Task Force on Climate-related Financial Disclosures (TCFD) Content Index

Statement of Use

Mercer International Inc.'s report of the Task Force on Climate-related Financial Disclosures (TCFD) incorporates the Task Force's recommendations on climate-related financial disclosures and is structured around four thematic pillars that represent core elements of how climate change is managed through Mercer's governance, strategy, risk management, and metrics and targets. The following content index provides a detailed summary of our responses to each recommended disclosure and references to where additional information can be found in our annual Sustainability Report and annual report on Form 10-K for the year ended December 31, 2025.

Mercer recognizes the inherent interconnectedness of climate change and nature change. For detailed disclosures of nature-related risks and opportunities as they relate to Mercer, refer to our Taskforce on Nature-related Financial Disclosures (TNFD) content index.

References and Legend

SR	2025 Sustainability Report
10K	2025 Annual Report on Form 10K
PC	2025 Schedule 14A Proxy Circular

Corporate Governance Guidelines

Recommended Disclosure	Location/ Commentary	Links to Additional Information
Governance		
a. Describe the Board's oversight of climate-related risks and opportunities	Mercer's Board of Directors, Executive Management, and supporting teams provide oversight and accountability of the policies and processes used to identify, assess and manage climate-related risks and opportunities. Mercer's Board is engaged in providing oversight, advice and assistance to our management in developing, implementing and monitoring environmental, social and governance policies, practices and strategies that help foster our sustainability goals in view of our strategic direction. This includes oversight over matters including major climate-related policy decisions, strategic and capital expenditure planning, risk management, compensation, key initiatives, targets, progress, and third-party verification. Mercer's Board delegates some of the oversight to the various Board committees, including the Environmental, Health and Safety Committee, the Audit Committee and the Governance and Nominating Committee. • The Environmental, Health and Safety Committee is tasked with the responsibility of overseeing the effectiveness of our sustainability practices, annually reviewing our environmental priorities and ensuring that we grow in a manner consistent with our long-term sustainability objectives and strategic plan. The committee oversees our approaches to managing climate-related risks. This includes monitoring relevant social, political, environmental, public policy, legislative and regulatory trends, and developing governance principles and strategic guidelines and initiatives in response to such trends. • The Audit Committee is primarily tasked with reviewing the financial aspects of our sustainability initiatives. • Our Governance and Nominating Committee is tasked with overseeing our governance practices and policies. • Our Human Resources Committee is responsible for overseeing the development and implementation of human capital development plans and succession planning practices to foster sufficient management depth to support our continued growth and the talent needed to execute long-term strategies. Mercer's Board Committees meet on a quarterly basis and are updated by management on sustainability- and climate-related topics and performance. Our Board remains committed to overseeing climate-related risks and opportunities and the effective management of evolving risks and requirements.	Corporate Governance Guidelines (page 3, 4, 16-18,26-27) 10K: Climate Change (page 24-26) PC: Corporate Governance and Board Matters (page 12, 23-29); Short-Term Incentive Plan (page 52) SR: Board Oversight (page 81-82)
b. Describe management's role in assessing and managing climate-related risks and opportunities	Mercer has several levels of management that are responsible for assessing, managing and communicating climate-related risks and opportunities. Mercer's management, and supporting teams, work closely with subject matter experts to develop and implement Mercer's sustainability strategy as well as provide regular updates to Executive Management and the Board's Environmental, Health & Safety Committee on a quarterly basis. The highest level of oversight and accountability for Mercer's sustainability performance is held by our CEO and President. Our Chief Sustainability Officer oversees the development and execution of the sustainability strategy across the business. Additionally, our CFO oversees our climate-related risks as part of our enterprise risk management processes. Management is responsible for managing sustainability-related risk through robust internal processes and effective internal controls. The Chief Sustainability Officer works closely with Mercer's Environmental Managers, Environmental Coordinators and analysts, and internal subject matter experts to monitor and disclose on climate-related matters including Mercer's climate strategy, targets, progress and provide updates to Executive Management, the Board of Directors and relevant Committees on a quarterly basis. Management is also responsible for supporting and reviewing climate-related risks and opportunities quarterly as part of Mercer's Enterprise Risk Management processes which are overseen by our Audit Committee and Environmental, Health, and Safety Committee.	Corporate Governance Guidelines (page 3, 4, 16-18,26-27) 10K: Climate Change (page 24-26) SR: Board Oversight (page 81-82)

Recommended Disclosure	Location/ Commentary	Links to Additional Information
Strategy		
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long-term.	Mercer recognizes that climate change presents significant threats to our global society and economy. As a forest products company, we understand that healthy and productive forests are essential in tackling climate change by continually sequestering atmospheric carbon dioxide through photosynthesis and preventing nature loss by supporting ecosystem services and benefits. The role of forests in meeting the growing need for nature-based climate change solutions translates to unique opportunities for forest products as we increasingly move toward a low-carbon economy. **Climate Scenario Analysis** Mercer conducted our third climate scenario analysis in 2024 to identify and assess climate-related risks and opportunities. In partnership with a third-party consultancy, surveys and workshops were conducted with Executive Management to evaluate the likelihood and magnitude ('impact') of identified risks and opportunities. In 2025, Mercer reviewed our assessment for continued relevance. The following definitions apply to our assessment: • Time horizon: Short (1 year), medium (1-5 years), and long-term (5+ years) in alignment with our capital allocation planning processes. • Impact: evaluated based on a 5-point scale outlining thresholds aligned with our Enterprise Risk Management process for financial losses/gains and impact to share price. • Likelihood: evaluated based on a 5-point scale aligned with our Enterprise Risk Management process from 'not expected to happen' to 'the impact is almost certain to occur or is already occurring'. Mercer explored three ranges of possible future scenarios based on a 2050 horizon year with guidance from the Intergovernmental Panel on Climate Change (IPCC) and the Network for Greening the Financial System (NGFS): • Current Policies: Only currently implemented policies are preserved leading to high physical risks. This scenario is characterized by absent ambitious government or business action, slow technology change, low use of carbon dioxide removals, and low regional policy variations. The result is emissions on track to reach 2.8° degree warming by 2100 (Representative Concentration Pathways, RCP, 4.5). • Net Zero 2050: The transition to a net-zero economy required drastic and coordinated global action beginning in the 2020s. This scenario is characterized by immediate policy action, rapid technology change, medium-high carbon dioxide removals, and medium regional policy variations. The cost of action is initially high but warming peaks at 1.6 degrees in 2060 and declines to 1.4 degrees by 2100 (RCP 1.9). • Delayed Transition: After a decade of inaction, a set of uncoordinated and stringent policies are adopted in 2030s to rapidly halt greenhouse gas emissions. This scenario is characterized by delayed policy action and technology change, low-medium carbon dioxide removals, and high regional policy variations. High social and economic costs result in warming peaking at 1.8 degrees, but ultimately declines to 1.6 degrees by 2100 (RCP 2.6). **Results** The outcome of our climate scenario analysis highlighted potential impacts to forest growth and water availability due to climate change related disturbances such as changes in precipitation, droughts, and floods. Overall, our most significant climate-related risk is due to potential wood supply shortages and price volatility due to both physical (e.g. wildfire, pests) and transition risks (e.g. land-use regulations). The global transition presents strategic opportunities as the market shifts toward wood-based renewable materials, which offer alternatives to carbon-intensive, fossil-based products. Descriptions of key risks and opportunities are as follows: **Physical Climate Risks** **Acute:** • **Extreme Weather:** Changing weather patterns and climate conditions have added to the frequency and unpredictability of natural disasters like wildfires, hurricanes, and severe storms (wind, rain, hail, snow, ice) which can cause unplanned mill downtime, transport disruptions, and damage to facilities. **Chronic:** • **Forest Health and Fiber Supply:** Climate change may result in a greater susceptibility of northern forests to disease, fire and insect infestation, which could negatively impact fiber availability. • **Water Scarcity:** Potential loss of freshwater transportation for logs and pulp due to lower water levels, and decreases in the quantity and quality of process water required for mill operations.	SR: Climate Scenario Analysis (page 32) 10K: Climate Change (page 24-26)

Recommended Disclosure	Location/ Commentary	Links to Additional Information
Strategy		
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long-term. (cont'd)	**Transition Risks (Policy & Legal)** • **Compliance Costs:** Evolving climate regulations, such as carbon pricing or shifting air/water emission standards, may increase compliance costs and capital expenditure requirements. • **Wood Supply Scarcity:** In response to global climate change risks, governmental legislation may affect the availability and prices of fiber. As governments pursue green energy initiatives, there is increased demand for wood residuals from renewable energy producers which may adversely affect traditional users, such as lumber and pulp producers. Land-use regulation changes may also limit harvesting levels consequently negatively impacting fiber availability. **Transition opportunities (Products & Markets)** • **Sustainable Building Materials:** Increased demand for mass timber as customers seek building solutions from renewable materials to replace more emissions intensive alternatives such as steel and concrete. • **Renewable Energy:** Our mills generate and sell surplus energy from renewable sources. Increased focus on climate change may increase legislative requirements and general market demand for renewable energy which presents a significant opportunity to enhance our biomass-based energy sales. • **Bio-product Innovation:** We seek to develop new bio-products based on our expertise in working with derivatives of the kraft pulping process, such as black liquor and lignin, that can substitute for traditional fossil-fuel based alternatives. • **Biogenic Carbon Capture and Storage (BECCs):** preliminary evaluation and development of a potential carbon capture project at our Peace River mill with the aim of opening new revenue streams while contributing to global decarbonization.	SR: Climate Transition Plan (page 29); Climate Scenario Analysis (page 31) 10K: Climate Change (page 23-25)

b. Describe the impacts of climate-related risks and opportunities on the organization's business, strategy and financial planning
 	
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario
	Our resilience analysis indicates that transition risks, such as carbon pricing volatility and evolving regulatory frameworks, play a more significant role in low- and medium-emissions pathways (Net Zero and Delayed Transition). In a high-emissions pathway (Current Policies), physical impacts such as wildfires and water scarcity present the primary challenges to operational continuity and wood supply.
	
	The analysis indicates that while our current business model faces risks under various climate pathways, our strategic shift toward a circular biorefinery model provides the necessary capacity to adapt. Key strategic interventions are as follows:
	
	• **Short-Term - Operational flexibility:** Mercer mitigates localized climate impacts by sourcing fiber from several geographic regions and actively exploring alternative wood sources. To safeguard against physical disruptions to infrastructure, Mercer maintains multiple logistics channels, ensuring the continuity of the supply chain. Additionally, the ability to pivot fiber types and maximize resource utilization, specifically through the integration of sawmill residual waste into pulp production, allows Mercer to navigate temporary supply constraints and market volatility effectively now and in the future.
	• **Medium-Term - Biorefinery model:** In response to transition risks, Mercer is focused on our strategic evolution toward a circular biorefinery model which includes further diversifying our revenue streams into mass timber, bioenergy, and value-added biochemicals. This shift reduces dependency on cyclical commodity markets and aligns our output with the growing global demand for sustainable, fossil-free alternatives, thereby stabilizing long-term margins.
	• **Long-Term - Technological advancements and ecosystem resilience:**
	  ◦ Technological advancements: We have identified key potential upgrades to our existing mill assets, such as fuel switching initiatives at our lime kilns and the exploration of Biogenic Carbon Capture and Storage (BECCs), that support our climate transition. We regularly re-evaluate the feasibility and financing of our major climate-related initiatives to ensure that resources are deployed in an appropriate and optimized manner to support our long-term resilience.
	  ◦ Ecosystem resilience: Our resilience is anchored in adaptive forest management that accounts for the long-term horizon of forest growth cycles. As decisions made today dictate fiber availability decades from now, we proactively adapt and diversify our species mix globally to ensure supply continuity under projected climate conditions. In Alberta, we utilize Ecosystem-Based Management to support the long-term health of the forest, stabilizing our primary resource against climate volatility. Our forest management plans enhance biodiversity and mitigate physical risks by mimicking natural disturbances, such as fire patterns, to maintain structural and patch diversity. Complementary strategies, including managing age-class diversity, removing vulnerable trees, and promoting future-adapted species, strengthen the forest's ability to withstand pests, drought, and fire.
		SR: Climate Transition Plan (page 28)
		
		10K: Climate Change (page 23-25)

Recommended Disclosure	Location/ Commentary	Links to Additional Information
Strategy		
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario (cont'd)	We acknowledge that the global shift toward a low-carbon economy is dynamic, and evolving trends may alter the underlying assumptions of our roadmap and resiliency analysis. As there is uncertainty about the severity, extent and speed at which climate change is occurring, we are unable to identify and predict all of the consequences of climate change and the timing of the same on our business and operations. We remain committed to our Climate Transition Plan while recognizing that macroeconomic factors, including regulatory, technological, and market developments, may affect the timing of our decarbonization and adaptation efforts. To manage these uncertainties, we have enhanced our integration of sustainability considerations in our enterprise risk management and capital expenditure planning process. We also continually engage in policy advocacy for stable and predictable regulatory environments that support long-term investment decisions.	SR: Climate Transition Plan (page 29) 10K: Climate Change (page 23-25)
Risk Management		
a. Describe the organization's processes for identifying and assessing climate-related risks	Our Board, acting directly or through committees, is responsible for assessing risk factors relating to our performance, and overseeing and reviewing risk management, including reviewing measures to address and mitigate such risks. The Board regularly meets to review and assess risks that we face, changes to our risk profile, and our mitigation and risk management strategies. • The Board oversees risk management. • Board committees, which meet regularly and report back to the full Board, play significant roles in carrying out the risk oversight function. The EHS Committee oversees our sustainability related risks. In connection with such oversight, the EHS committee regularly visits and tours our mills and meets with mill-level managers, superintendents and other employees. • Management is charged with managing risk, through robust internal processes and effective internal controls. The Board has implemented a risk governance framework designed to: • Understand critical risks in our business and strategy; • Allocate responsibilities for risk oversight among the full Board and its committees; • Evaluate our risk management processes and whether they are functioning adequately; • Facilitate open communication between management and directors; • Oversee our initiatives and communication relative to our sustainability initiatives relating to ESG matters; and • Foster an appropriate culture of integrity and risk awareness.	Corporate Governance Guidelines (page 4, 16-17, 26-27) 10K: Climate Change (page 24-26) PC: Corporate Governance and Board Matters (page 23-25) SR: Climate Scenario Analysis (page 32)
b. Describe the organization's processes for managing climate-related risks **c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management**	While the Board oversees risk management, our management is charged with managing risk and developing mitigation measures. These include an enterprise risk management (ERM) program under the leadership of the Chief Financial Officer. As part of the ERM program, management supports the identification, analysis, and ongoing monitoring of impacts, risks and opportunities that could influence the company's activities and strategy which are tracked in Mercer's Enterprise Risk Register. Climate-related risks and opportunities are also built directly into our Enterprise Risk Management process, giving leadership a clear, company-wide view of how climate issues may affect our operations, strategy, and long-term resilience. Our risk framework includes the following key components: • **Identify:** Management leaders identify risks relating to Strategic, Financial, Environmental, Social, and Governance categories. As a forestry company, Mercer's strategic and financial risks are often tied closely to nature and climate related risks. Risks are identified through several channels, including by considering changes to regulations, external benchmarks, ongoing stakeholder engagement processes, climate scenario analyses, and operational/market forecasting. • **Assess:** Risks are evaluated based on the likelihood of occurrence and magnitude of financial impact to the company. The time horizon of when the impact may occur and the speed of onset are also considered. Mitigation measures are developed tailored to each risk with assigned management responsibility. • **Monitor:** The Enterprise Risk Register is reviewed at least quarterly to ensure ongoing relevance based on up-to-date information. Other key aspects of our governance as it relates to risk include regular internal management disclosure committee meetings, our Code of Business Conduct and Ethics and other policies, and the development of strong internal controls. We also have a robust internal audit function which is designed to provide ongoing assessments of our risk management processes and systems of internal control. The Board and the Audit Committee monitor and oversee the evaluation of the effectiveness of the internal controls and the risk management program. Management communicates routinely with the Board on the significant risks identified and how they are being managed.	Corporate Governance Guidelines (page 4, 16-17, 26-27) 10K: Climate Change (page 24-26) PC: Corporate Governance and Board Matters (page 23-25) SR: Climate Scenario Analysis (page 32)

Recommended Disclosure	Location/ Commentary	Links to Additional Information
Metrics and Targets		
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risks management processes	Mercer uses several key metrics and key performance indicators to assess progress against our sustainability strategy and performance. As part of Mercer's sustainability framework and strategy to assess climate-related risks and opportunities, we measure and disclose performance metrics related to GHG emissions, air quality, effluent emissions and wastewater, water use, energy use, certified fiber, and waste across our operations. Refer to Mercer's Sustainability Report - Performance Data Tables for an overview of sustainability metrics reported. Progress towards our emissions reduction performance is linked to financial incentives and pay for eligible executives and employees through the short-term incentive plan (STIP). The STIP is structured around financial and business results. Business results incorporate considerations for sustainability performance including health and safety and GHG emissions.	SR: Climate Action (page 28, 31); Performance Data Tables (page 89-94); Key Methodologies (page 95-98); Report from Independent Accountants (page 99-100) PC: Short-Term Incentive Plan (page 52)
b. Disclose Scope 1, Scope 2 and Scope 3 greenhouse gas emissions, and the related risks	Scope 1, 2 and 3 GHG emissions are measured on an annual basis in line with the Greenhouse Gas Protocol ('GHG Protocol'). Mercer uses the operational control consolidation approach. Our scope includes all Mercer production sites across the pulp mill, sawmill, and mass timber business segments. Our scope 1, 2 and 3 GHG emissions have been independently verified by third-party accountants for limited assurance. Please see the Report from Independent Accountants in our Sustainability Report. In 2025, Mercer's total scope 1, 2 and 3 GHG emissions inventory measured as follows: Scope 1 GHG emissions: 406,367 tCO2e Scope 2 GHG emissions (location-based): 43,803 tCO2e Scope 2 GHG emissions (market-based): 99,432 tCO2e Scope 3 GHG emissions: 2,173,047 tCO2e **Total GHG emissions (location-based): 2,623,217 tCO2e** **Total GHG emissions (market-based): 2,678,846 tCO2e**	SR: Climate Action (page 28, 31); Performance Data Tables (page 89-94); Key Methodologies (page 95-98); Report from Independent Accountants (page 99-100)
c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Recognizing the significant shifts in our business since 2021, Mercer updated our 2030 strategic sustainability goals in 2024. Acquisitions, regulatory changes, and heightened stakeholder expectations have informed our revised targets, ensuring they are both focused and realistic. Mercer strengthened our sustainability commitments Key climate-related changes to Mercer's 2030 sustainability goals include: • 50% reduction in pulp mill scope 1 greenhouse gas ('GHG') emissions intensity by 2030 from a 2019 baseline. • 35% reduction in absolute scope 2 (location-based) and 3 GHG emissions by 2030 from a 2024 baseline. • 200% growth in stored carbon in mass timber products by 2030 from a 2024 baseline. • 90% energy from renewable sources by 2030. • 5% improvement in pulp mill energy intensity by 2030 from a 2024 baseline. Additional environmental targets that support Mercer's effective management of climate-related risks and opportunities include: • 30% reduction in pulp mill waste to landfill intensity by 2030 from a 2019 baseline. • 10% reduction in pulp mill water withdrawal intensity by 2030 from a 2019 baseline. • 75% of wood fiber being from certified sources by 2030, with 100% from responsible sources. • 5% improvement in chemical and fiber utilization rate by 2030 from a 2024 baseline. Our Climate Transition Plan guides Mercer in achieving a decarbonization pathway to achieving our climate reduction targets. Our targets address Mercer's direct and indirect carbon footprint, and supports our commitments to working with our value chain to contribute to a net zero future. Progress towards our targets is evaluated on a quarterly and annual basis and is communicated to Executive Management and the Board of Directors. Refer to Mercer's Sustainability Report - Performance Data Tables for progress reported for each target.	SR: Our Sustainability Approach (page 18-19); Performance Data Tables (page 89-94); Key Methodologies (page 95-98); Report from Independent Accountants (page 99-100)

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