



2025 Sustainability Highlights Report

Resilience in Action

| ESG Ratings and Recognitions

Driven by our commitment to transparent ESG data disclosure and reporting, we focus our efforts on aligning with key external rating providers, assessments, and questionnaires that benchmark our performance.



View recognition page
using the QR code

| Partnerships and Memberships

At Mercer, engaging with industry associations is an important part of how we advance responsible and sustainable business practices. By participating in national and international networks, we work alongside organizations that share our commitment to environmental stewardship, sustainable forest management, and long-term value creation. **Scan the QR code for our full list of partnerships and memberships.**



| Contact Information

For any questions or further information regarding our sustainability initiatives, please contact us at sustainability@mercerint.com.

Sustainable Forestry Initiative® (SFI) marks are registered marks owned by the Sustainable Forestry Initiative Inc. To learn more, visit forests.org.

Mercer International's SFI® Label ID is SFI-01431. SFI Certificates: Mercer Peace River SCS-SFI-FM-005918; SCS-SFI-FS-005918. Mercer Mass Timber SFI-COC: SCS-SFI-COC-005918.

Mercer North America's Programme for the Endorsement of Forest Certification (PEFC) Trademarks Usage License is PEFC/26-31-139 and PEFC/04-31-0411 for Mercer Germany.

Mercer North America's Forest Stewardship Council® (FSC®) license code is FSC-CO16399 and FSC-CO19862 for Mercer Germany. To learn more, visit fsc.org.

Messages from Leadership

“

Our values are our north star guiding every decision we make, especially when conditions are tough.

We believe deeply that sustainability is good business. When our mills operate more efficiently, it is easier to reduce emissions, improve resource utilization, and strengthen our long-term financial position. Sustainability is not a cost center; it is a driver of enduring competitiveness and financial health.”

JUAN CARLOS BUENO

President and Chief Executive Officer



“

In a year defined by significant market headwinds for the forest products industry, we have proven that operational excellence and environmental action are fundamentally linked.

Even in times of uncertainty, our purpose is clear: to transform renewable forest resources into low-carbon, high-value products that support a more sustainable world and provide real, scalable solutions rooted in science, innovation, and responsible forest management.”

BILL ADAMS

*Chief Sustainability Officer and
Senior Vice President, Canadian Pulp Operations*





About Mercer

Mercer International is a global forest products company committed to shaping a more sustainable, low-carbon future. Across our operations in Canada, Germany, and the United States, we transform sustainably sourced wood into products that make a meaningful difference: high-quality pulp, mass timber, lumber, and renewable bioenergy that power a thriving circular, bio-based economy.

Vision and Values

Our Vision:

Transforming biomass into bioproducts for a more sustainable world.

Our Values:

Our values are the foundation of our identity, shaping ethical decisions and strategic direction.



Be Safe & Healthy.



Be Sustainable.



Be Respectful.



Be Bold.



2025 Sustainability Highlights

We recognize that our sustainability progress is a shared achievement. We are thankful for our stakeholders who have joined us on our path and empowered our mission. Here are some of the key highlights from the past year that we are proud to have achieved together:

| Sustainable Construction

40+ mass timber projects delivered, advancing sustainable construction across North America.

| Carbon Innovation

Launched a pilot project at our Mercer Peace River mill

to evaluate Biogenic Carbon Capture and Storage (BECCs) technology potential and performance.

| Emissions Reduction

Achieved an 11% reduction in Scope 1 GHG emissions company-wide.

| Environmental Transparency

Achieved 'B' scores across CDP's Forests, Climate Change, and Water Security questionnaires.

| Logistics Transformation

Advanced our e-mobility strategy by commissioning two electric chip trucks and an electric forklift in Germany.

| Global Collaboration

Joined the International Sustainable Forestry Coalition (ISFC),

partnering with global industry leaders to advance the role of working forests in the circular bioeconomy.

| Renewable Energy Leaders

85% of the energy used across our global operations is generated from renewable sources.

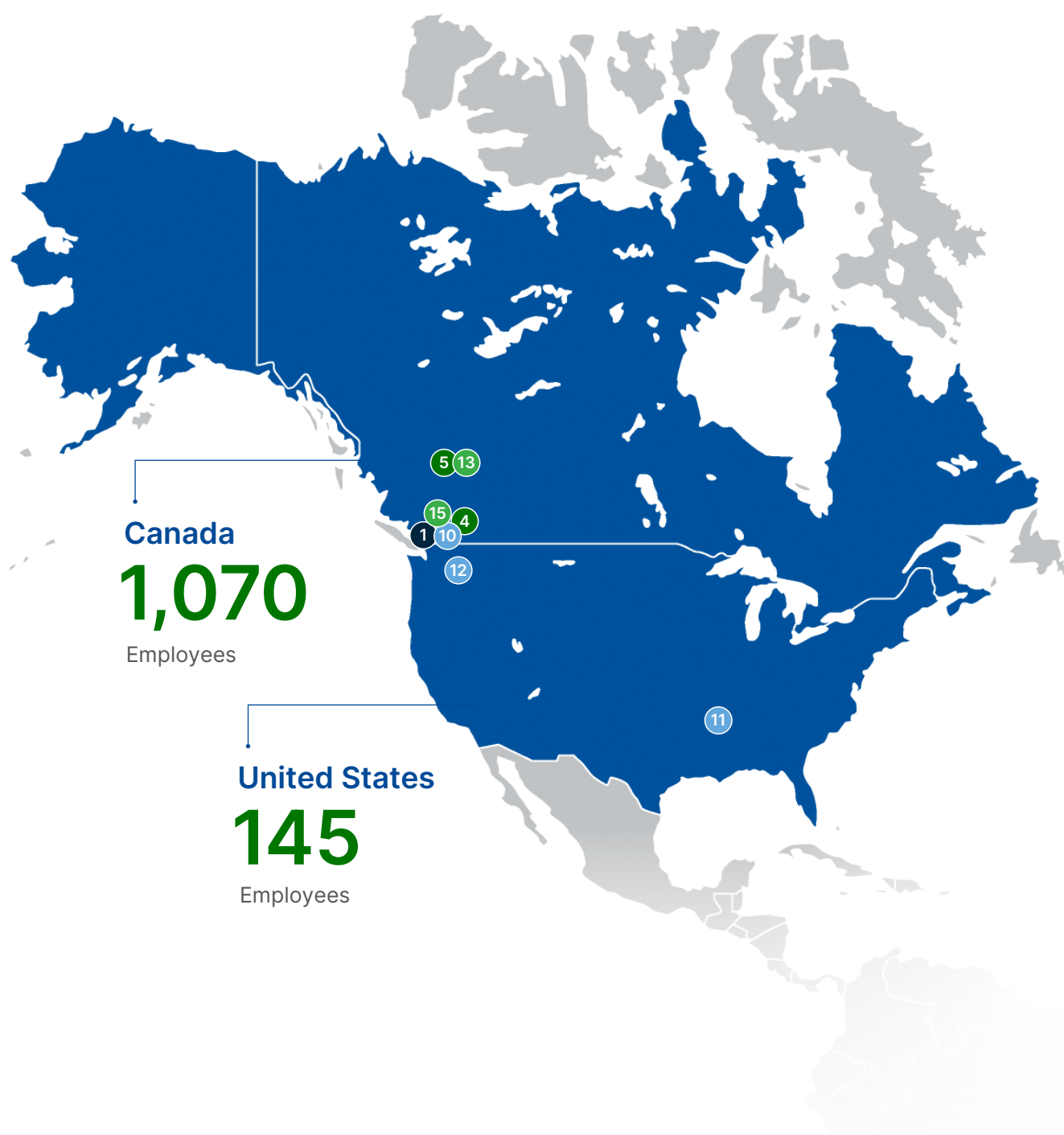
| Top Employer Recognition

Recognized as one of the Top Employers in Alberta for two years in a row at our Mercer Peace River mill.

| Transparent Supply Chains

100% of manufacturing sites maintained third-party chain of custody certification.

Our Global Operations



Corporate Offices

- 1 Mercer International
Vancouver, British Columbia
- 2 Mercer Europe
Berlin
- 3 Mercer Pulp Sales
Berlin

Pulp Mills

- 4 Mercer Celgar
Castlegar, British Columbia
- 5 Mercer Peace River
Peace River, Alberta
- 6 Mercer Rosenthal
Rosenthal am Rennsteig, Thuringia
- 7 Mercer Stendal
Arneburg, Saxony Anhalt

Sawmills

- 8 Mercer Timber Products
(Friesau mill)
Saalburg-Ebersdorf, Thuringia
- 9 Mercer Torgau
Torgau, Saxony

9

Production Sites

3,545

Global Employees¹

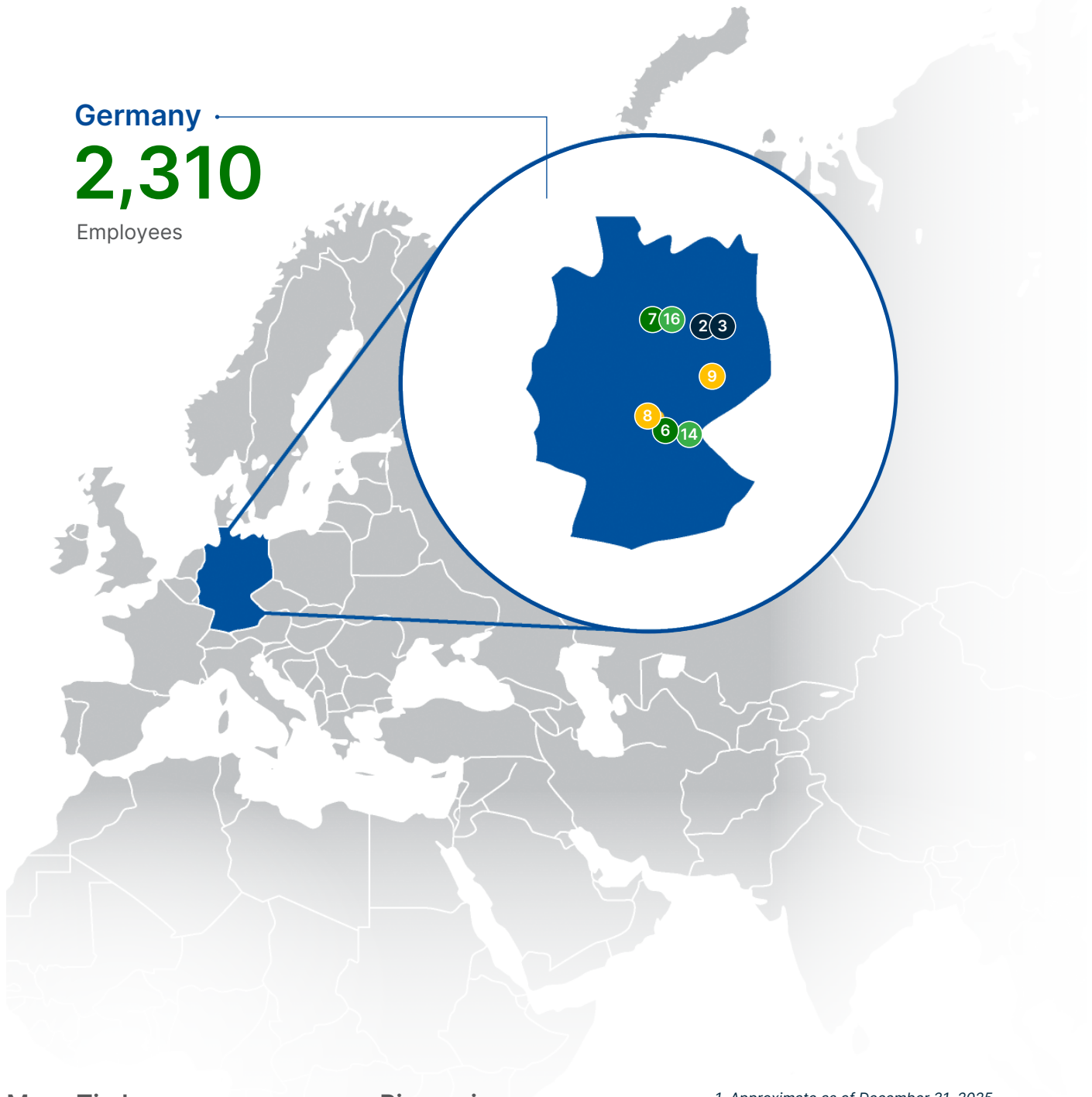
\$1,868.1

2025 Revenue (U.S. \$M)

Germany

2,310

Employees



Mass Timber

- 10 Mercer Okanagan
OK Falls, British Columbia
- 11 Mercer Conway
Conway, Arkansas
- 12 Mercer Spokane
Spokane Valley, Washington

Bioservices

- 13 Peace River Transport
Peace River Logging
Peace River, Alberta
- 14 Mercer Holz
Rosenthal am Rennsteig, Thuringia
- 15 Mercer Forestry Services
Lumby, British Columbia
- 16 Mercer Logistik
Arneburg, Saxony Anhalt

¹ Approximate as of December 31, 2025

Our North American Operations

Our North American operations bridge the vast boreal forests of Canada with our market-leading Mass Timber expansion in the United States. Through sustainable forest management, high-quality pulp manufacturing, and sustainable building solutions, we are actively supporting a low-carbon future.



100%

of Canadian pulp mills are ISO 14001 and ISO 9001 certified.

100%

of Mercer-managed forests in Peace River, Alberta are certified to the SFI® Forest Management Standard.

100%

of North American manufacturing sites have third-party chain of custody certification, with 62% of fiber coming from certified sources.

Strategic partnerships

with Indigenous communities in Western Canada support local economic development and growth.

40+

mass timber projects delivered across North America, spanning residential, commercial and cultural buildings.

81%

of energy comes from renewable sources.

~130k

MWh of energy supplied to local grids.

Annual Production Capacity:

~995,000

Air Dried Metric Tonnes (ADMTs) of pulp production.

~255,000

m³ of Mass Timber (CLT and glulam).

~165

MW of electrical energy generation.

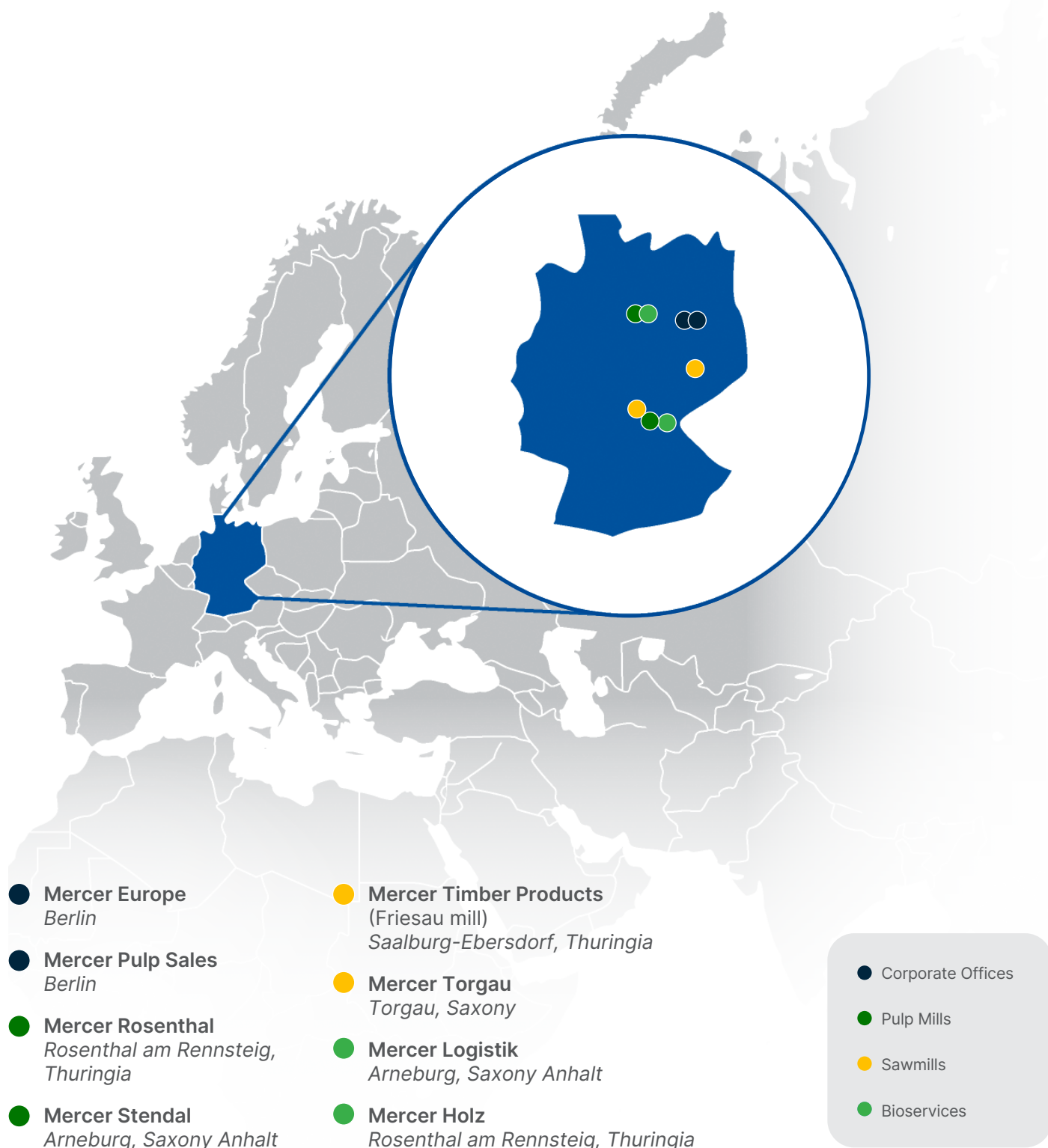


Scan the QR Code

to contact our sales team.

Our German Operations

In Germany, our operations are characterized by a synergistic ecosystem of pulp, solid wood, and other bioproducts. Our mills feature new technologies that help us maximize the cascading use of wood and advance the circular bioeconomy. Through research and development in innovative bioproducts like lignin and black liquor that can displace fossil fuel-based materials, our German operations are contributing to sustainable pathways across a wide variety of sectors.



100%

of German pulp mills are ISO 14001, 50001, 9001 and 38200 certified.

100%

of German manufacturing sites have third-party chain of custody certification, with 68% of fiber coming from certified sources.

>40%

of waste diverted away from landfill toward beneficial re-use applications at Mercer Stendal.

94%

of energy comes from renewable sources.

~725k

MWh of energy supplied to local grids.

4,000+

visitors welcomed to Mercer Rosenthal's Open Day for guided mill tours and to explore career opportunities.

Annual Production Capacity:

~1.1 million

ADMTs of northern bleached softwood kraft pulp.

~1.0 billion

board feet of lumber.

~17 million

pallets.

~230k

tonnes of biofuels (pellets and briquettes).

~233

MW of electrical energy generation.



Scan the QR Code

to contact our sales team.

Products and Services

We are building a more sustainable future through innovative solutions from renewable biomass. Across our diversified portfolio, we aim to maximize the value of every fiber to deliver high-performance forest product solutions that meet the growing demand for sustainable alternatives.



Pulp

High-quality northern bleached softwood and hardwood kraft pulps sourced from sustainable forests, providing essential strength and brightness for premium paper, tissue, and specialty products.



Lumber

Premium-grade softwood lumber produced in modern sawmills, offering exceptional structural integrity and versatility for residential construction and industrial applications.



Mass Timber

Durable structural solutions, including Cross-Laminated Timber (CLT) and Glue-Laminated Timber (Glulam), designed to replace carbon-intensive materials like steel and concrete in large-scale, sustainable building projects.



Pallets

Customized and standard wooden pallets manufactured to ensure the safe, efficient, and durable transport of goods across global supply chains.



Biofuels

Briquettes and wood pellets derived from wood residuals, offering a low-carbon alternative to fossil fuels for industrial heating and power.



Bioenergy

Renewable electricity generated through the efficient conversion of biomass residuals, powering our operations and providing renewable energy to local power grids.



Biomaterials / Biochemicals

Innovative wood-derived extracts, such as lignin, tall oil, and turpentine, that can be used as sustainable building blocks for a wide range of applications from adhesives and fragrances to advanced performance materials.

- Mercer Celgar
- Mercer Peace River
- Mercer Rosenthal
- Mercer Stendal
- Mercer Timber Products
- Mercer Torgau
- Mercer Conway
- Mercer Okanagan
- Mercer Spokane

Product Stewardship

We work hard to manage the environmental and social impacts of our products throughout their entire lifecycle, from the sustainable harvest of wood to manufacturing, logistics, and end-of-life. Our strategy is built on the principle that high-performance products and a low-carbon economy are mutually dependent.

Sustainable Design and Circularity

We integrate sustainability into our product design, considering both the inputs and outputs of our processes, by prioritizing raw materials that are renewable, responsibly sourced, and inherently biodegradable.

Durable & Bio-based

- We produce long-lived, durable wood products that store carbon for decades, alongside pulp products that offer a renewable, biodegradable alternative to fossil-based materials.

Responsible Procurement

- Our commitment to sustainability begins with our suppliers and purchasing decisions.
- We prioritize lower-emissions chemicals where possible and leverage rigorous third-party certification standards in our wood fiber sourcing.

Measurable Impacts

- To help our partners make informed decisions, we provide transparent data through Life Cycle Assessments (LCA) and Environmental Product Declarations (EPDs) for our mass timber products.
- We are also expanding this transparency through product carbon footprints (PCFs) to provide our partners with valuable data that supports their own sustainability goals.

Continuous Improvement

- We systematically work to reduce the footprint of our manufacturing process. This includes ongoing investment in initiatives to lower energy and water intensity, minimize waste, and improve material recovery within our biorefineries.

Beneficial Re-use

- We are committed to collaborating with external stakeholders to finding opportunities to re-home process waste through circular applications such as land applications of wood ash and lime waste that improve local soil conditions.

Optimized Packaging

- We work to reduce waste through optimized packaging.
- For our pulp products, we re-use biodegradable pulp sheets, and for our mass timber products, we utilize reused lumber wrap received from incoming purchased lumber.

Building Resilience through Product Innovation

The forests we steward are an extraordinarily rich renewable resource, and we have a responsibility to use them wisely. We fulfill this by finding higher-value uses for every part of the tree—from scaling mass timber as a low-carbon construction solution and pioneering bio-based lignin applications at our Lignin Center, to tailoring advanced fiber products at our Stendal Research Center to help our customers meet their own sustainability goals.

Mass Timber

Mercer Mass Timber is transforming the construction landscape through renewable building materials that are driving the global transition to sustainable infrastructure. Our portfolio includes both all-timber structures and high-performance hybrid buildings that balance cost with embodied carbon benefits.



Lignin Innovation

We are proud to operate the Mercer Lignin Center located at Mercer Rosenthal to support lignin innovation as a transformative sustainable alternative for fossil-based materials. The Mercer Lignin Center is a pilot plant and the first facility of its kind in Germany, capable of extracting up to 1,000 kilograms of high-quality lignin each day.



Stendal Research Center

At Mercer Stendal, our fiber center has become an advanced laboratory dedicated exclusively to customer-focused product development. We work with customers to tailor pulp characteristics, optimize fiber blends, and run targeted technical campaigns that help customers reduce costs and improve product performance.

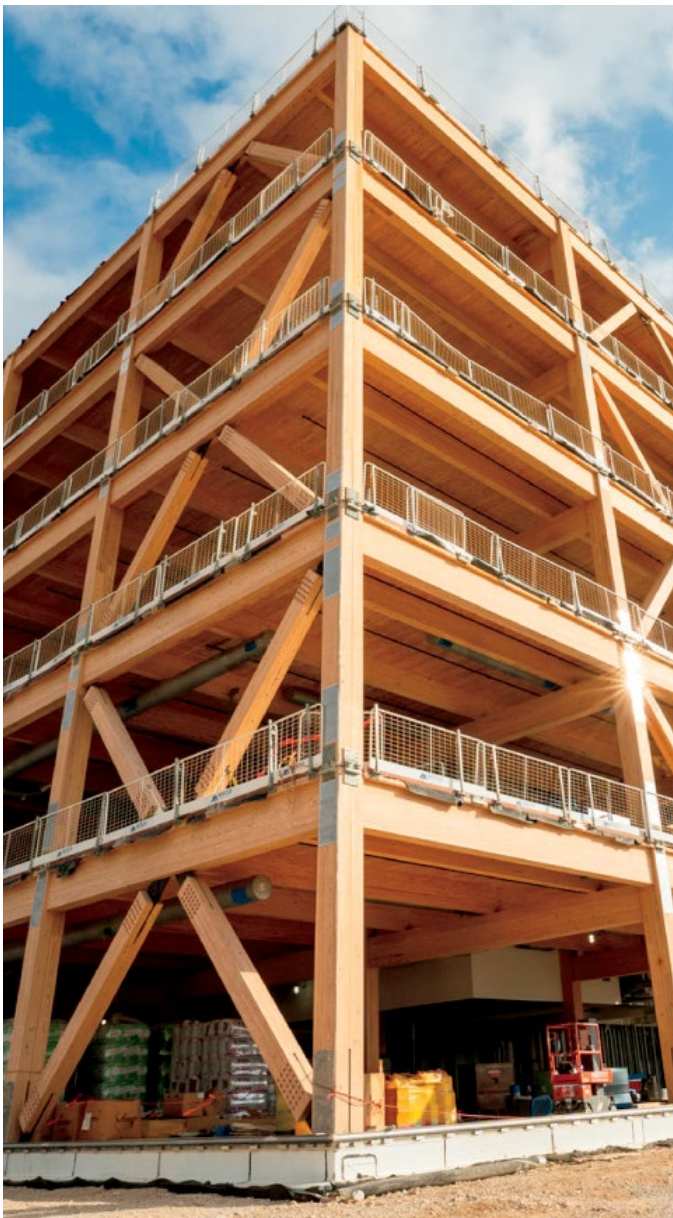


Customer Engagement

Our customers are at the heart of Mercer's success and the positive impact we are able to create across our value chain. With a global footprint and local expertise, we work hard to deliver consistent quality, innovative solutions, and reliable service to customers around the world.

As we make progress on our sustainability approach, we work with our customers to support their sustainability journey. Our growing portfolio of pulp, mass timber, and emerging forest bioproducts is designed to give customers renewable alternatives to fossil-based materials, helping customers to lower supply chain emissions, strengthen resilience, and respond to the growing demand for more sustainable products.

We believe that the most impactful climate solutions are built together, and we welcome the opportunity to collaborate closely with our customers and broader value chain to accelerate our shared decarbonization journeys.



Our Sustainability Approach

At Mercer, sustainability remains fully embedded within our business strategy, serving as a framework that connects environmental, social, and economic priorities to our operational and financial performance.

The long-term health of our business is inherently tied to the health of the planet and the resilience of the natural resources we steward. Our 2030 goals serve as a roadmap for managing these resources responsibly while reducing our environmental footprint. We recognize that providing sustainable solutions to the market requires us to lead by example; by prioritizing emissions reduction and circularity within our own operations, we remain focused on our own progress so that the products we make support a more sustainable, low-carbon future.







Healthy and Abundant Forests

We uphold sustainable forestry and biodiversity by prioritizing fiber sourcing that maintains resilient, regenerating carbon sinks. Our forest stewardship is driven by the *Triple S* framework:

Sequestration



Maximizing carbon sequestration in growing forests

Storage



Promoting long-term carbon storage in wood products

Substitution



Supporting the substitution of carbon-intensive materials with renewable biomaterials

By integrating these climate-positive practices across our entire value chain, from responsible forest management to energy recovery, we work to deliver the renewable materials essential for a low-carbon future.

Forest Management



| SUSTAINABILITY HIGHLIGHT

We are proud to collaborate with the DIVERSE Project, a national initiative focused on forest adaptation. This partnership allows us to identify resilient tree species and management techniques, and we are running trials to move and plant tree varieties that are naturally better at handling heat or drought to learn which types of trees may be better suited to the changing climate.

To learn more about the DIVERSE Project, visit <https://diverseproject.uqo.ca/>.



| SUSTAINABILITY HIGHLIGHT

Mercer Peace River (MPR) is a member of the Alberta Biodiversity Monitoring Institute (ABMI), which is an independent, non-profit scientific organization that tracks changes in Alberta's biodiversity, including wildlife, habitat, and human footprint, across the province. MPR is currently working with ABMI to assess the cumulative effects of natural and human-made disturbances on Mercer's managed forest landscape.

To learn more about the ABMI, visit <https://abmi.ca/abmi-home>.

Sustainable Forestry and Biodiversity

Responsible forest stewardship sits at the heart of our operations and is key to our long-term success. In Alberta, Canada, we directly manage 2.7 million hectares of forest tenures held under Forest Management Agreements.

Our Sustainable Forest Management Approach works to ensure that the forests we rely on continue to provide ecological and social benefits today and into the future:

- Our forests are carefully managed and certified, with 100% of our managed forests certified to the Sustainable Forestry Initiative® (SFI®) Forest Management Standard, and meeting all regulatory requirements set by government authorities.
- We employ ecosystem-based management in our managed forests to protect forest resilience by emulating natural disturbance patterns.
- We practice climate-smart forestry, using the latest science available to support forest resilience in the face of changing climate conditions.
- We proactively manage wildfire risks through robust fire mitigation initiatives.
- We manage our forests for a multitude of values, including biodiversity, habitat and species-at-risk, timber, water, soil, wildlife, fish and riparian, recreation, resource features, and cultural sites.
- We monitor biodiversity across four levels: landscape, stand, species, and genetic diversity. These indicators, ranging from age-class distribution to habitat connectivity, provide a detailed view of ecosystem health and allow us to safeguard sensitive sites and continuous wildlife corridors.
- Our foresters and contractors are trained on identifying and reporting locations and features of high biodiversity importance, ensuring these areas are buffered and removed from our harvestable landbase.

2030 GOAL

Increase the share of certified wood fiber to 75%, with 100% of fiber from responsible sources¹.

2025 PROGRESS

100% of the wood fiber we procure is from responsible sources¹. 66% of this fiber was certified to third-party forest certification schemes, a 5% improvement since 2019.

Responsible Fiber Sourcing

Forest certification is fundamental to our responsible sourcing strategy, providing a rigorous third-party framework to verify that the fiber entering our supply chain originates from responsibly managed forests.

- 100% of our fiber is sourced in accordance with third-party chain of custody standards under SFI®, PEFC or FSC®, ensuring that our fiber sourcing complies with best practice environmental and social criteria.
- In 2025, 66% of our fiber came from certified sources which we are actively working to increase through collaboration with our suppliers and supporting the forest certification process.

¹ Responsibly Sourced Fiber is defined as fiber that is: Certified forest fiber; or Controlled Wood: not from illegally harvested or traded wood; not from wood harvested in violation of traditional and human rights; not from wood harvested in forests where high conservation and ecological values are threatened by management activities; not from wood harvested in forests being converted to plantations or non-forest use; and not from wood from forests in which genetically modified trees are planted.





Sustainable and Responsible Operations

We are dedicated to operating with the highest standards of environmental responsibility, ensuring our business resilience evolves alongside a low-carbon economy. Our commitment is centered on achieving science-based emissions reductions and maximizing energy efficiency across our global footprint. By prioritizing renewable energy and fostering site-specific innovation, we strive to deliver sustainable products that contribute to a healthy, low-carbon future for society and the planet.

Climate Action

2030 GOAL

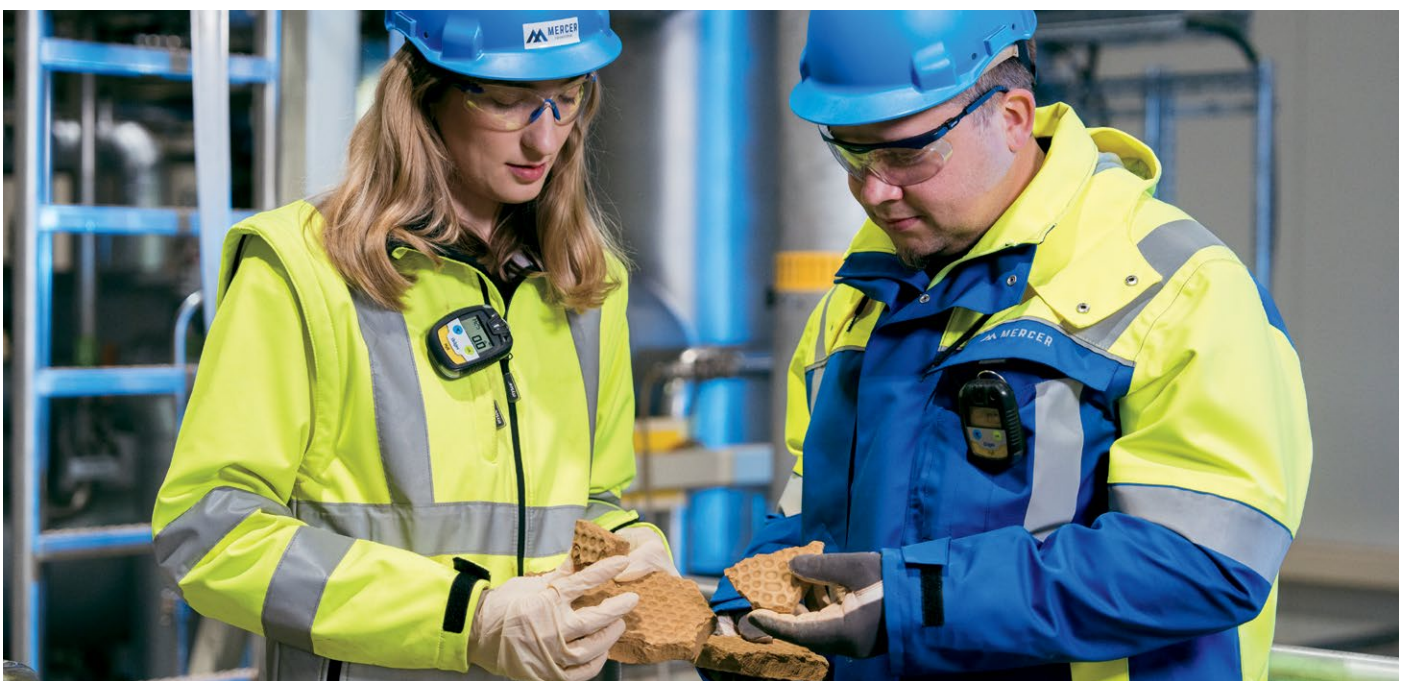
- Reduce scope 1 pulp mill emissions intensity by 50% from 2019.
- Reduce scope 2 (location-based) and scope 3 emissions by 35% from 2024.

2025 PROGRESS

- Scope 1: 4% reduction since base year.
- Scope 2: 3% reduction since base year.
- Scope 3: 4% reduction since base year.

Climate Transition Plan

To guide our transition to a low-carbon future, we have developed a comprehensive Climate Transition Plan that outlines our pathway to reducing greenhouse gas emissions, increasing renewable energy use and enhancing the carbon benefits of our products. Our plan aligns with international climate goals and reflects our broader ambition to strengthen business resilience while simultaneously making measurable progress toward a more sustainable future.



Climate Targets

Our overall climate strategy is centered on our emissions reduction targets validated by the Science-Based Targets initiative (SBTi). To align with a 1.5°C warming pathway, we have committed to achieving a 50% reduction in scope 1 GHG emission intensity per tonne of pulp from a 2019 base year by 2030. Complementing this target is our commitment to a 35% reduction in absolute scope 2 and scope 3 against a 2024 base year by 2030.



Progress to Date

Our decarbonization efforts gained significant momentum this year, resulting in a 13% reduction in scope 1 emissions intensity since 2024—bringing our total reduction to 4% against our 2019 baseline. While our largest scope 1 capital projects are still in the pipeline, this recent momentum demonstrates that our efficiency improvements are taking hold.

Across our value chain, we have also seen 3% and 4% reductions in scopes 2 and 3 against our 2024 baseline. While scope 3 remains a complex area for the industry, we are committed to deepening value chain engagement and partnerships to drive progress.

We also remain focused on the carbon-storing potential of our products. Despite a 10% decrease in mass timber stored carbon this year due to specific project timing, our growth forecasts and market demand remain strong as we work toward our 200% growth target.

To achieve our climate goals, we are investing in climate actions across our operations:

- Investing in process-efficiency upgrades, energy efficiency, and reliability improvements.
- Increasing the use of biogenic fuels in place of fossil fuels.
- Modernizing and electrifying our on-site logistics fleet.
- Increasing rail transportation for raw material procurement as well as for the delivery of final products to our customers.
- Collaborating with value chain partners to improve primary data transparency and drive collective action toward shared sustainability goals.



| SUSTAINABILITY HIGHLIGHT

At our Mercer Peace River pulp mill, we are exploring new frontiers for decarbonization in the pulp and paper industry by evaluating the mill's unique potential for carbon-removal innovation. The Peace River mill is a prime candidate for future Bioenergy with Carbon Capture and Storage (BECCS)—a process that could eventually create 'negative emissions' by capturing biogenic CO₂ and storing it permanently underground.

In 2025, we advanced this initiative called the Northern Spruce Project through a partnership with Svante Technologies Inc. to pilot test technology designed to capture up to 500,000 tonnes of biogenic CO₂ annually from the pulp mill's recovery boiler. This pilot project demonstrates how site-specific innovation can support a low-carbon future.



Energy Management

2030 GOAL

Source 90% of total energy from renewable sources.

2025 PROGRESS

85% from renewable sources.

We maximize energy efficiency across our global operations by prioritizing renewable, self-generated power. Our pulp and sawmills operate as net energy providers. By exporting significantly more renewable electricity than we consume, we stabilize local grids and accelerate the transition to a cleaner energy mix for our communities.

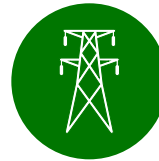
- Currently at 85%, we continue to work toward our goal of sourcing 90% of our total energy from renewable sources by 2030.
- Underpinning our approach are continuous investments in modernizing our facilities and empowering our people.
- All German pulp mills and sawmills are certified to ISO 50001, reflecting our commitment to continuous improvement in energy management.
- We are currently conducting engineering studies to transition our lime kilns—our largest source of carbon emissions—from natural gas to biomass. Regular training on energy conservation is provided to ensure our teams have the skills to drive our sustainability goals forward.
- Advanced LED lighting and optimized scheduling provides safer, high-quality working conditions while reducing our carbon footprint.



Black liquor, a byproduct of the pulping process, is burned in recovery boilers to generate heat.



This heat is used to produce steam, which drives turbines to generate electricity that is used internally and exported to the grid.



Byproducts like bark and sawdust are also burned in power boilers to generate steam and electricity.



The mills employ a combined heat and power system to increase efficiency and maximize energy output from these biomass sources.



Responsible Resource Use

2030 GOAL

Reduce process landfill waste intensity by 30% from a 2019 baseline.

2025 PROGRESS

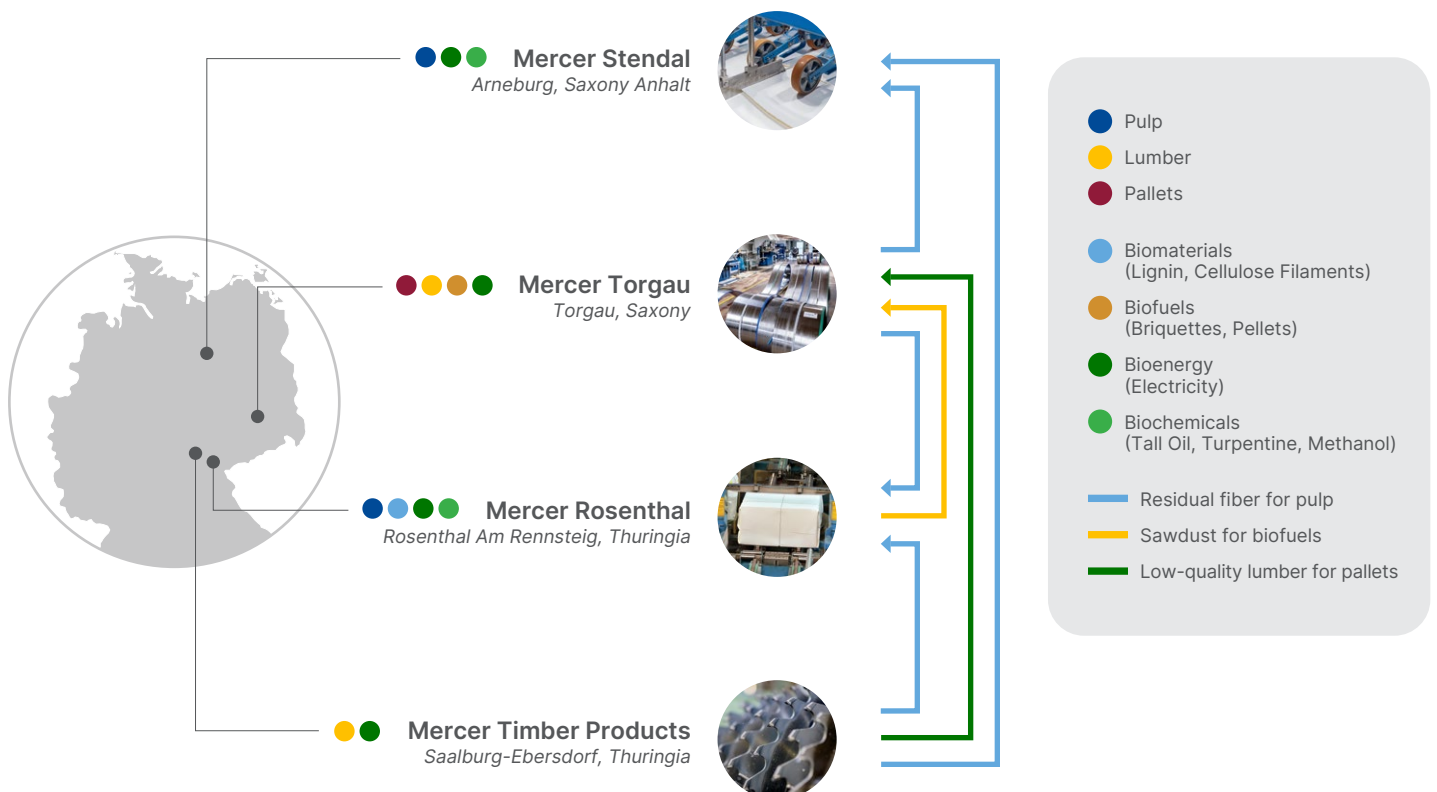
24% reduction since base year.

Circular Bioeconomy and Resource Efficiency

The Power of Cascading Use

Our mills function as an interconnected, integrated system, and byproducts created in one process often become valuable inputs for another.

- We strive to maximize the use of every harvested tree, while minimizing environmental impact through cascading use.
- By prioritizing the conversion of logs into long-lasting solid wood products, we promote carbon storage for decades.
- We utilize AI-enabled planning and advanced log grading to match fiber characteristics with global market demands, increasing lumber yield and reducing residuals.
- Fiber unsuitable for lumber is never wasted; wood chips are diverted to our pulp mills, while sawdust and shavings are transformed into industrial pallet blocks, heating pellets, or animal bedding.



Closing the Loop: Transforming Residuals into Resources

Beyond wood fiber, we treat process residuals as valuable inputs for energy, chemical recovery, and industrial applications, significantly reducing process waste.

- **Chemical Recovery:** Our pulping process utilizes the kraft cycle to create a nearly self-sustaining chemical loop. By recovering and regenerating cooking chemicals from black liquor, we maximize resource efficiency and maintain a highly sustainable, circular chemical process.
- **Renewable Bioenergy:** Byproducts like bark are used to generate heat, steam, and electricity. Our pulp mills and sawmills are net providers of energy, feeding surplus renewable power back into local grids.
- **Beneficial Reuse:** We continue to advance innovative ways to repurpose industrial byproducts, such as utilizing wood ash for soil stabilization in road construction and collaborating with local industry to repurpose lime waste, substituting the need for virgin minerals.



28%

of our total waste diverted
from landfill through beneficial
re-use applications in 2025.



2030 GOAL

Reduce pulp mill water withdrawal intensity by 10% compared to a 2019 baseline.

2025 PROGRESS

3% reduction since base year.

Water Stewardship

Water is essential to our operations, but it is just as critical to the ecosystems and communities that surround our facilities. We are committed to managing this shared resource responsibly by improving efficiency, reducing withdrawals, and maintaining high standards of water quality at every facility.

Our Approach to Responsible Water Management

We prioritize responsible water management by closely monitoring usage across our pulp mills, which represent our most water-intensive business segment.

- 100% of our pulp mills' Environmental Management Systems are ISO 14001 certified.
- Approximately 90% of all water withdrawn is treated and returned to its original source, supporting the long-term resilience of our local watersheds.
- 100% of our manufacturing sites have been assessed for water risks using internationally-recognized tools such as the WWF Water Risk Filter and the WRI Aqueduct Water Risk Atlas.

Key actions supporting water stewardship across Mercer's operations include:

- Implementing strategies to enhance water reuse and recycling.
- Investing in water-use efficiency projects and infrastructure upgrades.
- Prioritizing proactive equipment maintenance initiatives.

Safeguarding Our Shared Resources: Air and Water Quality

Our manufacturing processes involve the management of air emissions, such as sulfur dioxide (SO₂), nitrogen oxides (NO_x), and particulate matter, as well as treated water effluent. We address these impacts through a rigorous, technology-driven framework designed to protect the ecosystems where we operate.

Every Mercer facility operates under strict government permits that set clear performance thresholds for air and water quality.

Our management approach is built on three pillars:

- 1 Advanced Control Systems:** We invest in high-efficiency filtration, dust collection, and wastewater treatment technologies to minimize outputs at the source.
- 2 Continuous Monitoring:** We use real-time sensors and regular data validation to track key quality parameters, ensuring all effluent and emissions meet or exceed regulatory requirements before leaving our sites.
- 3 Operational Discipline:** Through proactive equipment maintenance and root-cause analysis, we continuously refine our processes to further reduce our environmental footprint.

By combining strict permit adherence with modern monitoring technology, we support the safeguarding of local air and water quality.



Thriving People and Communities

Mercer's success is built on the strength, safety, and well-being of our people and the communities where we operate. We are committed to fostering an inclusive, respectful workplace that values diversity, supports professional growth, and prioritizes health and safety at every level of our organization. Beyond our operations, we strive to make a positive impact through community engagement, education, and social investment, helping to create opportunities and improve quality of life for our stakeholders.

Healthy, Safe and Engaging Workplaces

2030 GOAL

Achieve a <1.7 Total Recordable Incidents Rate (TRIR).

2025 PROGRESS

2.63 TRIR, a 6% improvement since 2019.

We believe that everyone has a right to a safe and healthy work environment, and we work hard to nurture a safety culture where people look out for themselves and one another, creating safer teams and more stable operations.

Road to Zero

Our Road to Zero mission reflects our commitment that everyone goes home safe, every day. It sets our long-term direction toward a workplace free from injuries and reinforces the idea that safety is never optional.

We fully support every worker's right to know. That means making sure employees understand the risks involved in their work and how to manage them safely. People are not only empowered but expected to stop work immediately if conditions are unsafe.



Health and Safety Programs

While each site has safety committees and designated representatives, we know that strong safety performance starts with the people doing the work every day. Employees and supervisors work together to address safety concerns, supported by dedicated safety professionals at each location. This shared sense of accountability extends to everyone on site, including contractors. In 2025, our company-wide TRIR improved by 5% from 2024, reflecting our continued commitment to safety and strengthening safety protocols across our operations.



Here are some of the other ways we show up for safety:

- Each year, we bring senior leadership and employees together for Safety Days, which are dedicated moments to step back, reflect, and focus on what matters most: keeping everyone safe at work.
- Mercer Timber Products (MTP) in Friesau, Germany, was nominated for the German Occupational Safety and Health Award in 2025. The nomination for the German Occupational Safety Award is both an honor and a motivation to continue to intensify our safety efforts.
- Throughout 2025, we also expanded mental health and well-being programming across all mills. These initiatives were tailored to local needs and cultural expectations and included mental health awareness activities, opportunities for connection and community-building, and enhanced access to employee assistance resources.



2030 GOAL

Achieve an 80% participation rate in our employee engagement survey.

2025 PROGRESS

67% employee engagement survey participation.



Employee Engagement and Well-being

Our people are at the heart of Mercer's long-term success, resilience, and sustainability. Across our operations in Canada, Germany, and the United States, employees bring deep expertise, strong values, and a shared commitment to safety, integrity, and the communities where we live and work.

In 2025, we continued to build on a people-centered approach, focusing on employee engagement, well-being, inclusion, and fair opportunities for everyone.

Employee Engagement Survey

Our annual global engagement survey is a vital tool for fostering open dialogue and measuring the success of our people-focused programs. By exploring key themes like motivation, recognition, and workplace culture, the survey provides actionable insights that senior leaders use to develop targeted improvement plans and ensure accountability to our teams.

13%

improvement in our employee engagement survey participation rate over the last three years, with a 7% improvement in 2025 from 2024.

In 2025, Mercer Peace River was selected as one of **Alberta's Top Employers**, a prestigious award that recognizes 80 Alberta employers that lead their industries in offering exceptional places to work.



Training and Development

We invest in continuous learning to cultivate a skilled, versatile workforce and to ensure our people grow alongside our business. By providing the tools and confidence needed for success, we enhance both individual career trajectories and our overall operational excellence.

Fostering Career Dialogue:

All permanent employees engage in regular performance reviews to identify growth opportunities. In 2025, we further strengthened this by introducing mid-year career discussions for senior levels, utilizing our new Leadership Competency Framework to map out future roles and geographical mobility.

Diverse Learning Pathways:

Our programs range from hands-on technical apprenticeships to management training designed to equip supervisors with essential leadership skills. In 2025, we continued to expand these resources to ensure our teams remain highly skilled and safety-conscious.

Investing in Professional Growth:

We provide financial support for tuition, exams, and certifications, removing barriers to advancement. This commitment to internal mobility and lifelong learning ensures our employees have clear, supported paths to evolve their careers within Mercer.

Health and Wellness

Supporting the health and well-being of our people is fundamental to Mercer's long-term success.

In North America, our Employee and Family Assistance Programs provide confidential, 24/7 access to professional support for employees and their households. These programs cover a wide range of needs, from personal and financial counseling to coaching, family planning resources, legal guidance, and tools that support mental health and resilience. In 2025, we expanded this program in Canada to include specialized mental health and diversity-related counseling, helping ensure employees and managers can access support that reflects a broad range of lived experiences.



Community and Indigenous Relations

At Mercer, being involved and invested in our communities means becoming a part of the social fabric. We are committed to promoting community development and understanding how our presence and operations affect people, places, and ecosystems to use that knowledge to be a force for good.

Building Strong Regional Partnerships

As major employers in remote regions, we strengthen local economies by tailoring our engagement to meet the unique needs of every community. In Western Canada, we further this commitment by honoring Indigenous stewardship, integrating generations of place-based knowledge into our forest management to ensure healthy, resilient ecosystems through mutual trust and shared responsibility.



We maintain open dialogue to support local community needs.



We honor Indigenous stewardship and place-based knowledge.



Mill tours and open days build lasting local transparency.



Respectful, long-term relationships are built on mutual trust.



Public Advisory Committees keep community voices at our center.



Direct engagement ensures forest management reflects local priorities.



Active partnerships protect our social license to operate.



We share responsibility for healthy, resilient forest ecosystems.



SUSTAINABILITY HIGHLIGHT

In May 2025, Mercer Rosenthal hosted an Open Door Day, and families, neighbors, government officials, industry representatives, and curious visitors from across the local region were welcomed for the community celebration. The mill employs nearly 400 people in Blankenstein, Germany and generates enough renewable electricity to power roughly 100,000 households, while also hosting a first-of-its-kind lignin extraction center. Guided tours of the facility let guests see firsthand the scale and sophistication of one of Europe's most modern kraft pulp mills.

| Forward-Looking Statement

This Sustainability Highlights Report includes “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words such as “believes”, “expects”, “anticipates”, “estimates”, “intends”, “plans”, “seeks” “goals” “targets” or words of similar meaning, or future or conditional verbs, such as “will”, “should”, “could”, “may”, “aims”, “intends” or “projects”. A forward-looking statement is neither a prediction nor a guarantee of future events or circumstances, and those future events or circumstances may not occur. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Sustainability Highlights Report. Forward-looking statements in this report include but are not limited to: statements relating to our Sustainability Approach and Climate Transition Plan, including our climate and emissions reduction targets; expected impacts of evolving regulations; strategic priorities and our goals, targets, and aspirations; and our expectations regarding those goals, targets, and aspirations.

These forward-looking statements are all based on currently available operating, financial and competitive information and the current expectations, estimates, forecasts about our business, including product pricing and fiber supply results of operations, the industry in which we operate, economic and market outlooks and the beliefs and assumptions of our management.

These forward-looking statements are subject to various risks and uncertainties, many of which are beyond our control. Our actual future results and trends may differ materially depending on a variety of factors, including, but not limited to: shifts in government climate policies, carbon pricing and environmental regulation, the highly cyclical nature of our business, raw material costs, expenditures for capital projects, evolving sustainability reporting and environmental, social and governance preferences of customers, investors and other stakeholders, risks associated with climate change, disruptions to our production, market conditions, geopolitical instability and other risk factors listed from time to time in our SEC reports.

Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results. Any or all of the forward-looking statements contained in this Sustainability Highlights Report and any other public statement made by us, including by our management, may turn out to be incorrect. We are including this cautionary note to make applicable and take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 for forward-looking statements. We expressly disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



Transforming biomass into bioproducts for a more sustainable world.

Mercer International is a global forest products company committed to shaping a more sustainable, low-carbon future. Across our operations in Canada, Germany, and the United States, we transform sustainably sourced wood into products that make a meaningful difference: high-quality pulp, mass timber, lumber, and renewable bioenergy that power a thriving, circular bioeconomy.

To learn more about Mercer, please visit mercerint.com or find us on [LinkedIn](#).

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