Mercer International

UN Sustainable Development Goals Index 2024

References:
2024 Sustainability Report
Governance Policies

MMERCER

Advancing Sustainable Development

With only a few years left to meet the UN 2030 Agenda for Sustainable Development, it is clear that accelerated action is needed to meet the SDGs by 2030. At Mercer, we have identified eight SDGs that are strategically relevant to our organization and aligned with Mercer's sustainability approach to do our part in advancing the SDGS.

The United Nations (UN) 2030 Agenda for Sustainable Development, adopted in 2015, is a global framework guiding efforts towards a sustainable future. It comprises 17 interconnected Sustainable Development Goals (SDGs) addressing critical global challenges, from poverty and health to climate action and biodiversity.
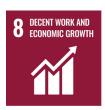
At Mercer, our vision is to transform biomass into bioproducts for a more sustainable world. Our commitment to sustainability is deeply tied to the UN Sustainable Development Goals (SDGs). As a global producer of sustainable forest products, many SDGs — like responsible consumption, climate action, and life on land — directly align with our core business and values. We integrate these goals into our strategy and metrics by focusing on environmental performance, advancing the circular bioeconomy, sustainable forest management, and social responsibility. This ensures our operations actively contribute to a more sustainable world, reflecting how we operate and create value.

As part of our sustainability reporting process, we map our sustainability approach and 2030 Aspirational Goals to these SDGs, represented by our strategic focus areas. The corresponding SDG targets and indicators are mapped to our own goals, policies, strategies, and initiatives across our entire value chain.

Mercer's eight key SDGs

SDG Ambition Accelerator Program with the UNGC

In 2022, Mercer became a signatory to the UN Global Compact (UNGC), signaling our support of the Ten Principles of the UNGC on human rights, labor, environment and anti-corruption. In early 2024, our participation in the UNGC SDG Ambition Accelerator helped refine our sustainability targets and further align them with global priorities. We have identified eight key SDGs where our operations and products can make a measurable contribution. We realize that our success in sustainability is rooted in our value system that translates into operating with ethics and the highest regard for human rights. In this report, we map the UNGC principles and the eight focused SDGs that are strategically relevant to Mercer and aligned with our sustainability approach. These eight SDGs align with the areas of our business where we can maximize positive contributions and minimize negative impacts towards sustainable development.

Aligning the UN SDGs to Our Operations

Gender equality

Mercer is committed to fostering gender equality by promoting an inclusive, respectful, and supportive workplace culture. We value our employees' diverse experiences and perspectives, recognizing that this diversity contributes to better decision-making, innovation, and overall employee engagement. We take proactive steps to maintain fair and respectful practices in hiring, development, and day-to-day workplace interactions.

Clean water and sanitation

At Mercer, we recognize the fundamental importance of responsible water stewardship across our operations. We are committed to reducing water usage and protecting water quality in a way that is environmentally sustainable and socially responsible. Our mills actively pursue opportunities to enhance water efficiency and increase water reuse and recycling, supported by innovative research and development initiatives.

Affordable and clean energy

Our organization strives to minimize energy consumption while maximizing our share of energy from self-generated and renewable sources. Across all Mercer operations including our pulp mills, sawmills and mass timber plants, energy use is carefully monitored and managed. We are continuing to modernize our operations and invest in energy efficiency projects and process reliability initiatives.

Decent work and economic growth

At Mercer, we value the connection between company success and the safety, well-being, and health of all stakeholders. By prioritizing safe, fair, and inclusive practices, we enhance productivity and drive growth. We are committed to creating decent work opportunities, fostering a supportive environment for employees, contractors, and business partners, and ensuring that our operations contribute to long-term economic growth.

Industry, innovation and infrastructure

By applying innovative approaches to the manufacturing of our products, we ensure our adaptability to current and future market changes. We invest in the future through continuous analysis and optimization by being bold in our approach and calculated in our risk-taking. We seek sustainable solutions, we continuously improve our operational performance, and we strengthen our technical approach to become more efficient, cost-effective, and reliable. Additionally, we invest into research and development to explore innovative products and solutions that can store carbon and provide alternatives to fossil-based materials, contributing to a reduced carbon footprint.

Responsible consumption and production

One of our key sustainability goals at Mercer is to continuously enhance the efficient use of resources while advancing circular solutions through our diversified forest products. Our transition to a circular bioeconomy is grounded in nature-based solutions, such as sourcing wood from sustainably managed forests, supporting responsible practices throughout our value chain.

Climate action

Mercer is actively committed to climate protection and climate change mitigation. We specifically support initiatives that promote wood and wood-based byproducts as important climate change solutions. In an effort to reduce negative impacts on the environment and mitigate risks from climate change, we are investing in fossil fuel reduction strategies, boosting our use of renewable energy, promoting forest and product carbon sequestration and investing in the growth of our diversified forest product portfolio.

Life on land

At Mercer, our operations directly interact with and depend on healthy terrestrial ecosystems. We recognize our responsibility to protect, restore, and promote the sustainable use of forests and biodiversity in the forests we manage, while supporting responsible fiber sourcing. Mercer employs robust sustainable forest management practices, including ecosystem-based management to maintain forest resilience and biodiversity. Furthermore, our commitment to responsible fiber sourcing ensures that all wood we procure comes from responsible sources and we continue to promote third-party certification of our managed forests in an effort to increase certification.

Integrating the Ten Principles of the UN Global Compact

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Mercer has established a comprehensive global human rights due diligence system, designed to align with relevant laws and regulations such as the Canadian Modern Slavery Act and the German Supply Chain Due Diligence Act. Our approach integrates the UN Global Compact's pillar on Human Rights (Principles 1 and 2), emphasizing our commitment to protecting and advancing human rights across our operations and supply chains. We have a dedicated Human Rights Policy and a Supplier Code of Conduct, which apply to all our operations and mandate our suppliers to uphold international human rights and labor standards. Furthermore, we conduct comprehensive social and environmental risk assessments throughout our supply chain, utilizing both internal analyses and external third-party data to identify, prevent, and mitigate potential adverse impacts.

Labor

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Mercer is committed to the principles of the Labor pillar, promoting freedom of association, collective bargaining, and the elimination of forced labor, child labor, and discrimination in the workplace. Through policies like our Supplier Code of Conduct, Human Rights Policy, and Health & Safety Policy, we ensure these principles are upheld across our operations and supply chain.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.
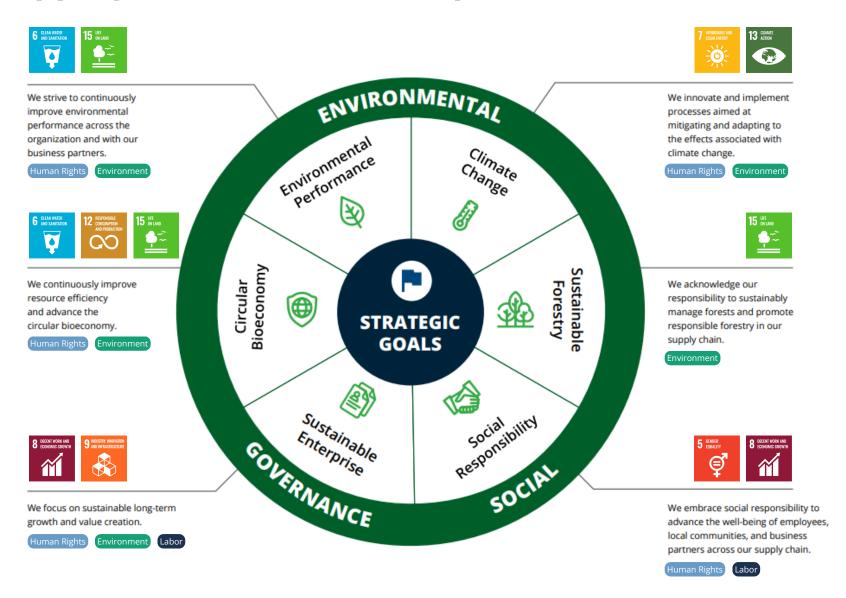
At Mercer, environmental stewardship is fundamental to our operations. We are deeply committed to the principles of the Environment pillar, actively applying a precautionary approach to environmental challenges. This means we proactively anticipate and address potential environmental impacts, rather than reacting after harm has occurred. Our commitment is demonstrated through concrete initiatives across all our facilities, from reducing our carbon footprint to enhancing resource efficiency.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Mercer is fully committed to the principles of the Anti-Corruption pillar, taking a strong stance against corruption in all its forms, including extortion and bribery. Upholding this commitment is our Anti-Corruption policy, designed to prevent unethical practices across our entire operations and throughout our supply chain. We emphasize transparency and integrity through ongoing, mandatory training for employees, strict compliance measures, and the enforcement of our Supplier Code of Conduct. This comprehensive approach helps us mitigate risks and foster an ethical business environment.

Mapping Sustainable Development to Mercer

We strive to continuously improve environmental performance across the organization and with our business partners.

Human Rights Environment

We continuously improve resource efficiency and advance the circular bioeconomy.

Human Rights Environment

We focus on sustainable long-term growth and value creation.

Human Rights Environment Labor

We innovate and implement processes aimed at mitigating and adapting to the effects associated with climate change.

Human Rights Environment

We acknowledge our responsibility to sustainably manage forests and promote responsible forestry in our supply chain.

Environment

We embrace social responsibility to advance the well-being of employees, local communities, and business partners across our supply chain.

Human Rights Labor

ENVIRONMENTAL
GOVERNANCE
SOCIAL

Environmental Performance
Climate Change
Circular Bioeconomy
Sustainable Forestry
Sustainable Enterprise
Social Responsibility

STRATEGIC GOALS

SDG Index

SDG / UNGC Pillar	Relevant UN SDG targets	Relevant focus area	Mercer 2030 goals	Indicators monitored	Relevant SR sub-section	SDG-advancing policies, strategies, initiatives
5 GENDER EQUALITY Human Rights Labor	**5.5** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life **5.c** Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels	Social Responsibility	60th percentile inclusion index score	percentile ranking % of women in the workplace % of women in top leadership positions % of new hires that are women	Employee Engagement & Well-being (pages 60-61) Women in Leadership (page 61)	Community engagement Human Rights Policy
6 CLEAN WATER AND SANITATION Human Rights Environment	**6.3** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally **6.4** By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity **6.5** By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate **6.6** By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes	Environmental Performance	10% reduction in water withdrawal intensity from a 2019 baseline	water withdrawal intensity (m^3/ADMT) **Other:** total effluent discharge effluent quality parameters	Water Management (pages 47-49)	Continuous improvement initiatives Environmental management systems Environmental Policy Forest Management Plans (FMPs) Ongoing water risk monitoring Operational efficiencies Permit compliance Water risk assessments

SDG Index *continued*

SDG / UNGC Pillar	Relevant UN SDG targets	Relevant focus area	Mercer 2030 goals	Indicators monitored	Relevant SR sub-section	SDG-advancing policies, strategies, initiatives
7 AFFORDABLE AND CLEAN ENERGY Human Rights Environment	**7.1** By 2030, ensure universal access to affordable, reliable and modern energy services **7.2** By 2030, increase substantially the share of renewable energy in the global energy mix **7.3** By 2030, double the global rate of improvement in energy efficiency **7.a** By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology	Circular Bioeconomy	90% of energy from renewable sources 5% improvement in energy intensity from a 2024 baseline	% of total energy consumption from renewable resources energy intensity (MWh/ADMT) **Other:** renewable energy generation	Energy Management (pages 38-41)	Operational efficiencies Policy engagement and advocacy Technological innovations

SDG Index *continued*

SDG / UNGC Pillar	Relevant UN SDG targets	Relevant focus area	Mercer 2030 goals	Indicators monitored	Relevant SR sub-section	SDG-advancing policies, strategies, initiatives
8 DECENT WORK AND ECONOMIC GROWTH Human Rights Labor	**8.2** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors **8.4** Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead **8.5** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value **8.6** By 2020, substantially reduce the proportion of youth not in employment, education or training **8.7** Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms **8.8** Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	Sustainable Enterprise Circular Bioeconomy Social Responsibility	Balanced and resilient EBITDA 5% improvement in chemical utilization rate from a 2024 baseline 5% improvement in fiber utilization rate from a 2024 baseline 80% engagement survey response rate <1.7 total recordable incidents rate	EBITDA margin stability and growth over time % chemical utilization rate % fiber utilization rate employee survey response rate total recordable incident rate (TRIR) **Other:** % of employee fatalities % of contractor fatalities % of low risk supply chain partners	Circular Bioeconomy & Resource Use (pages 42-46) Health & Safety (pages 53-56) Employee Engagement & Well-being (pages 57-61) Community Involvement (page 62) Customer Engagement (page 67) Human Rights (pages 73-74)	2024 Modern Slavery Report Human Rights Policy Health & Safety Policy Policy Statement German Supply Chain Due Diligence Act Supplier Code of Conduct Community outreach initiatives Competitive compensation Employee support programs Human rights due diligence system Mutually beneficial partnerships Operational efficiencies

SDG Index *continued*

SDG / UNGC Pillar	Relevant UN SDG targets	Relevant focus area	Mercer 2030 goals	Indicators monitored	Relevant SR sub-section	SDG-advancing policies, strategies, initiatives
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE Labor Environment	**9.2** Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries **9.4** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities **9.5** Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending	Sustainable Enterprise Circular Bioeconomy	Be the preferred global supplier, delivering superior value proposition Balanced and resilient EBITDA Advance the substitution of fossil-based products with innovative biomaterials and low-carbon products through R&D and collaborative partnerships	% market share EBITDA margin stability and growth over time # of collaborative partnerships and continuous development in R&D	Climate Change (page 28-37) Circular Bioeconomy & Resource Use (pages 42-46) Customer Engagement (page 67)	Biomaterials innovation, R&D and collaborative partnerships Carbon footprint analyses Lifecycle assessments Mercer Mass Timber (MMT) projects Technological innovations

SDG Index *continued*

SDG / UNGC Pillar	Relevant UN SDG targets	Relevant focus area	Mercer 2030 goals	Indicators monitored	Relevant SR sub-section	SDG-advancing policies, strategies, initiatives
12 RESPONSIBLE CONSUMPTION AND PRODUCTION Environment	**12.2** By 2030, achieve the sustainable management and efficient use of natural resources **12.4** By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment **12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse **12.6** Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle **12.7** Promote public procurement practices that are sustainable, in accordance with national policies and priorities **12.8** By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature	Circular Bioeconomy Social Responsibility	75% share of certified fiber, with 100% of fiber from responsible sources 5% improvement in chemical utilization rate from a 2024 baseline 5% improvement in fiber utilization rate from a 2024 baseline 30% reduction in landfill waste intensity from a 2019 baseline	% share of certified and responsibly sourced fiber % chemical utilization rate % fiber utilization rate landfill waste intensity (kg/ADMT)	Sustainable Forest Management (page 22) Value Chain Engagement (page 29) Customer Engagement (page 30) Circular Bioeconomy & Resource Use (pages 42-46) Waste Management (page 42) Circularity at Our Sawmills (page 44) Maintaining & Monitoring Waste Water Quality (page 49) Air Quality (pages 50-51) Supply Chain Management (pages 71-72) Sustainable Procurement (page 72)	Supplier Code of Conduct Sustainable Purchasing Policy Wood & Fibre Procurement Policy Sustainable forest management Third-party forest certification Circular bioeconomy design principles Resource use and operational efficiencies Stakeholder and rights holder engagement across the value chain

SDG Index *continued*

SDG / UNGC Pillar	Relevant UN SDG targets	Relevant focus area	Mercer 2030 goals	Indicators monitored	Relevant SR sub-section	SDG-advancing policies, strategies, initiatives
13 CLIMATE ACTION Environment	**13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries **13.2** Integrate climate change measures into national policies, strategies and planning **13.3** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	Climate Change	50% reduction in scope 1 GHG emissions per tonne of pulp from a 2019 baseline 35% reduction in absolute scope 2 GHG emissions from a 2024 baseline 35% reduction in absolute scope 3 GHG emissions from a 2024 baseline 200% growth in stored carbon in mass timber from a 2024 baseline Advance the substitution of fossil-based products with innovative biomaterials and low-carbon products through R&D and collaborative partnerships	scope 1 GHG emissions intensity (tonnes CO2e) scope 2 GHG emissions intensity (tonnes CO2e) scope 3 GHG emissions intensity (tonnes CO2e) stored carbon in mass timber (metric tonnes CO2e) # of collaborative partnerships and continuous development in R&D	Climate Smart Forestry (page 25) Climate Change (pages 28-34) Lower Carbon Initiatives & Products (page 29) Climate Scenario Analysis (page 31) Storing Carbon, Beautifully (page 36) Community Outreach & Education (page 62)	Environmental Policy Manufacture of low-carbon forest product solutions Climate smart forestry Climate Transition Planning Climate Scenario Analysis Climate mitigation and adaptation Policy advocacy and engagement Technological innovations

SDG Index *continued*

SDG / UNGC Pillar	Relevant UN SDG targets	Relevant focus area	Mercer 2030 goals	Indicators monitored	Relevant SR sub-section	SDG-advancing policies, strategies, initiatives
15 LIFE ON LAND / Environment	**15.1** By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements	Sustainable Forestry	75% share of certified fiber, with 100% of fiber from responsible sources	% share of certified and responsibly sourced fiber	Sustainable Forestry & Biodiversity (pages 22-27)	Sustainable, biodiversity-focused forest management
	15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally				Biodiversity in Sustainable Forestry (pages 23-24)	Natural capital assessments
					Integrating Nature-related Issues through TNFD's LEAP Approach (page 26)	Stakeholder and rights holder engagement
	15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species				Responsible Sourcing through Forest Certifications (page 72)	Climate smart forestry
						Collaborative research-based partnerships
	15.8 By 2020, introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species					Third-party forest certification
						Sustainable fiber sourcing
	15.9 By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts					local conservation and restoration initiatives
						Compliance with EUDR
	15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems					Alignment with the Kunming-Montreal Global Biodiversity Framework
						Policy advocacy