future sustainability reports.

POWER SOURCE TRANSITION

Tennant sold fewer internal combustion (IC) machines in 2019 as compared to electric-powered. However, IC machines still have a significant impact on our overall Use of Sold Products emissions. Continuing to focus on electrification and maintaining engine standards will advance a downward trend in future product emissions and help us achieve our Science Based Target of reducing emissions from our products by 50%.

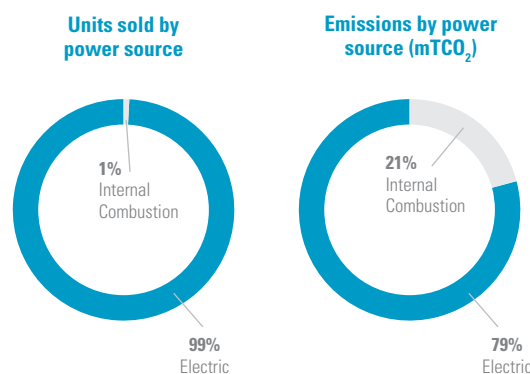


Table 1

PRODUCT SUSTAINABILITY TARGETS METRICS

	2019	2018	2017	2016	2015	2014	TOTAL
Number of environmental impact improvement targets set	3	19	4	1	7	4	38
Number of environmental impact improvement targets achieved at Launch	*	14*	4	1	6	4	29

*Not all projects had reached launch as of 31 Dec 2019

Executive Feature: Barb Balinski, VP Global Research & Development

In this executive feature, Barb Balinski, Vice President of Global Research & Development, talks about the impressive progress made over the last year in product development at Tennant Company.

Tennant has a long history of designing innovative, sustainable products. How do you plan to maintain this precedent, while offering high-quality, competitive products to the market?

We have recently implemented a proprietary innovation process that is starting to yield a very strong pipeline of new ideas. This gives us a rhythm of high-quality, highly customer-connected products. In this process, we focus on the needs of the customer, combined with understanding and integrating technology and macro trends. We look at the customer needs relative to the trends. We utilize a mindset of “fail fast with low investment”, resulting in a constant stream of ideas from inside and outside the organization that we’re vetting to this process.

The customer use phase of our products is where much of Tennant’s environmental impacts are generated – primarily from energy use and water use. How do you see Tennant’s future designs address energy and water conservation efforts?

Energy and water resource efficiency are both constant, ongoing macro trends, and we will combine these with our customer needs to keep moving our innovations forward. We are not going to implement innovation that takes us backwards or makes us stagnant.

Barb Balinski, Tennant Company’s Vice President of Global Research & Development, has held significant roles in engineering, product management, and advanced technology development throughout her career. She holds a Bachelor of Science in Mechanical Engineering from the University of Minnesota.



Tennant has recently entered the world of robotics with the T7 AMR. How can this product help customers reduce their carbon footprint?

In the short term, it's about efficiency of cleaning, which causes an efficiency of resources. You are cleaning that spot only one time, instead of not having a good pattern and running over the same spot multiple times. There is going to be a reduction simply based on not running machines as inefficiently. Longer term, robotics gives us new avenues to explore resource efficiency, especially with data analytics.

Diversity and inclusion have recently been in the spotlight as lenses for creating better products and growing revenue. How are you using your influence as a female executive and a woman in engineering to increase diversity in your profession?

It is always our intent to hire the best talent, period. Studies show that diverse teams yield better business results. Based on this, we've opened the aperture on how we think about talent. We are taking a simple step to move the needle on giving more people opportunity and to grow our own diversity. Our simple step: we won't start the interview process for a job opening until we have at least one diverse candidate in the pool. We've been doing this for about a year, and in 2019, we've significantly moved the needle. We are very proud of everyone we have hired and know we are adding great talent to our team.

I'm excited about sensing technologies and the integration of these technologies with artificial intelligence.

What new technologies are you personally most excited about?

I'm excited about sensing technologies and the integration of these technologies with artificial intelligence. I attended CES in January 2019 and was amazed by how much these two technologies are being explored to improve the lives of people who struggle or have disabilities. It is very inspiring to see how technology is going to significantly improve lives.

Let's tell the readers a little more about you. What are some things you've done to get you to where you are today?

It is difficult to summarize a long career. One of the biggest hurdles to success is that we must overcome fear. This fear is usually about sticking your neck out and possibly failing. Throughout my career, when given a new opportunity, fortunately I said yes more than no. And when I fell down, I learned to pick myself back up. Very importantly, I did not blame others and quickly figured out what I could have done better. So when I failed, I learned and moved on, and when I was given opportunities, I said yes more than no.



Tennant's T7AMR Autonomous Mobile Robot



Advanced Power Solutions

The global movement toward electrification is influencing all industries, including automotive, off-road equipment, and even home heating and lawn care. Tennant Company keeps a close eye on global trends in order to mitigate enterprise risks but also to keep our product portfolio up to date. As global electricity grids become cleaner with the reduction of coal and the uptick in renewables, the move to electrify products becomes less expensive and carries a huge side benefit – lower environmental impacts.

2019 proved to be a pivotal year for Tennant Company, as we ramped up our electrification efforts with the introduction of products powered by lithium-ion batteries and hydrogen fuel cells. The benefits are vast and may include improved uptime, lower lifetime costs, and longer runtimes. Customers may also experience lower greenhouse gas emissions during operation of these machines, due to increased efficiency and less maintenance activity.



The benefits are vast and may include improved uptime, lower lifetime costs, and longer runtimes.

Lithium-Ion Battery Solutions

KEY BENEFITS

- Zero Maintenance
- Long Battery Life
- Simplified Operations
- Safer Facilities
- Maximized Productivity

TENNANT LITHIUM-ION BATTERY SOLUTIONS*



T600/T600e



T12



T16



T17



M17

TENNANT CHINA SOLUTIONS



T300e



T500e



T7

GAOMEI SOLUTIONS



CCV1500
*coming 2020

IPC SOLUTIONS



CT-5

**Not all li-ion solutions offered globally*

KEY BENEFITS

- Fume-free
- Recharge in minutes
- Eliminate charging stations & acid risk

KEY POINTS

- Capable to accept a fuel cell for facilities equipped with hydrogen infrastructure
- Designed to accept a Plug Power fuel cell provided by others

TENNANT SOLUTIONS



M17



T17

Hydrogen Fuel Cell Solutions



Silica Dust Update

The United States Occupational Safety and Health Administration (OSHA) began enforcing a new respirable crystalline silica standard for general industry on June 23, 2018. This affected many of our customers in construction, mining, concrete processing, and metal foundries, as they could no longer use simple dry sweeping or compressed air for housekeeping purposes. Per the standard, they are required to reevaluate their cleaning practices and implement solutions to limit employee exposure to respirable crystalline silica.


In the years leading up to the standard implementation, we worked with customers and industry groups to develop solutions that would satisfy both the OSHA requirements and customer needs for exceptional cleaning. Fast forward to today, Tennant equipment with integrated HEPA filtration has been a sought-after solution for our customers, especially those in concrete processing and foundries, as their processes are not well-suited for wet cleaning. Tennant Company products will continue to evolve alongside regulations such as this to offer solutions that provide our customers high-quality cleaning while remaining within the bounds of compliance.


IPC & Gaomei Product Sustainability


IPC SUSTAINABLE INNOVATIONS




Since IPC was founded in 1965, they have always worked to deliver the most innovative solutions to help improve cleaning tasks. Here are a few examples of current sustainable innovations :

 **Black is Green™**
Products with this innovation are manufactured with up to 75% recycled content in the black plastic components. This reduces the need for virgin material, eliminates waste, and shrinks the overall environmental footprint of the product.*

 **Telematics GPS**
Tracks motor consumption, which can be an input into predictive maintenance and energy optimization. Also records the machine location and the number of charge cycles on the battery to optimize life.

 **APC – Advanced Productivity Control**
The machine displays the remaining liters, minutes, and estimated square meters to be cleaned, which gives the user full control of the cleaning cycle and can result in significant water savings.


 **Eco Select**
Allows the reduction in energy consumption of the motors, resulting in an increase of 20% more run time. Noise levels are also reduced by up to 2 dBA.


**Black is Green™ is an Ecolabel certified by TUV (ISO 14021)*


GAOMEI PRODUCT SUSTAINABILITY




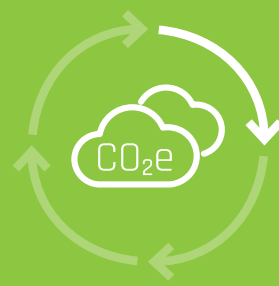
In January 2019, Tennant Company completed the acquisition of Gaomei Cleaning Equipment Company, based out of Hefei, China. Established in 1997, Gaomei is a recognized leader in the development and production of floor scrubbers, vacuum cleaners, carpet extractors, blowers, and high-pressure washers for commercial and industrial markets in China and other countries around the world. Gaomei is committed to providing patented, quality solutions with a focus on sustainability. Here are some examples:

 **Smart Cleaning Management System**
The smart cleaning management system collects and analyzes machine data in real time to streamline the cleaning process and maintenance activities.

 **Ultra-Quiet**
Many machines are ultra-quiet (under 58 dBA), providing a great choice for noise-sensitive environments.

 **ECO mode**
ECO mode can provide up to 5 hours' working time by efficiently utilizing the machine's water and energy.

 **Foaming Carpet Cleaning**
The foaming carpet cleaning technology reduces water use and ensures a dry floor within two hours.



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. To achieve timely CSR publication, we report GHG emissions detail on a one-year-lag basis. Full 2019 reporting year emissions detail will be published in the 2020 CSR. We also make this information public on our website, once the CDP Climate Change Program response has been filed. The quantitative emissions information which follows is from reporting-year 2018.



GHG EMISSIONS & ENERGY

Scope 1 & 2 GHG Emissions (Legacy Tennant Company)

In 2018, our Scope 1 & 2 GHG emissions decreased by 2.8% year over year. Since 2012 we have reduced absolute GHG emissions by more than 6%. Over the same time period our revenue grew by nearly 19%. Of 2018 Legacy Tennant Company (not including IPC or Gaomei) market-based emissions, Scope 1 was 22,800.3 mT CO₂e (77%) and Scope 2 was 6,765.4 mT CO₂e (23%).

Our first GHG emissions target (set in 2014) is a 25% intensity reduction by 2020. The boundary for this target is Legacy Tennant. Progress toward this target accelerated once again in 2018. GHG emissions intensity was 33.6 mT CO₂e/\$M in 2018, a reduction of 21.2% compared to the 2012 base year (*Table 2*).

Our science-based target for GHG emissions is a 25% absolute reduction by 2030. The boundary for this target is Legacy Tennant. We made sound progress toward this target in 2018, with a 9% absolute reduction achieved vs. 2016 base year (*Table 3*).

In 2018, Field Sales & Service vehicle use was the source of 49.8% of our Scope 1 & 2 GHG emissions. Compared to base year 2012, fleet emissions are 798 mT CO₂e less – a reduction of more than 5%. While the total number of vehicles and miles driven have increased significantly, our driver behavior and fleet transformation programs continue to provide both environmental and economic benefits.

Distribution centers, manufacturing, and office facilities produced 50.2% of our Scope 1 & 2 GHG emissions for 2018. Facility emissions have decreased 1,151 mT CO₂e since 2012. The decrease is due to an ambitious portfolio of efficiency projects, along with renewable energy purchases. For a closer look at our emissions reduction project portfolio and renewable energy progress, see Tables 6 and 7.

Scope 1 & 2 GHG Emissions (Total Tennant Company)

The Scope 1 & 2 emissions and targets discussed in the previous paragraphs are for Legacy Tennant. They do not include the IPC Group acquisition, which closed April 6, 2017. We brought IPC Group inside our Scope 1 & 2 reporting boundary for 2018, which is the first full financial year since the acquisition closed. In 2018, our Total Tennant Company Scope 1 & 2 GHG emissions were 37,011 mT CO₂e. IPC manufacturing operations and branch sales offices account for 7,445 mT CO₂e, just over 20% of total. On January 4, 2019, we acquired Gaomei Cleaning Equipment Company, based in Hefei, China. Gaomei will be included in Total Tennant Company Scope 1 & 2 emissions for 2019.

We engaged Trucost (part of S&P Global) to provide assurance for our Total Tennant Company 2018 Scope 1 & 2 GHG emissions inventory. Assurance was conducted in accordance with the AA1000AS (2008 with 2018 addendum) standard, Type 2 moderate-level. The Assurance statement can be found on our [Sustainability website](#).

Trucost
ESG Analysis

S&P Global

**We've made
significant progress
toward our emissions
reduction targets.**

Table 2

SCOPE 1 & 2 GHG EMISSIONS – 2020 INTENSITY TARGET

	2020 Target Year	2018	2017	2016	2015	2014	2013	2012 Base Year
Total GHG Emissions (mT CO ₂ e) ¹		29,572	30,427	32,480	33,694	33,925	31,982	31,515
Revenue (\$M) ¹		879	829	809	812	822	752	739
GHG Emissions Intensity (mT CO ₂ e / Revenue in \$M)	32.0	33.6	36.7	40.2	41.5	41.3	42.5	42.6
% Intensity Change from 2012 Base Year	-25%	-21.1%	-13.9%	-5.8%	-2.7%	-3.2%	-0.3%	-

¹GHG Emissions and Revenue do not include IPC Group or Gaomei acquisitions, which closed April 6, 2017 and January 4, 2019 - respectively

Table 3

SCOPE 1 & 2 GHG EMISSIONS – 2030 SCIENCE-BASED TARGET

	2030 Target Year	2018	2017	2016 Base Year
Total GHG Emissions (mT CO ₂ e) ¹	24,360	29,572	30,427	32,480
Absolute Change YoY (mT CO ₂ e)	-	-855	-2,053	-
% Change from 2016 Base Year	-25%	-9.0%	-6.3%	-

¹GHG Emissions and Revenue do not include IPC Group or Gaomei acquisitions, which closed April 6, 2017 and January 4, 2019 - respectively

Scope 3 GHG Emissions (Legacy Tennant Company)

For the fifth consecutive year, our Scope 3 GHG emissions were assessed by Trucost. Total relevant Legacy Tennant Scope 3 emissions in 2018 were 520,057 mT CO₂e, an increase of 2.4% compared to 2017. About 30% of this increase comes from bringing Tennant Brazil inside the Scope 3 boundary. While Scope 3 emissions did increase, the amount was less than half the 6% sales increase when comparing 2018 to 2017.

Scope 3, Category 11 – Use of Sold Products remains our highest Scope 3 priority at over 70% of our 2018 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 continued good progress toward this target in 2018, with a reduction compared to 2016. See Table 4.

We engaged Trucost to provide assurance for our 2018 Scope 3 Category 11 GHG emissions inventory and 2017 prior year emissions. Assurance was conducted in accordance with the AA1000AS (2008 with 2018 addendum) standard, Type 2 moderate-level. The Assurance statement can be found at our [Sustainability website](#).

The Scope 3, Category 11 emissions and target discussed in the previous paragraphs are for Legacy Tennant Company and do not include the IPC Group or Gaomei acquisitions, which closed April 6, 2017 and January 4, 2019, respectively. We intend to bring both IPC Group and Gaomei inside our Scope 3, Category 11 reporting boundary for 2019.

Category 1 – Purchased Goods and Services is 23% of our 2018 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 of Scope 3.

Full detail on 2018 Scope 3 emissions can be found within our 2018 CDP Climate Change response and the Trucost “Value Chain GHG Emissions Inventory” report. Both documents are public and available on our [Sustainability website](#).

Table 4

SCOPE 3, CATEGORY 11 GHG EMISSIONS – 2030 SCIENCE-BASED TARGET

	2030 Target Year	2018	2017	2016 Base Year
Total GHG Emissions (mT CO ₂) ^{1,2}	-	356,464	349,323	371,798
Equipment Revenue (\$M) ¹	-	486	460	457
GHG Emissions Intensity (mT CO ₂ / Revenue in \$M)	407	734	760	814
Intensity Change from 2016 Base Year (%)	-50%	-9.8%	-6.6%	-

¹ GHG Emissions and Equipment Revenue do not include IPC Group or Gaomei acquisitions, which closed April 6, 2017 and January 4, 2019 - respectively

² SBT boundary excludes sold products where Tennant does not have primary design control, at approximately 6% of total Cat 11 emissions

CDP CLIMATE CHANGE PROGRAM

We made our seventh consecutive response under the CDP Climate Change program in 2019. Tennant Company’s 2019 score was “A–” for a third consecutive year at “Leadership” level. Our score progression is shown in Table 5. We 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 “Powered Machinery” Activity Group. Our 2019 score was among the top 23% of all companies in our peer group.



Table 5
TENNANT COMPANY CDP SCORE PROGRESSION

	2019	2018	2017	2016 *	2015	2014	2013	
Tennant Company	A–	A–	A–	B	95	80	68	Disclosure Score
					C	C	D	Performance Band
Activity or Industry Group Average **	B	D	D	D	60	53	49	Disclosure Score
					D	C	C	Performance Band

* Scoring methodology changed in 2016. Disclosure and Performance combined in a ladder framework.
 ** Activity Group changed to Powered Machinery for 2019, was Industrial Machinery. Powered Machinery group includes more companies leading on climate change.

Our 2019 score was among the top 23% of all companies in our peer group.



EMISSIONS REDUCTION THROUGH EFFICIENCY

We continue to investigate and implement efficiency improvements for our operations and vehicle fleets. Emissions reduction activities reduce operating costs as well as produce energy and fuel savings. In 2018, our total Scope 1 & 2 emission reduction portfolio continued to grow – see Table 6. Total expected and realized emissions reduction from the 2018 project portfolio is 8,095 mT – 23% greater than 2017 (6,513 mT). We remain fully committed to efficiency-based emissions reduction.

A total of 14 projects were completed in 2018 including: transformation of global Sales & Service vehicle fleets via higher efficiency vehicles and driver behavior modification; facility consolidations; logistics and manufacturing lift truck upgrades including opportunity charging; and several LED lighting upgrades. We also began a cornerstone project to upgrade the switchgear at our largest manufacturing facility (Minneapolis, MN) in 2018. We are pleased to report this project was completed in Q2 2019. The new switchgear will enable more complete usage insight and yield significant energy savings.

Other projects completed in 2019 include driver awareness & behavior modification (France Sales & Service); air compressor upgrade (Louisville, KY); lift and reach truck upgrades at several locations; along with a new roof and LED lighting upgrades (Holland, MI). Full detail on these projects (and more) will be included in our 2020 CDP Climate Change response. All of this information will be made public in August 2020.

Total expected and realized emissions reduction from the 2018 project portfolio is 23% greater than 2017.

Table 6

PROJECT PORTFOLIO - SCOPE 1 & 2 EMISSIONS REDUCTION

	2018	2017	2016	2015	2014	2013	2012
Number of Projects Implemented	14	19	16	10	15	9	6
Emissions Reduction Achieved (mT CO ₂ e)	2,008	1,185	1,312	424	661	1,128	710
Number of Projects In-process	5	3	2	3	1	0	1
Emissions Reduction Estimate (mT CO ₂ e)	476	234	1,052	58	2	0	38
Number of Projects Planned	17	13	13	10	7	0	2
Emissions Reduction Estimate (mT CO ₂ e)	5,611	5,094	3,918	495	425	0	300
Total Number of Projects in Portfolio	36	35	31	23	23	9	9
Total Emissions Reduction (mT CO₂e)	8,095	6,513	6,282	977	1,088	1,128	1,048

EMISSIONS REDUCTION THROUGH ENERGY PURCHASING

In 2019, we significantly increased our commitment to renewable energy. Guarantees of Origin (GOs) and Renewable Energy Credits (RECs) were purchased to align with electricity consumption at many facilities. These include operations in Chicago, IL; Grand Prairie, TX; Louisville, KY; Minneapolis, MN; and Parkman, OH. The total renewable purchase represents 15,160 MWh, about half of all electricity consumed across Tennant Company in 2019. These purchases are reflected in our reported market-based emissions. Progress on renewable energy purchasing is shown in Table 7.

In 2019, our long-term Community Solar Garden (CSG) subscriptions in Minnesota produced more than 8,600 MWh. Our subscriptions, along with those of other businesses and homeowners, have led to a significant increase in solar energy capacity in Minnesota. RECs associated with electricity from our subscribed CSGs belong to Xcel Energy Inc., the local electric utility. Renewable energy from CSGs helps to lower Xcel Energy’s Upper Midwest emission factor, which we use when calculating and reporting our market-based carbon emissions.

Table 7

PROGRESS - RENEWABLE ENERGY PURCHASING

	2019	2018	2017 *	2016
Renewable Electricity Purchased (MWh)	15,160	5,100	2,850	2,000
% Increase Year-over-Year	197%	79%	43%	-
% of Total Electricity Used	53.5%	17.9%	13.2%	9.3%

* Total Electricity Used for 2017 does not include IPC acquisition which closed April 6, 2017



Northfield, Minnesota, USA Solar Garden



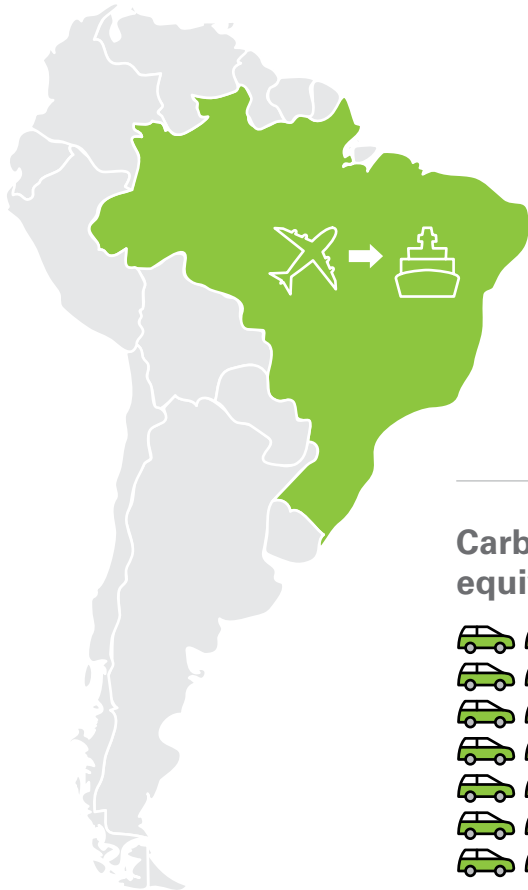
Watertown, Minnesota, USA Solar Garden

REDUCING UPSTREAM TRANSPORTATION CARBON EMISSIONS

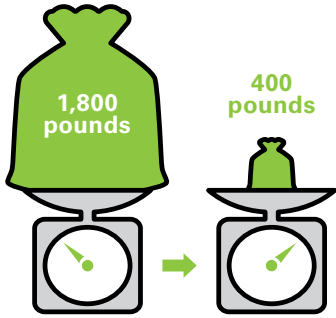
Category 4 – Upstream Transportation is our third largest source of Scope 3 emissions. Tennant Brazil started a transportation mode cost-saving project in mid-2019. The team decided to shift transport of heavy parts from air to sea mode. Over several months, the team reduced air shipment total weight from about 1,800 pounds to less than 400 pounds per week. As with many cost-savings initiatives, the project also provided a reduction in carbon emissions.

Over the July-September 2019 timeframe, the shift from air to sea mode yielded a reduction of at least 70 mT CO₂e¹. On an annualized basis, this carbon emission reduction is equivalent to more than 55 passenger cars driven for one year or more than 300,000 pounds of coal burned². Our Transportation and Global Supply teams continue to explore additional shifts from air to sea mode. Well done Brazil!

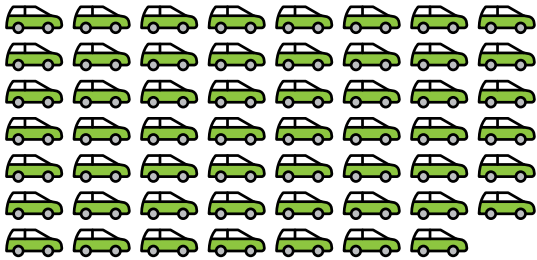
¹Scope 3 Evaluator (web-based tool) from Greenhouse Gas Protocol and Quantis <https://quantis-suite.com/Scope-3-Evaluator/>
²Greenhouse Gas Equivalencies Calculator, US EPA <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>



Air shipment total weight reduction



Carbon emission reduction equivalent to 55 passenger cars





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.



Tennant Company continues to make progress toward 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 identified 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 2019, we collected over 4,500 metric tons of industrial recycling material, a 12.5% increase over 2018. 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.

In 2019, we collected over 4,500 metric tons of industrial recycling material, a 12.5% increase over 2018.

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, MN, 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.



TENNANT GLOBAL HEADQUARTERS OFFICE FURNITURE RECYCLING

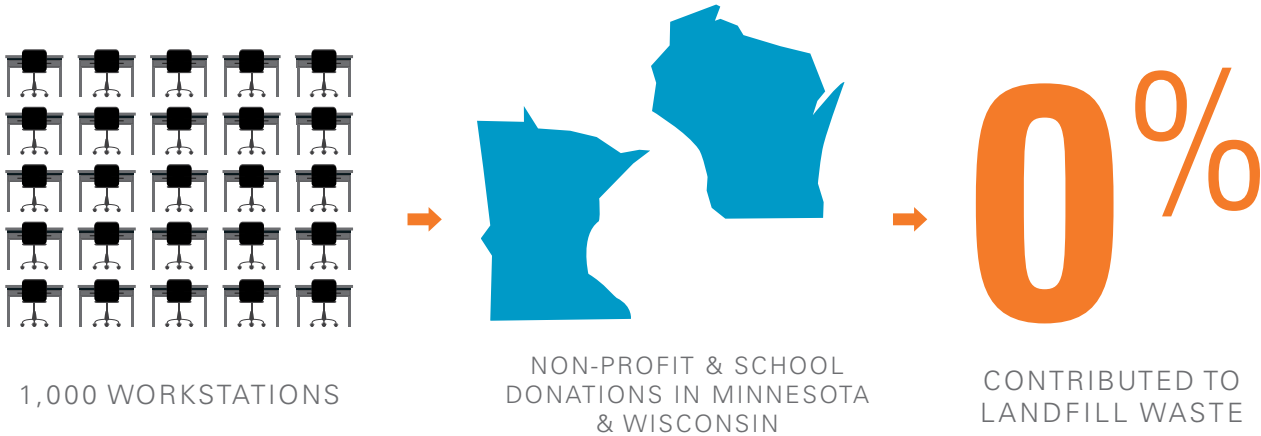
In spring 2019, planning began for a global headquarters where our Minneapolis-based teams could collaborate and grow, Tennant Company purchased an existing corporate campus in Eden Prairie, MN. The sale included a full complement of aging, traditionally configured furniture that did not contribute to the agile, collaborative workspace we’re building. This meant that we needed to remove 1,000 workstations and auxiliary furniture – enough to fill an estimated 80 trailers.

Tennant Company aspires to be a zero-waste-to-landfill organization, so we chose a partner to help us responsibly manage the used equipment left on the campus. We didn’t want to contribute to the 8.5 million tons of office assets the United States EPA estimates are sent to landfill waste annually. Our local partner has a long history of decommissioning office furniture, so we tapped into their large network to reuse the furniture we needed to remove as we remodeled the campus.

As our furniture partner described, decommissioning office furniture is nothing new and is increasingly included in purchase agreements of new furniture. In many instances, the furniture is still functional and in good-to-excellent working condition. However, if it is no longer in-line with current workplace design trends, it becomes more difficult to rehome full workstations.

There are many ways furniture can be decommissioned or redeployed. In this case, the furniture has been donated to different non-profit organizations and schools in Minnesota and Wisconsin, after a stop at a refurbishing firm for rework to make the furniture functional for the new user. None of the furniture acquired with the purchase of the property contributed to landfill waste in 2019.

Source: <https://cleantechnica.com/2017/11/07/a-hidden-waste-issue-8-5-million-tons-of-office-furniture-goes-to-landfills-annually/>



ISO 9001 CERTIFICATION

Tennant Company is committed to quality.

An unrelenting commitment to quality management is in the DNA of Tennant Company. Our guiding principle of innovation leadership demonstrates this dedication, as we strive to "be recognized as our industry's innovation and quality leader."

To continue to improve our quality, we are consistently working to achieve ISO 9001 certifications for our operations. The most recent addition is the commercial equipment factory located in Holland, Michigan. Earning the ISO 9001 certification was no easy feat; the quality, production, materials and management teams worked hard for two years to define, solidify and confirm processes and procedures that teams follow rigorously to exceed customer expectations.

The team performed a full analysis of processes and procedures, identifying some that needed to be rebuilt from the ground up. This included the important challenge of getting all the processes, new and old, documented completely. Employees, including leadership, were then trained on the new ways of doing things.

Next, the Holland site was audited internally to verify compliance to the ISO standards. To accomplish this, the quality manager identified 10 employees who became internal auditors. These employees completed, and passed, a one-week course by a certified training organization before they began to audit the Holland, MI, site. Six internal audits were completed in 2018 and 2019 to help set up the site for success. Finally, over the course of the week-long external audit by NSAI auditors, 50 employees were interviewed, and the facility earned their certification.

Tennant Company is proud to share that our Holland, MI, facility is now ISO 9001 certified and look forward to continuing to certify more facilities in the future.

TENNANT COMPANY QUALITY POLICY

Tennant Company is committed to exceeding customer expectations and to meeting regulatory and quality management system requirements. All employees are dedicated to continuous innovation and improvement in all aspects of our business. Revered for its legacy of quality management, Tennant Company and its employees are unwavering in sustainment of this policy.

MADRID ISO 14001 CERTIFICATION

Tennant Company Madrid Sales and Service Office

Tennant Company’s customers in Spain frequently ask about quality and environmental management certifications. The Spain Sales team responded to this trend early, achieving ISO 9001 certification for the Sales & Service location in Madrid since 2011 and ISO 14001 since 2012.

Seven years of business growth in Spain finally required the Madrid office to move the Sales office to a separate location from the Service Center in 2018. This move created more space for service and training, but added complexity to the ISO audit processes. The environmental management certification, ISO 14001, includes environmental regulation and recordkeeping, energy use, and emissions tracking. Reporting and recordkeeping requirements changed after the move because the two locations are in different municipalities, each with different rules regarding environmental management.

2019 was a recertification year. Lola Valero and Veronica Gomez, who are both on Tennant Spain’s Service Team, successfully maintained the ISO 9001 and 14001 certifications despite the audit’s concurrence with two large projects: the IPC Integration and localization of Customer Service. Valero and Gomez share their passion for the environment with the team by training new employees on Tennant Company’s sustainability approach. The continued certification, progress, and training of employees has become an advantage in the face of our competitors in the environmentally conscious Spanish market.



RECYCLING IN QINGPU

Tennant Company’s aspirational goal to be zero-waste-to-landfill began in 2014. Our facilities across the globe have been working hard to help us achieve this goal.

In 2019 the manufacturing plant located in Qingpu, China, which manufactures Tennant-branded products, began a comprehensive sorting program. Their waste is now sorted into four different categories: recyclables like bottles and cans, wet or kitchen waste, dry waste, and hazardous waste. The team set up sorting stations around the facility, with labels and signs so employees know what goes where. Tennant looks forward to continued progress toward our goal to become zero waste to landfill.



Tennant Manufacturing Plant, Qingpu, China



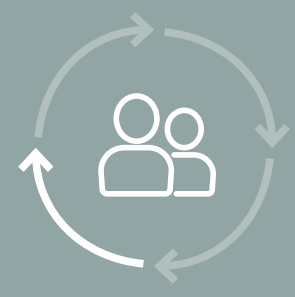
Tennant Manufacturing Plant, Qingpu, China

ANTWERP NEIGHBORHOOD CLEANUP

Antwerp, Belgium is home to Tennant Company’s European Headquarters. This past winter the team had a volunteer week, with one day dedicated to cleaning the neighborhood around the office. Thirty-two employees in teams of two and three dispersed over lunch and collected 80 kg of litter.

To accompany this collection, Tennant Company donated 500 EUR to MadeBlue to show our continued commitment to Sustainability and creating a cleaner, safer, healthier world.





Tennant Company has an unwavering commitment to our 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:

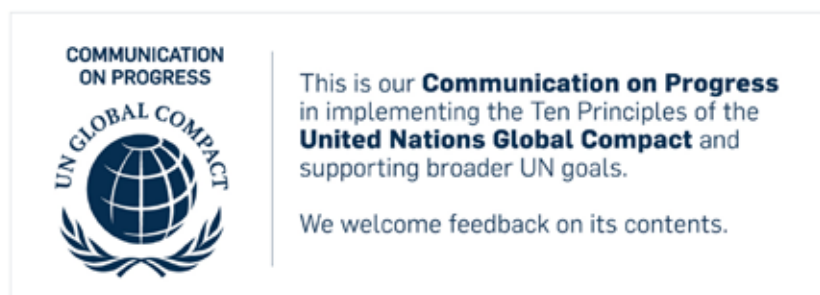
- **Intentional Giving: Align donations of time, money, and property with organizational vision.**
- **Company Ethics and Human Rights: Foster and maintain ethical work environments free of discrimination.**
- **Environment, Facilities, and Safety: Operate our global facilities in a manner that protects 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.

UNITED NATIONS GLOBAL COMPACT COMMITMENT

Tennant Company has become an increasingly global company over recent years, most notably with our acquisitions of Gaomei and IPC. In 2019 we identified an opportunity to make a commitment to the global community by becoming a signatory of the United Nations Global Compact (UNGC). We have started integrating UNGC principles into the culture and day-to-day operations of our company, and engaging in collaborative projects which advance the broader development goals of the United Nations including the Sustainable Development Goals.

The 2019 CSR is our first annual Communication on Progress. This report highlights our practical actions, including progress made on policies, procedures, and activities to implement the UN Global Compact principles in each of the four issue areas: human rights, labor, environment, and anti-corruption. These can be found in the GRI index.



Tennant Company works hard to develop our talent pipeline by sparking interest in students to pursue manufacturing and engineering jobs. The internship program and our partnership with Junior Achievement help us to reach students who could become future Tennant Company employees.

JUNIOR ACHIEVEMENT

Tennant Company has a long partnership with Junior Achievement (JA), dating back to the 1950s. Our programs and engagement have changed over the years, and in 2015 we began hosting a JA Job Shadow day. The JA Job Shadow day brings in students from area high schools to learn about engineering and manufacturing. The students spend time touring the manufacturing floor and our Innovation Center to learn about careers in STEM and manufacturing. They learn about several different processes, including industrial design, 3D printing, production, sales, repair and IT.

The JA Job Shadow program is a classroom- and site-based program, preparing high school students to be entrepreneurial thinkers and encouraging them to develop personal strategies to pursue lifelong learning and career opportunities. They observe professional work conduct, learn which skills and education they need to earn jobs, and participate in a series of host-led challenges that bring home lessons from the “real world” of work. According to JA, after participating in JA Job Shadow, 93% of students reported that they have set goals for their future.

“Tennant does a great job and our students can see what it is like to go right into a manufacturing environment and all the different jobs that a company needs.”

Brent Olson, Educator, Armstrong High School

TENNANT COMPANY INTERNSHIP PROGRAM

Tennant Company is committed to investing in future employees through a growing internship program at the Golden Valley, Minnesota, Headquarters. In 2019, Tennant Company recruited from area colleges and universities with focuses in business, engineering, and manufacturing. We hosted 14 interns in the Supply Chain, Operations, Finance, Marketing, and Product Engineering departments. The interns spent 12 weeks on site, working on various projects for their departments. There were team-building opportunities throughout the summer, with volunteer activities and networking lunch-and-learn sessions. At these events,

the interns learned about different departments at Tennant Company and what a “day in the life” looks and feels like.

Tennant Company sees the internship program as an opportunity to identify potential future employees, while also getting our brand and opportunities into the job market for upcoming college graduates. As companies compete for highly skilled prospective employees, it is critical that we invest time and resources recruiting for the intern program and Tennant Company.



“Tennant’s intern program is unique by offering students the opportunity to work on meaningful projects that have an impact on a project and the company. I worked on a variety of smaller projects that touched on many different steps in the product development process. In order to make sure I was knowledgeable enough to effectively complete these projects, Tennant offered me a variety of hands-on learning experiences such as a welding, machining, 3D printing, and press brake tutorial. These experiences allowed me to have a better understanding of how to design manufacturable, serviceable, cost-effective, and marketable machines.”

Liz Heile, Tennant Company Intern

“During my internship with Tennant Company’s Indirect Procurement Team, I was given multiple projects which were both challenging and interesting. I participated in projects from the very beginning, such as writing an RFP, selecting vendors, and analyzing indirect supply spend. The projects allowed me to have a chance to interact with vendors and other Tennant employees in different departments to successfully choose our business partner. It was a great internship experience where I could apply my knowledge to come up with solutions for the team’s problems while being guided by my manager and category leaders when I needed help. I feel privileged to have been able to work with the team.”

Tee Chon Yew, Tennant Company Intern



HOLLAND HELPING HANDS

Tennant Company’s production facility in Holland, Michigan, has a long history of giving back to their community; in fact, their Helping Hands group has been active for over 20 years. In 2019 the Helping Hands team took their efforts to the next level by defining a mission and sharing an ambitious goal to increase their impact on the community, with support from all levels of management at the facility.

The team set a goal to get 50% employee participation in volunteer activities for the year. They exceeded that goal, volunteering close to three times the number of hours in the community compared to years past. They achieved this success because there was an intentional push to have at least one event per month, led by each of the different members of the Helping Hands committee. They also defined and rallied behind a mission at the beginning of the year, had intentional support from all levels of the organization to take this next step, and the team promoted and talked about Helping Hands consistently throughout the year.



HOLLAND HELPING HANDS MISSION

The Tennant Helping Hands Committee serves our employees and communities where we live and work. We do this by partnering with organizations, engaging employees and building relationships - while promoting our Tennant culture.



IMPACT ON CULTURE:

According to the Helping Hands team, their culture is stronger than before due to the connections that are built while volunteering. Employees get to know different team members from throughout the organization at volunteer events.

The connections made at these events help to build trust across the organization. Production Manager David Hoekstra said, “successful culture doesn’t just happen at an organization, you need to be intentional at every step in the process, you need to focus on the whole human to develop a successful culture.”



IMPACT ON BUSINESS:

Even though employee volunteering may initially impact productivity and earned hours, the benefit comes from connecting team members across the organization. These connections ultimately increase efficiency and productivity; employees’ networks expand and trust strengthens within the organization. Connections made while packing lunches at Food Basket helped resolve open issues and complete projects more efficiently.

It has been imperative that the leadership team reframe their support of volunteer time. In 2019 it became an expectation that all employees use their volunteer time. Leadership began helping set up opportunities for employees to volunteer, as it had become a larger piece of simply being a part of the team.



IMPACT ON COMMUNITY:

114 employees volunteered 456 hours with 18 different organizations during the year.

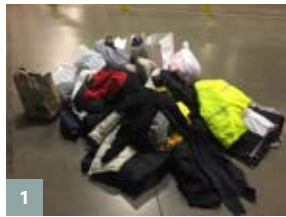
The team also hosted a Chili Cookoff to support a local charity, organized a school supply drive at the beginning of the school year, and hosted a holiday collection for the Grand Rapids Home for Veterans and a toy drive for Toys for Tots.

Stewardship in Action

Tennant's core value of Stewardship can be seen globally through our employees giving back to their communities. Here is just a snapshot of ways Tennant Gives Back.

The Sales & Service teams in Australia and New Zealand spent a day at FoodBank, an organization that packs and sends food all over Australia for families and groups who are unable to provide food for loved ones. The volunteers pick orders, pack them on pallets, and prepare for pick up.





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1. Louisville, KY, Distribution Center and Brush Manufacturing collected coats for the Wayside Christian Ministry.
2. Tennant employees around the globe celebrated the holidays with charity gift collections. Locations in MN, MI, KY, and IL collected toys for Toys for Tots; Sales and Service offices in Australia collected toys for a local charity; and the Northampton, UK office collected gifts to be donated to people who spent their holiday in the local hospital.
3. The Tennant Coatings employees in Chicago, IL, hosted a Thanksgiving Food Drive. The food was donated to a local Food Pantry.
4. The Louisville, KY, team hosted a food drive for Dare to Care in September, and participated in the annual Hunger Walk organized by Dare to Care. Dare to Care provides food to hundreds of emergency kitchens, shelters and food pantries in the Louisville area. They also operate several programs targeting the most vulnerable in their community.
5. A great group of volunteers in North Minneapolis completed sanding, scraping, washing and priming a home for a very grateful family through A Brush with Kindness.
6. The marketing and product management teams planted 40 trees along Shepard Road in St. Paul with the Mississippi Park Connection organization.
7. The Sales & Service teams in Australia and New Zealand spent a day volunteering with the House with No Steps. They assisted the warehouse team in sorting, packing and preparing goods for distribution, as well as joining them for lunch and cleaning their floors afterward!
8. Each quarter the Field Operations Leadership Team (FOLT) dedicates their time volunteering. In 2019 they volunteered at the Ronald McDonald House in Minneapolis, helping to unpack after one of their largest fundraiser events. The team spent three hours moving large equipment and unloading pop-can tops into their recycling dumpsters.
9. Tennant's Customer Service Team UP group conducted a school supply drive benefiting the Kids In Need Foundation in Minneapolis. Customer Service employees donated over 300 items to this great cause, including 25 brand new backpacks.
10. Minneapolis summer interns and their managers volunteered at Second Harvest Heartland and helped package up over 20,000 pounds of food.

Employee Health and Safety

Safety culture is taking hold at our manufacturing facilities globally. The near-miss reporting and resolution has increased year over year, as employees and leadership become more proactive in our approach to safety. We can see the success of focusing on near-miss reporting because fewer incidents occurred in 2019 as compared to 2018. This year we are sharing a few projects implemented at our facilities globally that have aided in the reduction of safety incidents.

Near-Miss: 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."



Uden, Netherlands

LOUISVILLE, KY

The Louisville Distribution Facility helped to make their aisles safer by installing netting and backstops on the racking. Netting was installed on single racking to eliminate the possibility of items falling into the aisle or onto a passing pedestrian. Backstops were installed between double racking to help guide placement when putting materials away. It also prevents material handlers from pushing pallets onto the rack behind and potentially knocking items down on the other side. Both solutions improve safety and increase the potential for inventory accuracy, while reducing potential for lost or damaged materials.

UDEN, NL

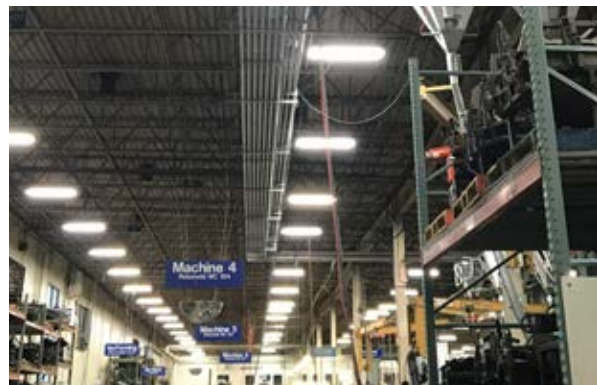
At the Netherlands production and warehouse facility in Uden, Netherlands, the team implemented a new replenishment transportation mode that reduced traffic within the building. The reduction of forklift movements and the size of the equipment moving the parts around create a safer environment for pedestrians who are moving throughout the production facility. The new tugger also increases driver visibility and is a stronger truck for pulling the parts through the facility.

MATERIAL CONVEY

Holland, MI

In 2019 the Holland, MI, production facility installed a major upgrade to their existing Rotomold system that increased efficiency and reduced material handling and the attendant risk of safety incidents. The newly installed Material Convey system transports plastic powder through a series of tubes, with the help of vacuum pumps, from the outdoor storage silos to surge bins in the powder room, then to the Rotomold molds at each machine.

This means that for all but one Rotomold machine, the operator no longer needs to transport plastic powder via bucket to the mold, but rather can dispense the powder directly into the molds. The new system is designed for ease of use by using visual cues for operators and only dispensing enough powder necessary for each mold. It also reduces safety risk by decreasing repetitive movements and reducing the amount of spilled powder on the floor and platforms to cause slips and falls. The team is enjoying the increases in productivity and reduced safety risk of the new material convey system.



EARTH DAY CELEBRATIONS

Tennant Company celebrated 2019 Earth Day around the world. Offices participated by organizing our second annual Earth Day 1K, coordinated employee walks of a very manageable distance.

The 2019 theme for Earth Day centered around endangered species, so teams spent time on the walk to identify different plant, animal and insect species that live around our facilities globally. At our facility in Qingpu, China, over 100 employees explored their neighborhood and identified different plant and animal species. Ten employees in Holland, MI, completed their walk despite temperatures hovering around 50 degrees. In Minneapolis, 30 employees from Tennant’s headquarters, production facility, innovation center, and other buildings participated; while our Louisville, KY, distribution center hosted 15 employees for their walk.

In Golden Valley, we hosted a lunch-and-learn session, bringing in a team from Fresh Energy and Bare Honey to teach employees about the benefits of pollinator-friendly ground cover on solar farms and Solar Grown honey. Pollinator populations are in widespread decline, and Tennant employees were excited to learn more about what all of us can do to protect the bees while also generating clean energy.



Qingpu, China

GENDER EQUITABLE PAY AT TENNANT COMPANY

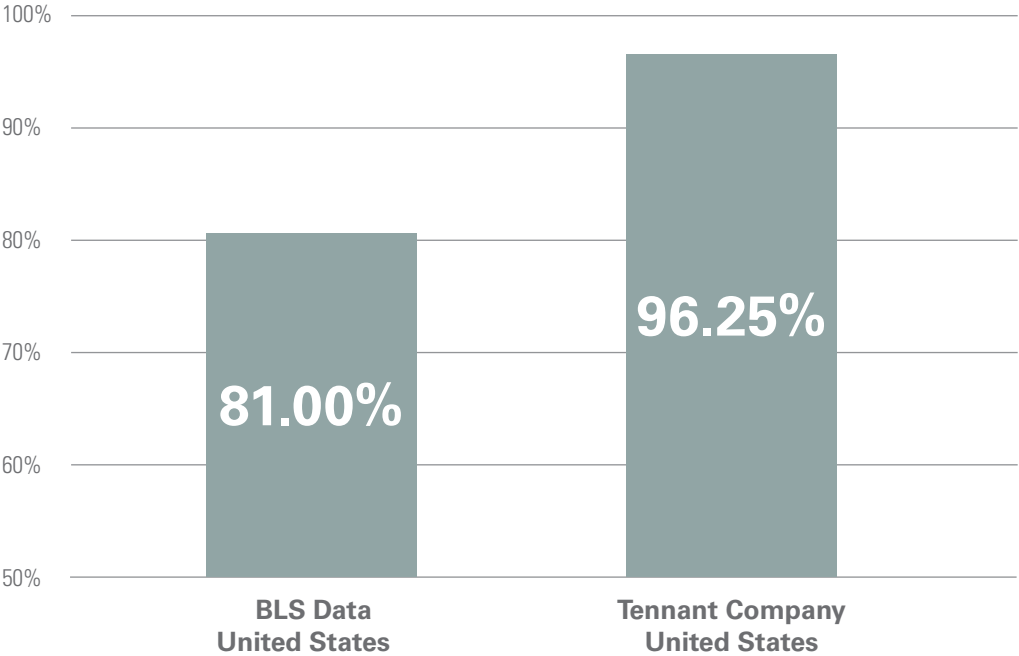
As one of our Guiding Principles, Tennant Company is committed to building on our legacy as an ethical company. Acting on the commitment to fairness and integrity in all things, the company conducted a study in 2019 to examine gender differences in median pay for men and women in the United States.

The study found that the gender pay gap at Tennant Company is **96.25%**. To put this figure in context, the United States gender pay gap is 81%, according to Bureau of Labor Statistics (BLS) 2018 data.

In addition, we further analyzed the company’s gender pay gap controlling for type of work performed. The adjusted gender pay gap at Tennant was found to be **99.16%**. This difference of 0.84% indicates that **there is gender equitable pay** at Tennant Company.

Tennant Company will annually conduct gender pay gap analysis to ensure our continued commitment to gender equitable pay and our Guiding Principles.

Figure 1
TENNANT COMPANY GENDER PAY GAP, UNITED STATES



TENNANT FOUNDATION GIVING PRINCIPLES

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 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:

 <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <p>Tennant Employee Scholarship Program</p> </div>	 <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <p>Volunteer Gift Matching Program</p> </div>	 <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <p>Employee Gift Matching Program</p> </div>
 <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <p>United Way</p> </div>	 <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <p>Equipment Donations</p> </div>	 <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <p>Operating and Capital Grants</p> </div>

GRANT PROGRAM

Tennant Foundation grants are directed to organizations serving our communities around our facilities in Minneapolis, MN, Holland, MI, Louisville, KY, and Chicago, IL, 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

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 20 and 40 hours or more per year of volunteer hours to a single agency with a \$200 and \$400 gift, respectively 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

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 organization 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.



2019 Financial Data Foundation & Giving

FISCAL YEAR ENDED DECEMBER 31, 2019

TENNANT FOUNDATION

Total Grant Disbursement	\$462,303
Total Number of Grants	241
Total Employee Gift Matching	\$59,301
Administrative Expenses	\$31,781
Expenses as a Percent of Disbursements	6.9%
Grants Paid in 2019	
Environmental	\$119,614
Social Services (LIVE)	\$358
Health & Safety (LIVE)	\$7,128
Cultural and Arts (PLAY)	\$70,636
Education & Workforce Readiness (WORK)	\$91,367
Public TV & Radio (WORK)	\$10,200
United Way	\$163,000
Total Foundation Contributions	\$462,303

TENNANT GIVING

Tennant Scholarship Program	\$93,750
Equipment & Inventory Donations	\$83,277
Total Giving Contributions	\$177,027
Grand Total	\$639,330

2019 Grants Awarded*

98.5 KTIS
 ACLU Foundation
 Allina Health Hospice Foundation
 ALS Association, MN/ND/SD chapter
 Alzheimer's Association
 American Cancer Society - GA
 American Cancer Society - OK
 American Foundation for Suicide Prevention
 American Red Cross
 Animal Humane Society
 Arc Greater Twin Cities
 Banyan Community
 Benevillla
 Beyond Our Door
 BLIND, Inc.
 Bloom Early Learning & Child Care
 Bloomington Chorale Inc.
 Boy Scouts of America - MI
 Bridging
 Buffalo Hospital Foundation
 Carleton College
 Catholic Charities
 Catholic Relief Services
 ChildFund International
 Children's Theatre Company
 Cokato Charitable Trust
 Community Action House
 Community Emergency Service
 Companion Rabbit Network
 Concordia College
 Cookie Cart
 CURE Childhood Cancer
 Darden School Foundation
 Dare to Care Foodbank
 Dunwoody College of Technology
 East Side Neighborhood Services
 Environmental Initiative
 Feed My Starving Children
 Flight Expo Inc.
 Fraser
 Global Impact Homes
 Great Minds Learning Center
 Grinnell College
 Growth & Justice
 Guthrie Theater
 Habitat for Humanity - GA
 Habitat for Humanity - Twin Cities
 Heifer International
 High Tech Kids
 HIRED
 Holland Rescue Mission
 Hope Academy
 Humane Society International
 Humane Society of York County

Hunt for a Cure
 Indiana University Foundation
 Inland Valley Down Syndrome Association
 Interfaith Outreach - Plymouth, MN
 Iowa State University Foundation
 ISAIAH
 JDRF International - NY
 Junior Achievement
 Kuemper Catholic School Foundation Inc.
 LifeSource
 Lifeworks Services, Inc.
 March of Dimes
 MEDA
 Melanoma Awareness
 Michigan State University
 Minneapolis Institute of Arts
 Minneapolis Recreation Development
 Minnesota Opera
 Minnesota Orchestra
 Minnesota Pocket Pet Rescue
 Minnesota Public Radio
 Minnesota Stroke Association
 Minnesota Transportation Museum
 Minnesota Zoo Foundation
 Mississippi Park Connection
 MN Assistance Council for Veterans
 MN Children's Museum
 MN Institute for Talented Youth
 MN Landscape Arboretum Foundation
 N C Little Memorial Hospice Inc.
 National Kidney Foundation
 National MS Society
 Nepal Cleft & Burn Center
 New Directions Youth Ministry
 Northern STEM Robotics
 Oregon Friends of Shelter Animals
 Our Justice
 Ovarian and Breast Cancer Alliance
 Pacific Garden Mission
 Pasadena Livestock Show & Rodeo Association
 People Serving People
 Prairie's Edge Humane Society
 PRISM
 ProLiteracy
 PROP
 Rabbit Rescue of MN
 RAICES
 Riley Children's Foundation
 River Works
 Rogers Royals Lacrosse Booster Club
 Ruff Start Rescue
 Samantha Harber Fund
 Science Museum of MN
 Second Harvest Heartland

Seton Hall Preparatory School
 Seton Hall University
 Shakopee Area Catholic School
 Sharing and Caring Hands
 Southwest Foundation
 Special Olympics - MN
 Special Olympics Michigan
 Special Olympics Oregon
 St. Stephen's Human Services
 St. Vincent de Paul Society - OR
 Stages Theatre Company
 The 30-Days Foundation
 The Bakken Museum
 The Bridge Youth Center
 The Food Group
 The Leukemia & Lymphoma Society - NY
 The Leukemia & Lymphoma Society - CO
 The Lift Garage
 The Saint Paul Conservatory of Music
 The St. Paul Chamber Orchestra
 The Wildcat Sanctuary
 The Works Museum
 Three Square
 Timber Bay
 Toys for Tots
 Treehouse Inc.
 Tuff Start Rescue
 Twin Cities Public Television
 Union Gospel Mission
 United Doberman Rescue & Canine Castaway
 Castaway
 United Way - Ottawa County, MI
 United Way - Twin Cities
 University of Minnesota
 University of Rochester
 Upper Iowa University
 US Coast Guard Academy Alumni Association
 US Green Building Council - MN
 Walker Art Center
 Water With Blessings
 West Michigan Concert Winds
 With One Breath
 Women Venture, LLC
 World Wildlife Fund
 YMCA - Gateway Region
 YMCA Camp Ihduhapi
 YMCA of the Greater Twin Cities
 Young Dance
 Young Life

*Includes Foundation Board Grants and Tennant Employee Gift Matching

Tennant Company 2019 Sustainable Enterprise Performance Summary

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

Objective	Metric	2019	2018	2017	2016	2015	Notes
Develop Products that offer measurable environmental impact improvements, in one or more customer use-phase categories.	Number of targets set	3	19	4	1	7	Process implemented Aug 2014
	Number of targets achieved at launch	*	14*	4	1	6	*Projects had not reached Launch as of 12/31/2019
	Conduct cradle-to-grave Life Cycle Assessment (LCA) on internal combustion powered product or a new technology/ business model offering.	Complete LCA	●	●	Started	New in 2016	T300 Recon LCA Completed in 2019
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	Scheduled completion TBD

Metric	2019	2018	2017	2016	2015	Notes
Scope 1+2 emissions intensity reduced 25% by 2020. Base year is 2012. (Target: 32)	See CDP Submission online	33.6	36.7	40.2	41.5	mT CO ₂ e per million US\$ revenue Base year 2012: 42.6
Long-term, science-based target(s) for Scope 1+2 emissions set.	●	Approved	●	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: 24,360mT CO ₂ e)	See CDP Submission online	29,572	30,427**	32,480	New in 2017	mT CO ₂ e **Restatement see details in CDP response
Scope 3 (upstream & downstream) LCA complete.	See Value Chain Inventory online	●	●	●	●	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: 407)	See CDP Submission online	734	760	814	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.	●	●	●	●	●	
Supply Chain sustainability—program defined and engagement started.	Continued Engagement	Continued Engagement	Started	-	-	

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.

Objective	Metric	2019	2018	2017	2016	2015
Corporate Giving	Employee Volunteer Hours	3,836	2,655	2,058.5	2,234	3,107
	Tennant Giving***	\$462,303	\$565,065	\$465,497	\$576,789	\$854,762
Safety Incidents	Operations	4.48	5.18	6.29	7.28	4.49
	NA TSCC****	1.88	2.69	6.5	4.31	3.45
Incident Severity	Operations	3.58	4.07	3.52	3.85	3.14
	NA TSCC****	1.44	2.07	4.66	1.26	1.25
Company Ethics	Number of Issues	15	21	18	13	15
	Percent Closed	100%	100	100	100	100
	Average Days Open	53	85	65	121	18.8

***Includes sum of Tennant Foundation Grant disbursements, Employee Gift Matching, Equipment donations and Employee Scholarship Program.
****North American Tennant Sales and Service

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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 that are also relevant to our operations. Tennant’s Four Focus Areas for our Sustainable Enterprise are: Products, GHG Emissions/ Energy, Waste, People and Communities.

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 2: 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 2019, 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 this 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 8: Material Topics Value Chain Map.

TENNANT’S FOUR FOCUS AREAS FOR OUR SUSTAINABLE ENTERPRISE:

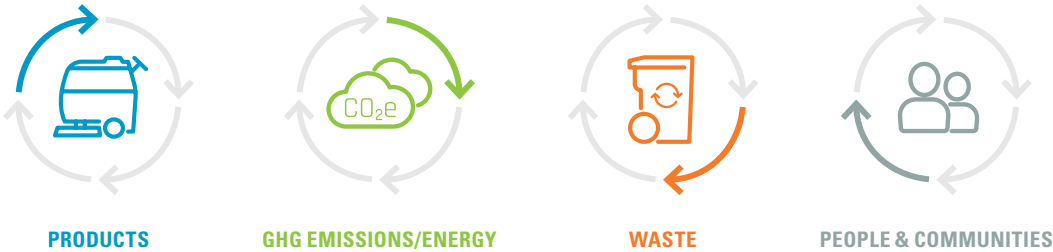
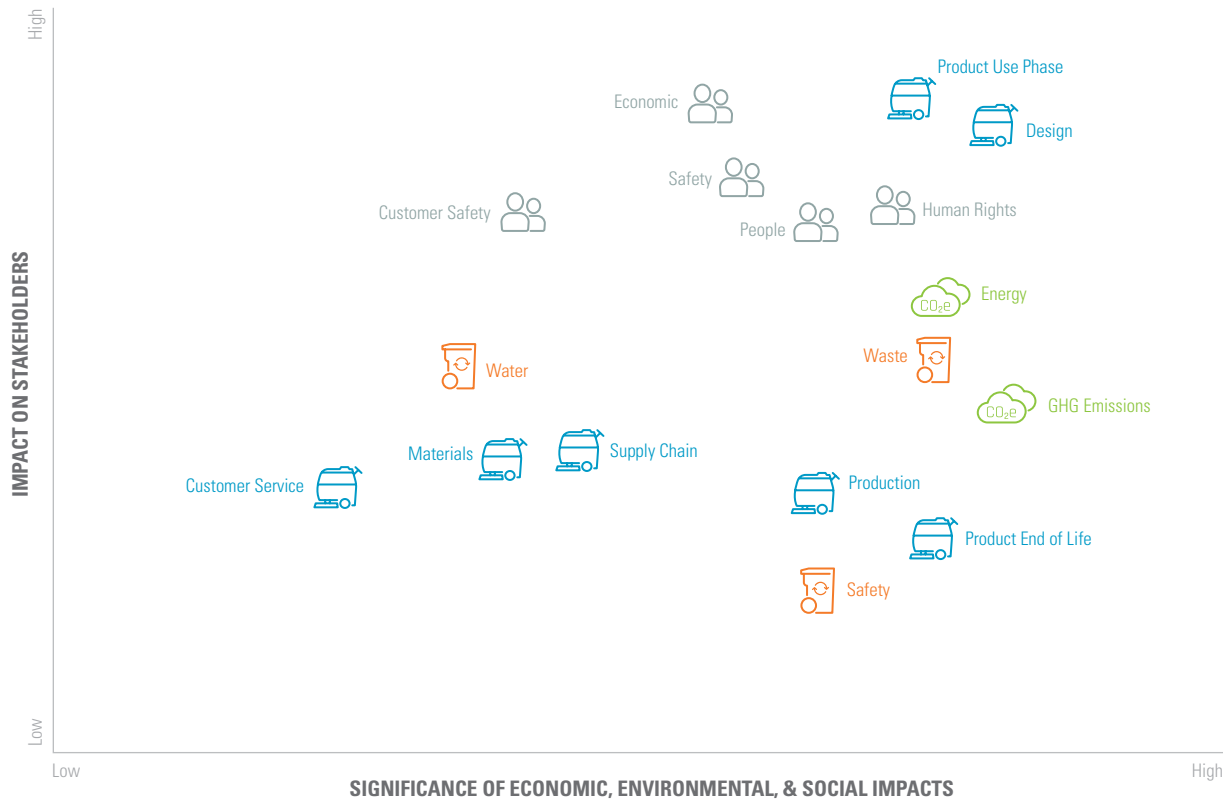


Figure 2

STAKEHOLDER MATERIALITY ANALYSIS MATRIX



 **Product**
 **GHG Emissions/Energy**
 **Waste**
 **People & Communities**

Table 8

MATERIAL TOPICS VALUE CHAIN MAP

Focus Area	Issue	Product 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		•	•				

Continued >

Focus Area	Issue	Product Development	Source of Material	Upstream Supply Chain	Production	Downstream Supply Chain	Use of Products	End of Life
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 and products	●		●	●	●	●	
Waste								
Safety	Occupational health risk from e-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		●	●	●	●	●	●

Reporting Boundary

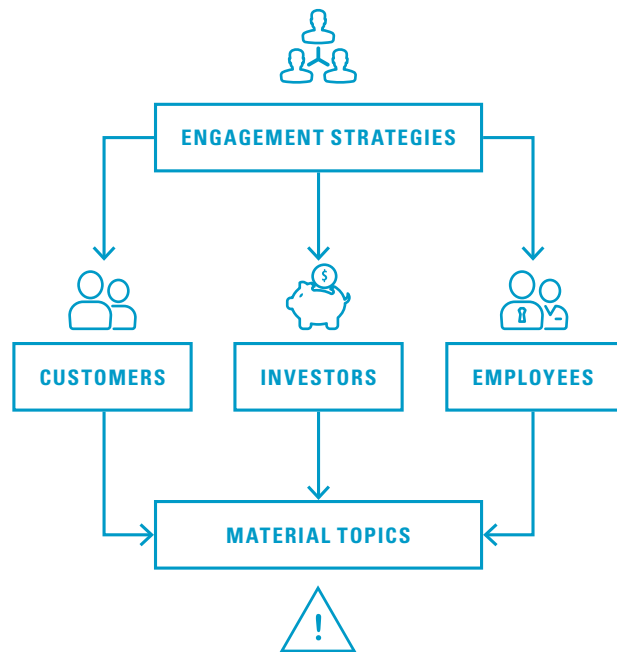
Tennant Company leases, rents, or owns many facilities globally. These facilities, along with the global sales and service fleets, make up the Company’s Scope 1 and 2 carbon emissions. Many of these facilities are relatively small and used for sales and/or service offices, parts warehouses, or storage. Based on analysis of the facility ownership/ rental/lease arrangement and utility usage, we have identified 38 facilities as material. These will be included in our reporting boundary for 2019, including IPC facilities. 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 Gaomei acquisition on January 4, 2019; facilities and fleets acquired as part of Gaomei are excluded from 2019 GHG emissions reporting boundary.

Tennant Company has updated our internal reporting calendar, which means just as with the 2018 report, we will be decoupling the events of 2019 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.

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.

We performed a multi-step process performed in 2013 for identifying material issues. 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 2, 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.

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 9): 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, corruption, and the environmental impacts of our products.

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, in the last 12 months there has been an emerging interest in our environmental stewardship, carbon reporting, and environmental, social, and governance (ESG) performance.

Our final primary stakeholder group is our employees. To gauge their priorities, we conducted a series of regional materiality workshops in 2013. These workshops identified what our employees were concerned about when it came to Tennant Company and the environment. In addition, employees completed an all-employee attitudinal survey 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, recycling, and the circular economy.

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 20% of our Scope 3, Categories 1, 4 and 9 emissions. The top 25 suppliers account for 41% of raw material spend in 2019. In 2019, 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.

Tennant Company's Sustainable Enterprise team has increased collaboration with the **Minnesota Sustainable Growth Coalition (SGC)** over the last few years, culminating in the adoption of three vision statements for Clean Energy, Water, and Materials. The SGC is a business-led partnership of nearly 30 member organizations focused on advancing the next frontier of corporate sustainability and the circular economy. The Coalition is committed to creating societal-level, systemic impact on energy, water, and materials through collaboration across public and private sectors. Having cross-sector, cross-industry organizations working together ensures the projects our teams are prioritizing are in alignment with where the future of sustainable business practices is headed. We believe this work is just as important as our internally focused efforts because it assures that we do not fall behind as global sustainable business practices continue to evolve.

Table 9

STAKEHOLDER ENGAGEMENT STRATEGIES, TACTICS AND AREAS OF INTEREST

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

GRI Index

Disclosure Number	UNGC Principle	Disclosure Title	Reference	Disclosure Statement
102-1		Name of the organization	Tennant Company Summary	
102-2		Activities, brands, products, and services	Tennant Company Summary	
102-3		Location of headquarters	Map	
102-4		Location of operations	Map	
102-5		Ownership and legal form	10-k pg. 1	
102-6		Markets served	Tennant Company Summary	
102-7		Scale of the organization	Tennant Company Summary Tennant 10-k: 5, 8-9	
102-8	6: Labor	Information on employees and other workers	102-8 Gender-Country 102-8 Age Group Gender 102-8 Age Country Gender	
102-9		Supply chain	Stakeholder Engagement Section	
102-10		Significant changes to the organization and its supply chain		No significant changes to the organization and its supply chain occurred in 2019.
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		Start of each focus area.
102-13		Membership of associations		American Association of Cleaning Equipment Manufacturers, International Sanitary Supply Association, Electro Chemical Activation Consortium, Eunitied Cleaning-The European Cleaning Machine Association, Cremona Energy Consortium, Environmental Initiative & MN Sustainable Growth Coalition, UN Global Compact, Canada Green Building Council, U.S. Green Building Council, Twin Cities Conflict Minerals Task Force, Waste Wise Minnesota, Northstar Initiative for Sustainable Enterprise, BSCAI, PRSM, SEAC, ABRALIMP, ABIMAQ, Cleaning Industry Research Initiative, CEB/ Gartner Human Resources Practice Group, Minnesota Chamber of Commerce, Minnesota Business Partnership, National Association of Corporate Directors, Responsible Minerals Initiative
102-14		Statement from senior decision-maker		CEO Letter
102-15		Key impacts, risks, and opportunities	10-k pg. 6-8	

Disclosure Number	UNGC Principle	Disclosure Title	Reference	Disclosure Statement
102-16	10: Anti-corruption	Values, principles, standards, and norms of behavior		We have an employee handbook, business ethics guide, training on code-of-conduct topics, and nondiscrimination policy among others which are available to all employees in digital and printed formats. We have an ethics hotline to anonymously report business ethics concerns.
102-17	10: Anti-corruption	Mechanisms for advice and concerns about ethics		We have an employee handbook, business ethics guide, training on code-of-conduct topics, and nondiscrimination policy among others which are available to all employees in digital and printed formats. We have an ethics hotline to anonymously report business ethics concerns.
102-18		Governance structure	Proxy pg. 13-14, 16-19 Governance Documents	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 investors.tennantco.com .
102-19		Delegating authority	Proxy pg. 13-14	
102-20		Executive-level responsibility for economic, environmental, and social topics	Proxy pg. 16-18	Economic responsibilities are held by the Audit Committee, Environmental responsibilities roll into the SVP of Human Resources, and Social responsibilities roll into the General Counsel.
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 pg. 19-21	
102-23		Chair of the highest governance body	Proxy pg. 13-14	
102-24		Nominating and selecting the highest governance body	Proxy pg. 18-22	
102-25		Conflicts of interest	Proxy pg. 12-13	
102-26		Role of highest governance body in setting purpose, values, and strategy	Proxy pg. 17-18	
102-27		Collective knowledge of highest governance body	Proxy pg. 5-12	

Disclosure Number	UNGC Principle	Disclosure Title	Reference	Disclosure Statement
102-28		Evaluating the highest governance body's performance	Proxy pg. 18	
102-29		Identifying and managing economic, environmental, and social impacts	Proxy pg. 14-15	Economic responsibilities are held by the Audit Committee, Environmental responsibilities roll into the SVP of Human Resources, and Social responsibilities roll into the General Counsel.
102-30		Effectiveness of risk management processes	Proxy pg. 14-15	
102-31		Review of economic, environmental, and social topics	Proxy pg. 14-18	
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		<p>All interested parties may communicate with the independent members of the Board of Directors by writing to the Chair of the Executive Committee at</p> <p>ATTN: General Counsel, Mail Drop # 29 Tennant Company 701 North Lilac Drive Minneapolis, MN 55422</p> <p>All of the communications will be delivered to the General Counsel who will forward communications to the appropriate member(s) of the Board of Directors to address the matter.</p>
102-34		Nature and total number of critical concerns	Sustainable Enterprise Performance Summary	
102-35		Remuneration policies	Proxy pg. 25-37	
102-36		Process for determining remuneration	Proxy pg. 28-38	
102-37		Stakeholders' involvement in remuneration	Proxy pg. 50	
102-38		Annual total compensation ratio	Proxy pg. 48-49	
102-39		Percentage increase in annual total compensation ratio	Proxy pg. 48-49	<p>From 2017 to 2018: -2:1 From 2018 to 2019: 3:1 2017 Pay Ratio: 50:1 CEO Pay: \$3,156,508, Average employee: \$62,796 2018 Pay Ratio: 86:1 CEO Pay: \$4,236,191, Average employee: \$49,436 2019 Pay Ratio: 94:1 CEO Pay: \$4,923,183, Average employee: \$52,172</p>
102-40		List of stakeholder groups	Stakeholder Section	

Disclosure Number	UNGC Principle	Disclosure Title	Reference	Disclosure Statement
102-41	3: Labor	Collective bargaining agreements		Collective bargaining agreements exist where required per local laws.
102-42		Identifying and selecting stakeholders	Stakeholder Engagement Section	
102-43		Approach to stakeholder engagement	Stakeholder Engagement Section	
102-44		Key topics and concerns raised	Stakeholder Engagement Section	
102-45		Entities included in the consolidated financial statements	10-k pg. 8-9	
102-46		Defining report content and topic Boundaries		The team works to collect information from our global operations by sending out a call for content to management team, in addition to a brainstorm meeting with report team. The team ensures content aligns with four focus areas.
102-47		List of material topics	Materiality Section	
102-48		Restatements of information	CDP Supply Chain Response	Carbon Emissions Reporting restatements can be found in the CDP Supply Chain Response.
102-49		Changes in reporting	Reporting Boundary	
102-50		Reporting period		Calendar year 2019 (January 1- December 31)
102-51		Date of most recent report		2018 report published in July 2019.
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@tenantco.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		At this time there is no External Assurance with CSR. We do receive external assurance for CDP using the AA1000AS(2008 with 2018 addendum) Type 2 Moderate-level assurance.
103-1		Explanation of the material topic and its Boundary	Material Topics Boundary Chart	
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 and individual sections will go into more details.
201-1	7: Environment	Direct economic value generated and distributed	10-k pg. 23-28	

Disclosure Number	UNGC Principle	Disclosure Title	Reference	Disclosure Statement
201-2		Financial implications and other risks and opportunities due to climate change	10-k pg. 5-8 CDP Response pg. 30	Climate change risks are detailed in the 2019 CDP Response.
201-3		Defined benefit plan obligations and other retirement plans	10-k pg. 43-47	<p>Tennant Company offers benefit plans to employees around the world in compliance with local requirements and with consideration for local markets.</p> <p>In the United States and Canada: Retirement Savings Plan match from the company at 75% on the first 4% of deferrals, or 3% total company match, beginning on employees hire date. 94% of employees participate in the U.S. plan and 90% participate in the Canada plan. The savings plan offers a profit sharing option which has averaged 2.81% over 16 years.</p> <p>In Brazil: Retirement plan provides for 100% company match on the first 4% of employee contributions. 80% of employees participate in this plan.</p>
201-4		Financial assistance received from government		<p>Tennant Company received financial assistance from governments in 2019.</p> <p>Tennant received \$225,420 from the Commerce Bureau of Hefei State High-tech Industry Development Zone for the construction of a new production facility in Hefei for Gaomei.</p>
202-2	6: Labor	Proportion of senior management hired from the local community	Table 202-2 Hiring Process	Five out of 6 members of senior management team are from the local community.
203-1		Infrastructure investments and services supported	Tennant Company Foundation	
203-2		Significant indirect economic impacts	Tennant Company Foundation	Tennant Company Foundation donations

Disclosure Number	UNGC Principle	Disclosure Title	Reference	Disclosure Statement
204-1		Proportion of spending on local suppliers		<p>24.52% of spend is with local suppliers, globally. Local is defined as based in the state that the Tennant Operations is located in within the United States, and within the country for all other locations. This is provided for suppliers that are listed below, and does not include Brazil, Gaomei, or Italy locations.</p> <p>MN- 55% KY- 0% MI-8% IL- 18% MX- 97% NL-33% JP- 1% AU-77% CN-68%</p>
205-1	10: Anti-corruption	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	10: Anti-corruption	Communication and training about anti-corruption policies and procedures		We 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	10: Anti-corruption	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	7: Environment 8: Environment	Energy consumption within the organization	CDP pg. 77-78	GHG section.
302-2	8: Environment	Energy consumption outside of the organization	CDP pg. 50-52, 69-75	Scope 3 data.
302-3	8: Environment	Energy intensity	CDP pg. 49-52, 65-66 & GHG section	Scope 3, Cat 11 & earlier Scope 1 & 2 emission reduction targets.
302-4	8: Environment 9: Environment	Reduction of energy consumption	CDP pg. 78-82	Process and efficiency projects for Scope 1 emissions.

Disclosure Number	UNGC Principle	Disclosure Title	Reference	Disclosure Statement
302-5	8: Environment 9: Environment	Reductions in energy requirements of products and services	Product Section	Scope 3, Cat 11
303-1	7: Environment 8: Environment	Interactions with water as a shared resource		Water is used in our paint production areas, testing new tanks in rotomold production areas, and cleaning used equipment at our recon facilities. Based on a 2013 study, compared to our full production process, water is not material, but our customers are concerned about water use in their machines. 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	7: Environment 8: Environment	Direct (Scope 1) GHG emissions	CDP pg. 67 & GHG section	
305-2	8: Environment	Energy indirect (Scope 2) GHG emissions	CDP pg. 67-68 & GHG section	
305-3	7: Environment 8: Environment	Other indirect (Scope 3) GHG emissions	CDP pg. 69-75 & GHG section	
305-4	8: Environment	GHG emissions intensity	CDP pg. 49-52 & GHG section	
305-5	8: Environment 9: Environment	Reduction of GHG emissions	CDP pg. 52-62 & GHG section	
306-2	8: Environment	Waste by type and disposal method		Estimated Industrial Recycling, including metals, plastics, tires, cardboard, and electronics totaled over 4,560 tons globally.
306-3	8: Environment	Significant spills		There were no significant spills in 2019.
307-1	8: Environment	Non-compliance with environmental laws and regulations		There were no significant fines or sanctions for non-compliance with environmental laws or regulations in 2019.
308-1	8: Environment	New suppliers that were screened using environmental criteria		Supplier evaluation tool is under development, with plans to include environmental criteria.
308-2	8: Environment	Negative environmental impacts in the supply chain and actions taken		Tennant Company is not aware of any negative environmental impacts in the supply chain.
401-1	6: Labor	New employee hires and employee turnover		16.84% Global New Hire rate for 2019 16.41% Global Turnover rate for 2019

Disclosure Number	UNGC Principle	Disclosure Title	Reference	Disclosure Statement
401-2		Benefits provided to full-time employees that are not provided to temporary or part-time employees		<p>Tennant Company values our employees and their families. The company is committed to providing a competitive benefits package as part of a Total Rewards Paradigm (benefits, compensation, well-being, and recognition).</p> <p>Benefits for our different global locations are set up to follow local laws and regulations, as well as to be competitive for the local market. In 2019, our compensation program included salaries, benefits, bonuses, commissions, stock awards, and retirement benefits.</p> <p>Global recognition: Tennant’s “Applause” program delivers timely, personalized, and meaningful recognition to employees globally. Individuals can nominate colleagues or teams for a monetary reward to recognize outstanding work, or to send a quick “thank you” at any time.</p> <p>U.S. Benefits: In the U.S., the benefit package includes a robust variety of competitive benefit options. Options include medical, dental, and vision plans; disability coverage; and life insurance. The company has also established a Wellness and Well-Being program to benefit employees, which offers a range of ways for employees to participate: Health screening provides meaningful insight into employees’ health status. Just over 20% of our U.S. employees participated in onsite screenings, taking advantage of the financial rewards offered for participation in the program. Customized coaching allows employees and their families to access advice on a variety of health and wellness topics and is available to every employee enrolled in U.S. health insurance programs.</p>

cont. pg 72

Disclosure Number	UNGC Principle	Disclosure Title	Reference	Disclosure Statement
401-2		Benefits provided to full-time employees that are not provided to temporary or part-time employees.		<p>On-campus and online training gives employees multiple opportunities to attend seminars or online webinars and to health benefits like screenings and flu shots at Tennant facilities.</p> <p>24 x 7 advocacy and support program gives advice and services via email or phone and helps employees solve problems like finding medical care, reviewing health options, understanding bills, and managing life transitions, stress, and other personal challenges.</p> <p>China Benefits Supplementary Medical Insurance complements provision made by local governments, including medical expenses, one-child insurance, accident and disease insurance and an annual physical exam and hospitalization subsidy, as well as employee care coverage for life events such as marriage, birth, and death of a relative.</p> <p>See table 401-2 for the full list of Wellness & Well-being benefits. Benefits vary for global locations depending on local rules and regulations.</p>
401-3	6: Labor	Parental leave		<p>Tennant Company’s parental leave programs vary by country to comply with local laws and to be competitive in the market.</p> <p>In the U.S., the company grants up to 12 weeks of leave as specified by the federal Family and Medical Leave Act (FMLA), permitting employees to care for a newly born or adopted child or for a family member’s serious illness. Personal leave of up to six months may be approved by management. Additionally, the company provides eligible employees Paid Parental Time, which is up to 40 hours within 12 weeks of the birth or adoption of a new child.</p> <p>U.S. employees of Tennant Company can access support for fertility services and adoption assistance. The company also offers parental resources on a variety of topics.</p> <p>In 2019, 31 employees in the United States took Paid Parental Leave.</p>
402-1	3: Labor	Minimum notice periods regarding operational changes		<p>Tennant Company does not have a defined notice period. Notice period is determined for each event based on business needs.</p>

Disclosure Number	UNGC Principle	Disclosure Title	Reference	Disclosure Statement
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 2019 can be found in the Safety section of the report.</p>
403-2	1: Human Rights	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	See Annual Performance Summary	<p>There were zero work-related fatalities in 2019.</p> <p>-Incident Rate: $\frac{\# \text{ recordable injuries} \times 200,000 \text{ hours}}{\div \text{ Actual hours worked}}$ -Severity (DART) Rate: $\frac{\# \text{ of DART cases} \times 200,000 \text{ hours}}{\div \text{ Actual hours worked}}$</p> <p>Tennant Company uses the following definitions when reporting near misses, incidents and injuries. 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. Injury: An unplanned, undesired event that results in personal injury requiring outside medical attention.</p>
404-1	6: Labor	Average hours of training per year per employee		<p>There are many points throughout the year that our employees complete training, 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>North American Sales and Service completed a combined 9,338 hours of training. We had at least 8,344 hours of safety training completed globally.</p> <p>Globally, employees completed 15,728 hours of training on our e-learning platform, Tennant University.</p> <p>We had an average of 7.5 hours of training per employee in 2019. We believe this is a low estimate due to our lack of global training tracking.</p>

Disclosure Number	UNGC Principle	Disclosure Title	Reference	Disclosure Statement
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	6: Labor	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	6: Labor	Diversity of governance bodies and employees	405-1 Diversity in Governance Table	
405-2	6: Labor	Ratio of basic salary and remuneration of women to men	Gender Pay Gap Section	Ratio calculated for employees working in the United States.

Disclosure Number	UNGC Principle	Disclosure Title	Reference	Disclosure Statement
406-1	1: Human Rights 6: Labor	Incidents of discrimination and corrective actions taken	See Annual Performance Summary	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 and remedial action is taken where necessary. 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	3: Labor	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Supplier Code of Conduct	In 2019 Tennant Company was not made aware of potential risks to freedom of association or collective bargaining at our operations or our suppliers.
408-1	5: Labor	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	4: Labor	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	1: Human Rights	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	2: Human Rights	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.

Disclosure Number	UNGC Principle	Disclosure Title	Reference	Disclosure Statement
414-1	2: Human Rights	New suppliers that were screened using social criteria		Supplier evaluation tool is under development. A team is reviewing and updating the screening criteria to align with supplier code of conduct.
414-2	2: Human Rights	Negative social impacts in the supply chain and actions taken		Tennant Company was not made aware of any negative social impacts in the supply chain in 2019. 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.
415-1	10: Anti-corruption	Political contributions		We do support Non- Governmental Organizations (NGOs) that work to improve conditions in facilities; e.g., Healthy Schools Campaign, Environmental Initiative, The NorthStar initiative at the University of Minnesota, and Global Environmental Management Initiative. We believe the goals of such organizations are aligned with our vision of creating a cleaner, safer, healthier world.
416-1		Assessment of the health and safety impacts of product and service categories		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. Any issue impacting health or safety related to our products is addressed immediately by various committees that are authorized to implement any necessary changes.
416-2		Incidents of non-compliance concerning the health and safety impacts of products and services		Zero in 2019.

Disclosure Number	UNGC Principle	Disclosure Title	Reference	Disclosure Statement
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		Zero in 2019.
417-3		Incidents of non-compliance concerning marketing communications		Zero in 2019.
418-1		Substantiated complaints concerning breaches of customer privacy and losses of customer data		Zero in 2019.
419-1		Non-compliance with laws and regulations in the social and economic area		Zero in 2019.

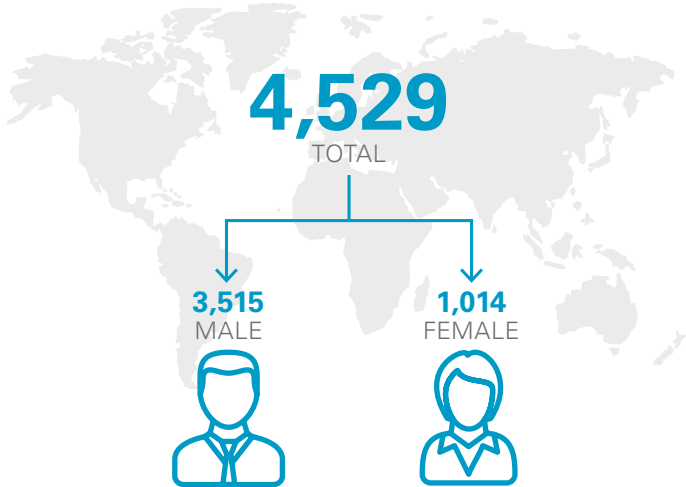
Section 102-8

EMPLOYEES BY COUNTRY & GENDER

COUNTRY	FEMALE	MALE	GRAND TOTAL
Australia	15	73	88
Belgium	18	28	46
Brazil	45	153	198
Canada	3	71	74
China	161	206	367
France	33	140	173
Germany	11	132	143
India	7	83	90
Italy	234	444	678
Japan	7	29	36
Mexico	25	54	79
Netherlands	19	182	201
New Zealand	1	4	5
Norway	4	25	29
Portugal	5	15	20
Singapore	2	1	3
Spain	21	99	120
Sweden		1	1
Switzerland		1	1
Thailand		1	1
United Kingdom	30	140	170
United States	373	1,633	2,006
GRAND TOTAL	1,014	3,515	4,529

GENDER BY AGE GROUP

AGE GROUP	FEMALE	MALE	GRAND TOTAL
< 20	3	7	10
20 - 30	171	472	643
31 - 40	306	927	1,233
41 - 50	306	967	1,273
51 - 60	185	927	1,112
> 60	43	215	258
GRAND TOTAL	1,014	3,515	4,529



AGE & GENDER BY COUNTRY

COUNTRY	FEMALE						MALE						GRAND TOTAL
	< 20	20 - 30	31 - 40	41 - 50	51 - 60	> 60	< 20	20 - 30	31 - 40	41 - 50	51 - 60	> 60	
Australia		4	5	2	3	1		9	19	26	14	5	88
Belgium		3	2	9	4				7	8	10	3	46
Brazil	1	21	13	4	4	2	1	41	63	34	12	2	198
Canada				1	1	1		4	15	18	26	8	74
China		39	90	31	1			37	103	51	14	1	367
France	1	5	9	15	2	1		20	47	41	28	4	173
Germany			4	3	3	1		16	38	32	43	3	143
India		5	1	1				25	37	13	7	1	90
Italy		16	59	108	50	1		29	77	178	142	18	678
Japan		1	3	1	1	1			4	19	6		36
Mexico		4	9	10	2			9	17	14	13	1	79
Netherlands		5	1	8	5		2	16	33	49	67	15	201
New Zealand				1					1		2	1	5
Norway				2	1	1		2	4	10	6	3	29
Portugal			1	3	1			2	3	4	6		20
Singapore				2						1			3
Spain		5	8	7	1			14	28	41	15	1	120
Sweden											1		1
Switzerland									1				1
Thailand										1			1
United Kingdom		9	8	9	2	2	3	14	18	36	51	18	170
United States	1	54	93	89	104	32	1	234	412	391	464	131	2,006
GRAND TOTAL	3	171	306	306	185	43	7	472	927	967	927	215	4,529

Table 401-2: Wellness and Well-Being Program



Programs that help our employees live a healthy lifestyle

- 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



Programs that help our employees achieve financial security

- 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



Programs to help employees give back

- Volunteering
- Employee Gift Matching
- Volunteer Gift Matching



Programs to help employees maintain strong mental well-being

- 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

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 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.

405-1: Diversity in Governance

BOARD OF DIRECTORS AS OF MARCH 19, 2020



US ONLY

US Employees as of 12/31/2019	Hispanic/Latino	Black/African	Asian	Other	TOTAL	Not Disclosed	Vet Status Protected	Vet Status Not Protected	Vet Status Prefers Not to Answer
Senior Management				5	5	N/A		5	
Managers	9	3	10	189	211	N/A	7	197	7
All Others	162	110	110	1,359	1,741	N/A	97	1,555	89



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