

2009

CORPORATE SUSTAINABILITY REPORT

Setting the standard for sustainable cleaning

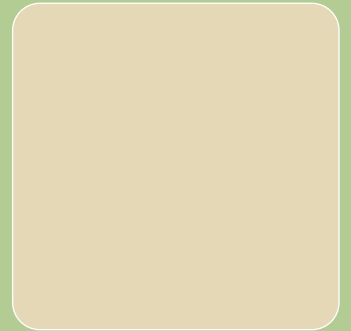
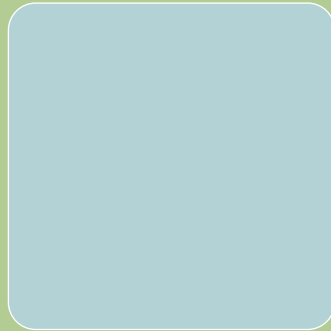


healthier

better



cleaner



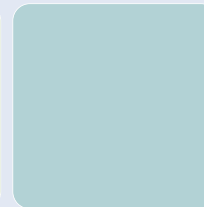
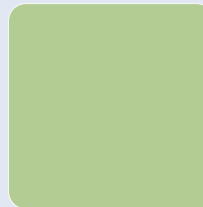


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CORPORATE SUSTAINABILITY REPORT

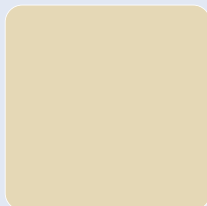


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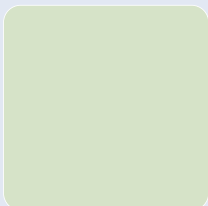


cleaner

healthier



better



Setting the standard for

# Sustainable Cleaning

DRIVEN TO BE STEWARDS OF OUR PEOPLE, PRODUCTS, PLACES,  
AND SHAREHOLDERS...FOR TODAY AND TOMORROW

Welcome to Tennant Company's first corporate sustainability report. Our mission is to help create a cleaner, healthier and better world. We are uniquely positioned to achieve this goal – cleaning is our business.

Our core value of stewardship has driven our history of considering the environmental, social and economic impacts of our products and operations. Now, more than ever, we are focused on continuously improving our efforts. We see sustainability as an opportunity – a driver of efficiencies, innovation and growth. As a result, lowering the environmental impact of our products and processes has become an important strategic filter for how we conduct all aspects of our business.

In 2008 with the introduction of our award-winning ec-H2O™ technology we continued on the path of developing eco-friendly products. ec-H2O is a scientifically proven process that converts plain tap water into a powerful cleaning agent, without any added chemicals. Our plan is to expand the markets and applications

for ec-H2O technology to help us achieve our strategic vision of becoming a global leader in chemical-free cleaning and other technologies.

Today, our sustainability strategy focuses on four sustainability pillars, areas where we believe we can have an immediate and long-term impact on our environment, business, employees, customers and partners:

**1. Energy and emissions** – Our goal is to reduce energy and emissions through applying best energy management practices and holding employees accountable for conservation.

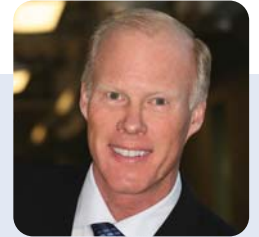
**2. Waste** – We seek to reduce our total solid waste, defined as materials we bring into our facilities that do not become part of a sellable product, and to increase the percentage of solid waste we recycle.

**3. Products** – The Company focuses on developing products and solutions that help create clean, safe and healthy places in environmentally preferred ways.

**4. People** – We are dedicated to improving the lives of the people we touch and the communities in which we do business.

Using the Global Reporting Initiative (GRI) framework to guide our measurement and reporting, we identified the relevant key performance indicators for each pillar, which we later cover in this report. Our approach is to start with our operations in Minneapolis, Minnesota, Holland, Michigan, and our North American vehicle fleet. We plan to expand our reporting boundary in the future as we develop our reporting processes and knowledge. Our first corporate sustainability report covers 2009 and will serve as a baseline from which we measure progress.

Everyone at Tennant can take pride in our commitment to sustainability and in our initial accomplishments. We look forward to doing what we can, as we strive to create a cleaner, healthier and better world.



**CHRIS KILLINGSTAD**  
President and Chief Executive Officer

Sincerely,

H. Chris Killingstad  
President and Chief Executive Officer  
Tennant Company

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# About Tennant Company

## EMBARKING ON OUR SUSTAINABILITY JOURNEY

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With nearly 2,800 employees, Tennant has manufacturing operations in Minneapolis, MN; Holland, MI; Louisville, KY; Uden, The Netherlands; the United Kingdom; São Paulo, Brazil; and Shanghai, China; and sells products directly in 15 countries and through distributors in more than 80 countries. Tennant Company's industry-leading products are marketed under the Tennant®, Nobles®, Green Machines™, Alfa and ORBIO™ brands.

### About This Report

Tennant Company's first annual corporate sustainability report covers the calendar year ended December 31, 2009.

We consulted the Global Reporting Initiative (GRI) G3 for reporting guidance. Tennant Company considered several factors in determining which performance indicators to include in its first corporate sustainability report: stakeholder interest; alignment with the company's core sustainability principles; potential impact or risk to the organization; opportunity for innovation and/or to improve business efficiencies; and availability of reliable data. Tennant selected 12 key performance indicators (KPIs) to report on in this report (see GRI Index on Page 16). For consistency, performance data in this report is stated according to regulatory reporting requirements. For a few KPIs this is inconsistent with the GRI reporting protocol. The company may expand or remove performance indicators covered in future years, depending on their impact on the company's operations.

For this initial report, most KPIs include only Tennant Company's U.S. and Canadian operations of significance: Minneapolis headquarters office, factories and warehouses; Holland, Michigan, office



and manufacturing; and Tennant's owned or leased vehicle fleet. Examples of U.S. and Canadian operations not wholly included are five service centers that have small energy usage, but for which labor practices and human rights are incorporated. For some KPIs, we have included information on our broader operations.

This report covers Tennant Company and its subsidiaries. It does not include joint ventures and alliances. For this reporting

period, the company has not sought independent verification of data.

Tennant Company plans to extend its report boundary to encompass global operations of significance and add material performance indicators over the next three years.

### For more information

**Email:**  
SustainabilityReport@tennantco.com

Tennant Company  
701 North Lilac Drive  
P.O. Box 1452  
Minneapolis, MN 55440-1452

## Commitment to Developing

# SUSTAINABLE PRODUCTS & TECHNOLOGIES

ENVISIONING A CLEANER, CHEMICAL-FREE FUTURE

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To support development of better performing and more eco-friendly new products in 2009, we invest between 3 percent and 4 percent of Tennant Company's net sales in research and development. Our proprietary and environmentally friendly ec-H2O™ technology platform is one of Tennant's most successful R&D efforts.

### A History of Innovation

Founded in 1870 as a wood products manufacturer, Tennant Company entered the floor maintenance industry in the early 1930s with the first mechanized buffer. The company continued expanding its line of floor maintenance equipment through the 1990s. Recently, our business evolved from providing non-residential floor maintenance products in the 1990s to delivering what we called "clean, lean and green" solutions in 2002. This was the first time we used environmental benefits as a strategic and new product development filter. We also began investing more aggressively in advanced product development efforts. Innovative cleaning technologies such as FaST® and

ReadySpace® stemmed from this strategic shift, reducing the amount of water and chemicals required to clean floors and carpets. In 2006, we talked about becoming an environmental cleaning solutions company. We defined this as cleaning more of our customers' environments in more environmentally responsible ways. This led directly to the successful introduction of ec-H2O technology in mid-2008.

### Meeting Customers' Green Cleaning Needs

A growing number of Tennant's customers are seeking more environmentally friendly ways to clean their environments. Tennant is meeting their needs with ec-H2O. The environmentally superior ec-H2O technology, compared to competitive cleaning offerings, is being adopted by both existing customers and new customers. In fact, approximately 50 percent of the customers buying ec-H2O are new Tennant customers. The ec-H2O technology was first introduced in mid-2008 on walk-behind scrubbers. We continued the global roll-out of ec-H2O in 2009. Today, Tennant offers 11 scrubbers with ec-H2O

### Tennant's Strategic Evolution



### EVOLVED VISION

We aspire to be a global leader in chemical-free cleaning and other technologies to help our customers create a cleaner, healthier world.

technology, including six walk-behind scrubbers that were introduced in 2008 and five rider scrubbers that were launched in 2009. Tennant plans to add three more riders with ec-H2O in 2010, rounding out our portfolio of scrubbers for our commercial and industrial customer base. Specific applications are in retail, education, food and beverage, healthcare, hospitality, logistics and aviation environments.

ecH2O™

### Major Awards



Joined previous breakthrough innovations such as the ATM, fax machine and HDTV by being chosen as one of 2008's most technologically significant innovations by R&D Magazine



Received the European Business Award (EBA) for Business Innovation, an independent awards program designed to recognize and promote excellence, best practice and innovation in the European business community

# Minimizing our Footprint

## DEVELOPING BETTER-PERFORMING AND MORE ECO-FRIENDLY PRODUCTS

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Tennant's ec-H2O technology starts as water and ends as water. ec-H2O technology electrically activates water to convert it into a powerful cleaning agent. It uses only water, eliminating the environmental impact of producing, packaging, transporting, using and disposing of traditional cleaning chemicals.

### Scientifically Proven ec-H2O Results

An independent environmental analysis conducted by Ecoform shows that cleaning with ec-H2O technology sizably reduces environmental footprints compared to traditional cleaning with chemicals. The study found that ec-H2O typically achieves environmental footprint reductions ranging from 77 percent to 98 percent in seven categories of environmental measurements. We're very proud that our breakthrough technology delivers independently proven cleaning results without the negative environmental and health concerns associated with traditional cleaning chemicals.

### Expanding ec-H2O Technology to New Markets

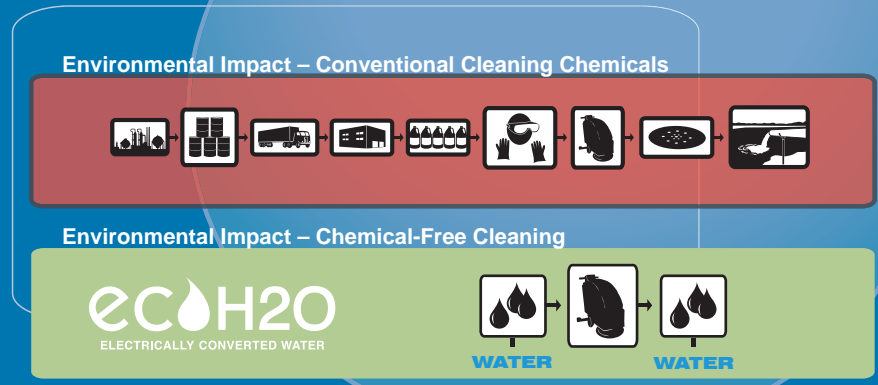
We are focused on leveraging our ec-H2O technology platform in three phases:

- 1) Extending ec-H2O to all relevant existing products with the goal of accelerating sales and market share growth in our current markets.
- 2) Cleaning more of our customers' spaces, in more environmentally friendly ways. To do this, we are researching how key customer segments such as retail, healthcare and education currently clean their facilities. Our goal is to leverage ec-H2O and related technologies in most, if not all, cleaning applications. We also want to identify the cleaning devices we need to develop to deliver chemical-free cleaning performance that meets our customers' needs and expectations. We currently have research studies and tests under way with key customers in

North America and Europe.

- 3) Developing new applications in various market segments, including consumer products, food processing, education and healthcare, among others.

**No chemicals.  
Less water.**



**ecH2O** **REDUCES Environmental Impact by** **77% to 98%** **in Seven Categories** **Compared to Traditional Chemical Cleaning**

Information provided by ecoform.



# ORBIO™ Technology

## USING THE POWER OF WATER TO CHANGE THE WAY THE WORLD CLEANS

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The next step in Tennant's continuing evolution to help our customers create a cleaner, healthier and better world is to become a global leader in chemical-free cleaning and other technologies.

Continuing the evolution from wood products manufacturer to automated floor maintenance equipment manufacturer, Tennant created its ORBIO™ Technologies brand of sustainable cleaning products in late 2009. Through the ORBIO brand, our vision is to become a global leader in chemical-free cleaning. The name ORBIO comes from "orb," which implies a circle such as the Earth, while "bio" implies life. The name reflects our focus on creating a healthier planet. Our goal is to establish ORBIO as the recognized standard for sustainable cleaning around the world. To accomplish this, we intend to leverage and expand our ec-H2O technology, creating a large and robust chemical-free cleaning business in existing and new markets.

The ORBIO technology platform is potentially relevant in a broad array of markets and applications. This platform offers two equally important benefits. The first is scalability. We have created an electrolyzed water cell that is large enough to be used on our scrubbers, and together with a third party, we have figured out how to miniaturize it so that it fits into the head of a hand-held spray device. We believe that we



can package the technology and adapt it to a wide array of cleaning devices to clean more of our customers' environments in more environmentally friendly ways.

The second platform benefit is performance. We know that one ORBIO technology – ec-H2O™ – delivers great cleaning results on Tennant scrubbers. In addition to ec-H2O technology, ORBIO has licensed a second technology to Activeion Cleaning Solutions, LLC, for use on the Activeion IonatorEXP™ and IonatorHOM™ hand-held spray devices, which has been tested and shown to kill 99.9% of common household bacteria (including e-coli, listeria and salmonella) and inactivate the H1N1 virus, when used as directed.

# A Growing Eco-Friendly Portfolio

## CONSERVING WATER, REDUCING CHEMICALS AND ELIMINATING EMISSIONS

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In addition to offering products based on our sustainable, industry-changing ec-H2O platform, Tennant has introduced other cleaning products that conserve water, reduce detergent use and rely on green-powered equipment. These include:

**FaST®**  
FaST is a foam-scrubbing technology introduced in 2002. It uses 70% less water and 90% less detergent than conventional cleaning solutions. Using less water means floors dry faster reducing slip-and-fall risks. One two-liter FaST pack scrubs up to 1 million square feet/93,000 m<sup>2</sup> eliminating the packaging and shipping waste of 20 one-gallon containers.

**ReadySpace® Technology**  
Launched in 2004, ReadySpace helps create cleaner, healthier environments by permitting more frequent cleanings of carpeted areas, while using less water, which reduces odors, allergens, mold and wastewater.

**Eco-Advantage® Coatings**  
Tennant's safest and most VOC-compliant coatings that are virtually odor free and include less solvent.

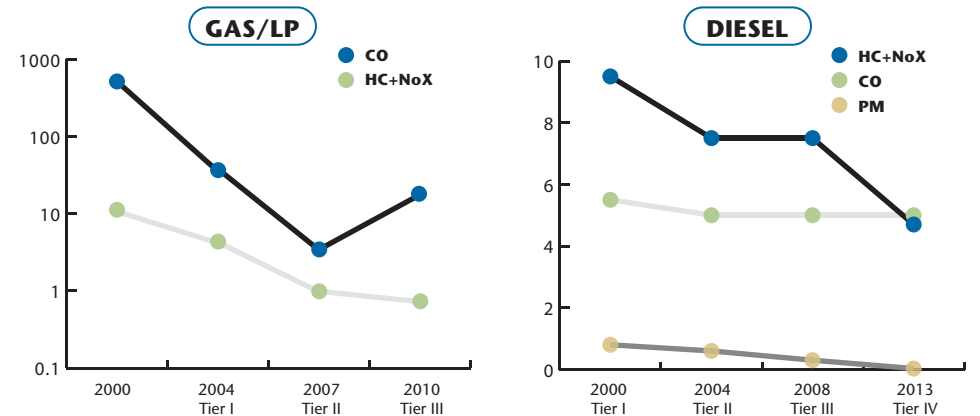
**Scrub-N-Go™ Floor Scrubber Vac System**  
Developed in partnership with Ecolab, this product was selected to receive a 2010 National Restaurant Association Product Innovation Award. The Scrub-N-Go is a lithium-ion, battery-powered cordless cleaning machine initially designed for the quick-serve restaurant market. It cleans floors up to 63 percent faster and more thoroughly than using a traditional mop-and-bucket, representing a huge labor savings for restaurant operators. Floors cleaned with Scrub-N-Go dry faster, greatly reducing the risk of slip-and-fall accidents. It is NFSI Certified for increased floor safety. In addition, the Scrub-N-Go contributes to earning the equipment credit in LEED existing building operations and maintenance.

**500ze City Cleaning Sweeper**  
Previewed in Copenhagen in December 2009, the lithium-ion, battery powered 500ze sweeper provides unmatched environmental benefits, including zero greenhouse gas emissions and reduced noise levels, in addition to powerful cleaning. It will be officially launched in Europe in 2010.



### LOWER ENGINE EMISSIONS

Emissions on Tennant's machines have dropped more than 90 percent since 2000



HC + NOx as Hydrocarbons and Nitrous oxide emissions; CO = carbon monoxide; and PM = particulate materials; emissions in Grams/KWh.



# A Growing Eco-Friendly Portfolio

## REDUCING CHEMICAL IMPACTS AND EXTENDING EQUIPMENT LIFE

### TennantTrue™ Cleaning Solutions

In 2009, Tennant reformulated its conventional cleaning solutions to eliminate surfactants containing Nonylphenol Ethoxylates (NPE) and lower volatile organic compounds (VOCs), which have adverse environmental impacts. The result was “greener” formulations. The reformulation also improved efficiencies in the company’s production processes and inventories. Tennant changed its product packaging from bulky steel drums to smaller sized recyclable containers to facilitate easier handling and reduce potential injuries caused by moving heavy containers.



### Extending Equipment Life

A combination of robust design and quality manufacturing means Tennant equipment has a long useful life. In our industry, equipment is typically thrown into a landfill at the end of its life. We have found that when customers are ready to upgrade or buy new equipment, the machine’s life can be extended several more years by refurbishing. While we have had a reconditioned machine program for many years, in 2009 we reassessed our pre-owned equipment business. This assessment identified a significant opportunity. Based on a goal to reduce equipment that ends up in landfills and to reach a new customer segment, we developed two pre-owned business strategies:

- Aggressively market pre-owned products through less traditional sales channels.
- Find opportunities to donate equipment to eligible organizations, as part of our effort to give back to our communities.

## Pre-Owned Equipment Fast Facts:

- In 2009, we only scrapped 3-4% of the equipment we took back in trade or at end of lease
- Our pre-owned unit volume in 2009 rose 37% versus 2008
- Our pre-owned equipment is backed by a best-in-class warranty
- We upgrade applicable equipment with our award-winning ec-H2O technology for pre-owned resale

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# Environment

MEASURING ENERGY USE LEADS THE WAY TO REDUCING COSTS

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Measuring our energy consumption will show us which aspects of our operations consume the most energy. This will help us target efforts to reduce energy waste. From our energy use we have calculated our greenhouse gas emission or “carbon footprint.” Our key customers are increasingly asking us for this information.

## Taking Stock of Greenhouse Gases

We inventoried 2008 and 2009 greenhouse gas emissions for our facilities in: Minneapolis, Minnesota; Holland, Michigan; and our North American vehicle fleet. We converted our greenhouse gas emissions into carbon dioxide equivalents, which confirmed that Tennant is not required to report under the new U.S. Environmental Protection Agency guidelines. This also established a carbon dioxide baseline for future measurement. In 2010, Tennant plans to develop a greenhouse gas strategy to guide tracking, reporting and goal setting.

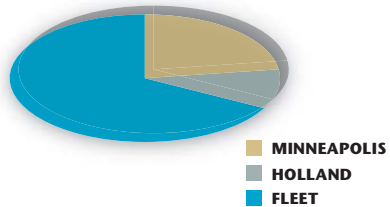
## Reducing Waste

Increasingly, Tennant Company and our employees are finding ways to reduce, reuse and recycle waste, and lower Tennant’s environmental footprint:

- We implemented a best-in-class green cleaning program at our five Minneapolis facilities. We are using chemical-free cleaning wherever possible. This enabled us to reduce the number of chemicals used by 26%.
- Following an independent audit of our Minneapolis operations, we increased the number of recycling stations for mixed paper, plastics, metals and glass.
- A centralized trash program was initiated where employees now bring their trash to central locations, eliminating the need for plastic trash liners in each room and keeping them out of landfills.
- By reengineering and expanding our scrap metal recovery from manufacturing, we have improved sorting and gained a higher recovery value for our scrap, from a fixed \$0.23 per pound to variable rates of \$0.27 to \$1.10 per pound.
- We also reduced hazardous waste disposal by 15 percent at our Louisville, Kentucky, plant through improved employee training and accountability.

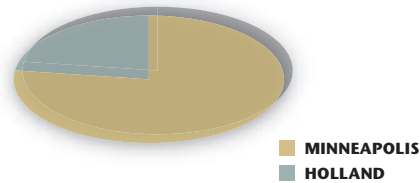
### DIRECT ENERGY CONSUMED

232,155 giga Joules



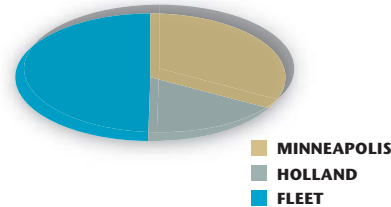
### INDIRECT ENERGY CONSUMED

49,328 giga Joules



### GREENHOUSE GAS EMISSIONS

21,410 metric tons of CO2 equivalents



# Environment

## MEASURING ENERGY USE LEADS THE WAY TO REDUCING COSTS

### Lighting Efficiencies in Holland, MI

Examining our facilities' energy use has revealed opportunities to achieve energy savings. During a LEED certification review of Tennant's Holland, Michigan, plant, we identified a significant energy savings opportunity from using more efficient lights. Tennant subsequently retrofitted 584 fixtures in nine areas of the plant, switching from using 458-watt lights to 202-watt replacements. Light sensors also were added to several rooms. As a result, Tennant anticipates energy savings of more than 1.1 million KWH per year, or 886 metric tons of CO2 equivalents.

### Future Efficiencies in Minneapolis and Louisville

We conducted a comprehensive energy audit of five of Tennant's Minneapolis facilities and our Louisville, Kentucky, distribution center. The audit identified five energy-reduction projects, with the greatest potential return coming from relighting our plant assembly and warehouse areas, and distribution center. These projects are in our short-term energy-reduction plan.

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# Corporate Governance

RUNNING OUR BUSINESS TO EXCEED THE HIGHEST EXPECTATIONS OF OUR STAKEHOLDERS

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## Corporate Governance

Tennant Company is governed by four standing board committees: audit, compensation, executive and governance. Each committee of our board of directors has a written charter covering the committee's purpose and responsibilities. The Charters and Corporate Governance Principles for Tennant's Board Committees are available on our website.

## Independent Board of Directors

Our board of directors currently includes 10 members. Our President and Chief Executive Officer is a member of the board; however, he has not been appointed as Chair. One of the independent members serves as lead director. Our board uses criteria established by the New York Stock Exchange and the U.S. Securities and Exchange Commission to determine director independence. The Governance Committee reviews relevant information no less than annually to determine whether the board members meet the applicable criteria.

## Communicating with the Board

Interested parties, including shareholders, may communicate with Tennant's independent board members by writing to the Executive Committee Chair at:

**ATTN: General Counsel, Mail Drop #29  
Tennant Company  
701 North Lilac Drive  
P. O. Box 1452  
Minneapolis, MN 55440-1452**

All communications will be delivered to the General Counsel, who will forward communications to the appropriate member(s) of Tennant Company's board of directors.

## Stakeholder Engagement

We actively engage with individuals and groups who we believe are important to the company's business activities and success. These stakeholders generally include Tennant Company's:

- Investors
- Employees
- Suppliers
- Customers and channel partners
- Communities where we conduct business

## Committed to Ethical Business Practices

Tennant conducts business in accordance with the highest standards of integrity. We have adopted the Tennant Company Business Ethics Guide, which applies to all of our employees, directors, consultants, agents and anyone else acting on our behalf. A copy of our Business Ethics Guide is available on the Investor Relations page of our website, [www.tennantco.com](http://www.tennantco.com). We firmly believe that our success depends on all of us doing the right thing, ethically and legally.

*Every two years,  
Tennant's managers  
undergo ethics training.  
All Tennant supervisors  
and managers, or nearly  
300 employees worldwide,  
complete an annual ethics  
questionnaire.*

## Business Ethics Hotline

Tennant Company provides an Ethics Hotline that allows employees and others to report unethical conduct independent of Tennant management to a third party. The Ethics Hotline is available 24 hours a day, 365 days a year, and calls are treated confidentially. The hotline is managed according to local laws and regulations. Employees are expected to report any violation of Tennant's Business Ethics Guide, including those relating to accounting, internal accounting controls and auditing matters.

## Anti-Corruption Policy

We comply with the provisions of the U.S. Foreign Corrupt Practices Act of 1977 (FCPA). Accordingly, our policy prohibits any payments to foreign officials or foreign political parties for the purpose of obtaining, retaining or directing business.

To ensure compliance, Tennant Company:

- Analyzes 100 percent of its global business units for corruption risks
- Has conducted related ethics training for approximately one-third of all employees worldwide
- Has conducted live and web-based FCPA training in select geographies

# Labor and Human Rights

OUR EMPLOYEES ARE OUR MOST IMPORTANT ASSET

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We believe our employees are central to our success. Our core value of stewardship guides all aspects of our employee selection, development, and employment policies. We aim to provide a rewarding work environment, where employees have opportunities to contribute their unique talents and skills to building a strong company. Every employee is a steward of our customer, our resources, each other, our shareholders, and ultimately our business.

We also strive to create an environment in which all employees are treated with respect and dignity. Tennant 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, marital status, or any other basis protected by state or federal law or local ordinance. Tennant reported no adverse judgments of discrimination in 2009.

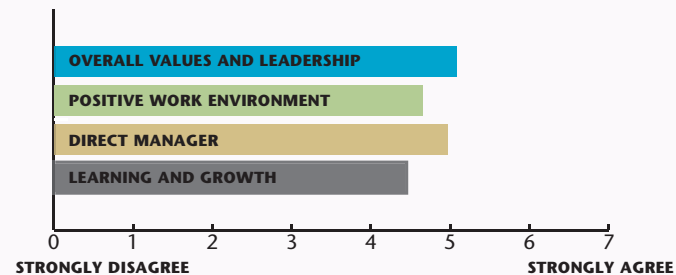
**Tennant Company has a strong performance management orientation. Each employee receives an annual performance appraisal based on core performance competencies.**

## All-Employee Climate Survey

Beginning in October 2008, Tennant Company launched a program to provide our worldwide employees with an opportunity to share their perceptions about their employment experience with Tennant. A 17-question survey was administered to all approximately 2,800 employees globally. We received a 75 percent response rate and the 170 pages of written comments, in multiple languages, indicated a high level of engagement. A few areas for improvement were identified, such as communication, recognition and rewards, and personal and career development. Overall, we were pleased with the scores and the fact that our highest-rated item globally was "I am encouraged to behave in an ethical manner." Another item that was consistently in the top three was "My direct manager is respectful and fair, always treating me consistently."

Tennant has been working since the survey to improve the company's communications process and to create a stronger culture of reward and recognition. Many employees are engaged in focus groups to discuss and resolve local issues, as well.

We have subsequently administered a follow-up progress survey to roughly 12 percent of worldwide employees. In addition, we plan to conduct a second global survey in late 2010.

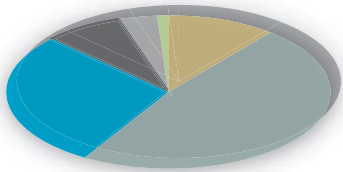


# Labor and Human Rights

CARING FOR OUR EMPLOYEES  
AND OUR STAKEHOLDERS

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- LABOR AND HUMAN RIGHTS**
- COMMUNITY INVOLVEMENT
- ECONOMIC/FINANCIAL PERFORMANCE
- GR INDEX

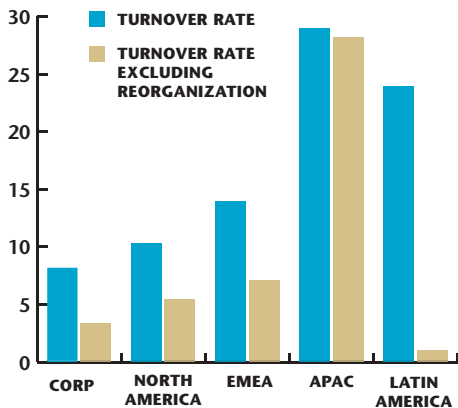
## WORKFORCE BY REGION



- CORPORATE
- NORTH AMERICA
- EMEA
- APAC
- LATIN AMERICA
- PT/CONTRACTORS

## TURNOVER BY REGION

Tennant's 2009 turnover rate was impacted by a reorganization to the business. The total rate was 8.2% (4.4% without the reorganization).



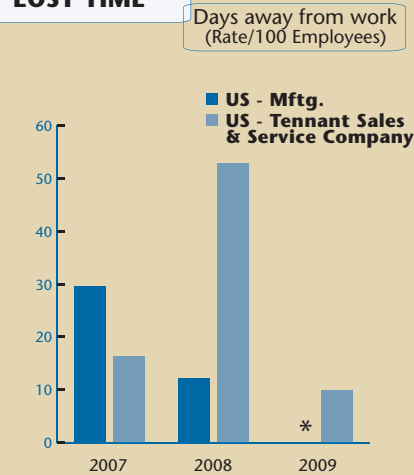
## Rewarding Work Environment: Low Turnover

Tennant Company benefits from creating a great place to work, which results in lower than industry average turnover, a long-term, high-performing workforce, and strong financial performance even during economic downturns.

## Committed to Workplace Safety

Our safety policy aims to reduce and, where possible, eliminate exposure of employees to accidental injury and conditions that may adversely affect their health. We have a strong safety track record with injuries and lost time below peer group averages. In North America we report according to OSHA guidelines, which is how the data was prepared for this report. For the purposes of this report and to aid comparability, we provide injuries and lost time for our manufacturing operations and field sales and service separately.

## LOST TIME



\*Zero manufacturing lost days in '09

## Supplier Chain Stewardship

Our supplier selection and core expectations encompass labor practices, human rights and environmental issues in the supply chain. Responsible supply chain management is vital to Tennant Company's success. We expect our suppliers to adhere to high standards of ethical and sustainable business practices. These standards are based on Tennant's expectation that its suppliers and their subcontractors comply with all applicable laws and regulations, maintain just and decent working conditions, share Tennant's respect for the environment and implement sound security measures. Suppliers must permit Tennant and its agents to engage in assessment activities to confirm compliance with these standards.

## INJURY RATE (per 100 employees)

	2007		2008		2009	
	Tennant	OSHA Avg	Tennant	OSHA Avg	Tennant	OSHA Avg
Manufacturing	5.1	5.6	5.3	5.1	3.1	n/a
Tennant Sales & Service	4.1	4.5	3.8	4.8	2.7	n/a

Footnote: Reportable incidents compared to OSHA assigned peer group's average. 2009 data not available.

# Fostering a Spirit of Stewardship

## COMMITTED TO COMMUNITY INVOLVEMENT

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Tennant Company's corporate giving is driven by a commitment to create a cleaner, healthier and better world. Through corporate-directed giving and the Tennant Foundation, we proudly support organizations, programs and individuals who share our values and commitments.

A stewardship culture thrives among our employees, whose grassroots volunteer efforts are helping others in myriad ways. Today, Tennant and our employees are working together to achieve our vision and create a lasting positive legacy.

### Tennant Foundation Grants

The Tennant Foundation was formally established in 1973, although the company has played an active role in community affairs for more than half a century. Priority is given to groups that have Tennant employee involvement with the agency and a geographical focus on the communities where our employees live and conduct business. The Tennant Foundation has three primary areas of focus:

- Improving the quality of life in our communities through environmental programs or social services;
- Promoting workforce readiness through education, vocational rehabilitation and other similar services; and
- Contributing to cultural and arts organizations.

The company also donates Tennant-manufactured equipment to non-profit organizations to further our vision of creating a cleaner, healthier world. This is one more way that Tennant is a steward to the communities in which we do business.

Further information is available in Tennant Company's Corporate Giving Report.

### Giving to Employees

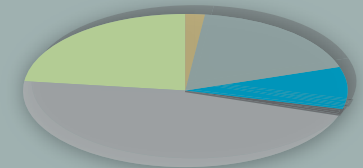
- In 2009, 22 employees' children were awarded new scholarships through the Tennant Scholarship Program. An additional 38 scholarships were renewed. The amount of 2009 scholarships awarded was \$75,000. Since implementing the program in 1980, 437 students have been assisted with scholarships totaling more than \$1.4 million.
- 187 employees took advantage of the Gift Matching Program with their personal contributions. The Tennant Foundation provided matching gifts of approximately \$44,000.
- To encourage employee volunteerism, Tennant's Volunteer Gift Match program matches 40 hours per year of employee volunteer time to a single agency with a \$200 gift to that agency. In 2009, the program supported 12 organizations with matching donations of \$3,400, from over 680 hours of volunteer work by Tennant employees.

## Minnesota Keystone 2% Award

Tennant has received the Minnesota Keystone award for contributing 2 percent or more of its pre-tax earnings to address community needs in Minnesota. Tennant Company has participated in the program since it began in 1976.

### FOUNDATION GIVING BY AREA

- HEALTH & SAFETY
- SOCIAL SERVICES
- CULTURE & ARTS
- PUBLIC TV & RADIO
- UNITED WAY
- EDUCATION



# 2009 Employee Volunteering & Giving

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## Minneapolis, MN

- Donated \$26,000 to Food Shelf Network
- Spent 172 hours cleaning Minnesota Arboretum grounds, equivalent of \$14,000 in labor and equipment
- Held an employee expo showcasing volunteer opportunities, environmental resources and wellness
- Gave 110 hours to adopted trails and highway clean-up
- Held household goods drive to support non-profit Bridging Inc., a provider of free home items for people in need

## Holland, MI

- Organized a Relay for Life event involving a dunk tank and lunch that raised more than \$1,000 for the American Cancer Society
- Held multiple fundraisers such as daffodil sales and breakfasts that generated more than \$4,100 for various charities
- Donated time to work on a Habitat for Humanity home, rake lawns for the elderly and maintain a local park trail

## Antwerp, Belgium

- Antwerp's employee association, Tango (Tennant Antwerp Go For It), organizes four fundraising events each year. In 2009, Tango adopted "Mothers for Mothers," an organization that helps mothers in financial difficulty. By collecting household donations from employees, Tango donated two carloads of toys, clothing and baby items to "Mothers for Mothers" to be given to families in need.

## Supporting Green Cleaning in Schools

Tennant seeks to align our contributions to our business. An example is our sponsorship of the Healthy Schools Campaign (HSC). This independent not-for-profit organization is a leading authority on healthy school environments and a policy advocate. HSC promotes green cleaning in schools, to ensure that school air and the indoor environment are healthy for all students, teachers and staff. HSC publishes *The Quick & Easy Guide to Green Cleaning in Schools*, advocating for state-level green cleaning policies and serves as a resource for schools going green.

## "One Can Make a Difference"

Tennant engages employees in sustainability and community volunteering efforts under the theme "One can make a difference." This has driven grassroots projects such as:

- Carpooling at Tennant's facilities in Minneapolis, Minnesota, and Holland, Michigan
- Increased recycling of beverage containers and mixed paper in office areas
- A significant reduction in paper and styrofoam cups
- A "turn out the lights" campaign
- An education expo to increase awareness of what employees can do at work and at home to support sustainability





# Economic/Financial Performance

In thousands, except shares and per share data

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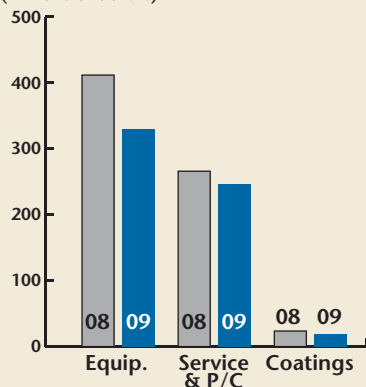
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FOR THE YEAR	Reported 2009	Reported 2008	Adjusted 2009	Adjusted 2008	Adjusted % change
Net sales	\$ 595,875	\$ 701,405	\$ 595,875	\$ 701,405	-15.0%
Profit (loss) from operations	\$ (22,493) (1)	\$ 18,569 (2)	\$ 19,542 (3)	\$ 39,816 (3)	-50.9%
% of net sales	-3.8%	2.6%	3.3%	5.7%	-
Net earnings (loss)	\$ (26,241) (1)	\$ 10,624 (2)	\$ 12,321 (3)	\$ 25,230 (3)	-51.2%
% of net sales	-4.4%	1.5%	2.1%	3.6%	-
Basic earnings (loss) per share	\$ (1.42) (1)	\$ 0.58 (2)	\$ 0.67 (3)	\$ 1.37 (3)	-51.1%
Diluted earnings (loss) per share	\$ (1.42) (1)	\$ 0.57 (2)	\$ 0.67 (3)	\$ 1.36 (3)	-50.7%
Dividends per common share	\$ 0.53	\$ 0.52	\$ 0.53	\$ 0.52	1.9%
Average shares outstanding – diluted	18,507,772	18,581,840	18,507,772	18,581,840	-0.4%
<b>AT YEAR-END</b>					
Total assets	\$ 377,726	\$ 456,604	\$ 377,726	\$ 456,604	-17.3%
Total debt	\$ 34,211	\$ 95,339	\$ 34,211	\$ 95,339	-64.1%
Shareholders' equity	\$ 184,279	\$ 209,904	\$ 184,279	\$ 209,904	-12.2%
Debt-to-capital ratio	15.7%	31.2%	15.7%	31.2%	-
Shareholders' equity per share (ending)	\$ 9.83	\$ 11.48	\$ 9.83	\$ 11.48	-14.4%



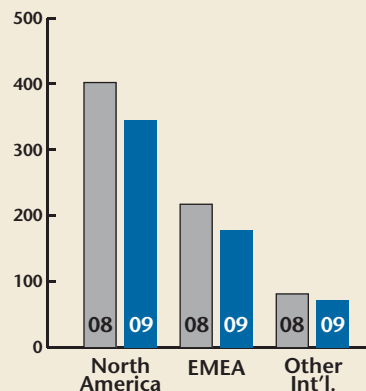
## SALES OF EQUIPMENT, SERVICE & PARTS/CONSUMABLES, AND SPECIALTY SURFACE COATINGS

(millions of dollars)

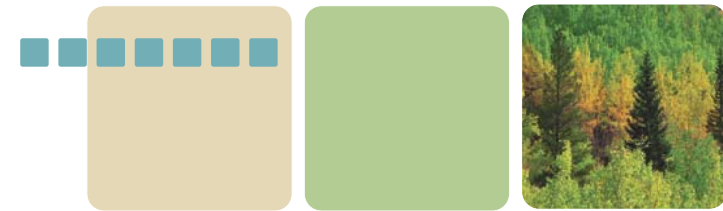


## SALES BY GEOGRAPHIC REGION

(millions of dollars)



- (1) 2009 includes a non-cash goodwill impairment charge of \$43,363 pretax (\$42,289 aftertax or \$2.29 per diluted share), a benefit from a revision in 2009 to the 2008 workforce reduction charge of \$1,328 pretax (\$1,249 aftertax or \$0.07 per diluted share), a net benefit from a United Kingdom business reorganization of \$1,864 aftertax (or \$0.10 per diluted share), and discrete net favorable tax items of \$614 aftertax (or \$0.03 per diluted share).
- (2) 2008 includes a restructuring charge and associated expenses of \$19,755 pretax (\$16,287 aftertax or \$0.88 per diluted share), special legal expenses of \$1,721 pretax (\$1,072 aftertax or \$0.06 per diluted share), a gain on sale of Centurion assets of \$229 pretax (\$142 aftertax or \$0.01 per diluted share), an unusual net foreign currency gain of \$1,709 aftertax (or \$0.09 per diluted share), curtailed acquisitions expenses of \$451 aftertax (or \$0.02 per diluted share), and discrete net favorable tax items of \$1,353 aftertax (or \$0.07 per diluted share).
- (3) 2009 and 2008 adjusted amounts exclude items (1) and (2) above, respectively.



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