

SUPPLIER CODE OF CONDUCT

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Introduction

Corporate integrity, responsible product sourcing and the safety and wellbeing of workers across the global supply chain are important to Mercer International Inc. and its subsidiaries (collectively, "Mercer", "we" or "us"), and we value our reputation for conducting business honestly and with integrity. To this end, Mercer has established a number of policies, including a Code of Business Conduct and Ethics, which applies to its officers, directors and employees. As a global forest products company, Mercer collaborates with suppliers and third-party business partners around the world and expects that such parties uphold similar standards of business practices and principles. To this end, this Supplier Code of Conduct (the "Code") reflects the minimum standards that must be met by our Suppliers.

This Code establishes the minimum standards of conduct of Suppliers that wish to do business with, or on behalf of, Mercer in respect of, among other things:

- compliance with applicable laws and regulations;
- workplace safety and labour practices;
- promotion of Indigenous development;
- the impact of the Supplier's activities on the environment;
- ethical business practices; and
- sustainable forest management and wood sourcing.

Applicability

This Code applies to all of Mercer's Suppliers. We define "Suppliers" as any business or individual that provides goods or services to Mercer under terms specified in a contract. Additionally, we expect Suppliers to ensure adherence to this Code further down the supply chain, where applicable, throughout their operations and their supply chain. As such, Suppliers are responsible for compliance with this Code by their own suppliers, vendors, agents and subcontractors.

We strive to build mutually beneficial working relationships and partnerships with our Suppliers and prefer to work with Suppliers who are able to demonstrate alignment with the standards contained in this Code. The principles expressed in this Code comprise an important component of our overall Supplier selection and evaluation. If a Supplier is in breach of these principles and cannot agree on an improvement plan or does not implement it, Mercer reserves the right to lawfully terminate the commercial relationship between it and such Supplier.

By working with Mercer and/or accepting this Code, Suppliers are obligated to adhere to, and comply with, this Code and the principles enunciated herein. Suppliers and all subcontractors working on their behalf, are expected to review and fully understand this Code and to comply with all provisions specified in their contracts with the Company, including those related to this Code.



We expect all of our Suppliers to be honest, fair and trustworthy in conducting their business activities, especially when engaging with Mercer. The following are general requirements for all our Suppliers.

Legal Compliance

Mercer is committed to conducting its business responsibly and in compliance with the legal requirements and governmental regulations of the countries in which it operates. We expect our Suppliers to comply with all applicable laws, including laws relating to employment, human rights, the environment and health and safety. We reserve the right to decline to deal with and/or lawfully terminate Suppliers who do not comply with applicable laws.

Human Rights and Labour Practices

Mercer is committed to implementing the human rights and labor principles of the United Nations Global Compact through its operations and supply chain. Accordingly, we expect our Suppliers to respect internationally proclaimed human rights and ensure that they are not complicit in human rights abuses; respect the labor rights of their employees, including legal rights pertaining to free association and collective bargaining; prohibit all forms of forced and compulsory labor; not engage in child labor; and not discriminate in employment and occupation.

Our Suppliers must respect the principles set out in the United Nations Global Compact, the United Nations Universal Declaration of Human Rights and Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises as well as the International Labor Organization Declaration on Fundamental Principles and Rights at Work.

Without limiting the Supplier's obligations hereunder, Suppliers should not support or engage in, or require any:

- compelled, involuntary or forced labor;
- bonded labor;
- indentured labor; and
- prison labor.

Additionally, Suppliers shall not employ any person under the age of 15 or, in those countries subject to the developing country exception of the ILO Convention 138, no person under the age of 14 will be employed. No workers under the age of 18 will be employed for hazardous work according to ILO Convention 182. Hazardous labor involves any work, that by its nature or the circumstances in which the work is undertaken, involves the substantial risk of harm to the safety or health of the worker or coworkers if adequate protections are not taken.



We expect our Suppliers to treat all employees fairly, provide equal employment opportunity to every person regardless of age, ancestry, race, color, place of origin, family or marital status, religion, mental or physical disability, sex, sexual orientation, political belief, economic status, or other legally protected status, as required by law and on a basis consistent with Mercer's [Human Rights Policy](#).

Suppliers shall ensure that their employees are not to be subjected to any unacceptable treatment such as verbal or physical abuse, sexual harassment or discrimination including gestures, language and physical contact, that is sexual, coercive, threatening, abusive or exploitative. Monetary penalties are not to be used as a form of discipline.

We also expect Suppliers to ensure reasonable limitations of maximum working hours that adhere to all applicable laws, regulations and the International Labour Organization's related conventions as well as timely payment of salaries and benefits to their employees, and that employees are allowed to resign with no penalty after a reasonable notice period.

Health & Safety

Workers must be provided safe and healthy working environments and conditions that adhere to all aspects of applicable occupational health and safety, employment standards and labour laws.

Employee well-being is a key priority for Mercer. Our goal is ZERO HARM. As such, we have implemented a [Health & Safety Policy](#). We expect the same standard of care from our Suppliers, including when they are working at our sites. Suppliers must comply with all applicable Mercer site and workplace policies, standards and procedures related to health and safety.

Suppliers will act in compliance with all rules and regulations, and adhere to generally accepted industry best practices, related to product safety as well as quality and due diligence requirements for all goods including chemicals, equipment and services delivered.

Environmental Protection

At Mercer we are committed to pursuing environmentally responsible business practices as set forth in our [Environmental Policy](#).

Mercer expects its Suppliers to share this commitment and act in accordance with applicable global environmental standards and established guidelines and recommendations from recognized authorities, including national governments to protect the environment. We expect our Suppliers to operate in an environmentally responsible manner, including all legal requirements for water and air emissions, pollution controls, chemical and waste management.



A. Environmental Pollution

We expect our Suppliers to minimize their environmental pollution from hazardous waste or other chemical pollutants by air, water and land, in particular prevent the use of mercury, in order to keep the negative impacts of waste on the environment as low as possible.

B. Resource Efficiency

Mercer is committed to protecting nature and biodiversity, including by increasing resource efficiency and reducing its greenhouse gas emissions. Where possible, we seek to purchase resource and energy efficient equipment and supplies, and work with Suppliers who optimize resource consumption and reduce their overall carbon footprint from operations and the value chain. Suppliers must strive to promote and improve circularity in their business model and operations.

Fair Operating Practices

Mercer aims to procure from Suppliers who uphold ethical and other standards consistent with this Code

A. Anti-Corruption and Bribery

Suppliers must not engage, directly or indirectly, in any form of corruption or bribery and shall not grant, offer or promise anything of value to a government official or to a counterparty in the private sector to influence official action or obtain an improper advantage. Suppliers must also comply with Mercer's Anti-Corruption Policy.

B. Fair Competition, Antitrust Laws and Intellectual Property Rights

Mercer seeks to conduct its business responsibly and in compliance with the laws and regulations of the countries in which it operates. As such, Mercer expects its Suppliers to comply with all legal requirements itself, in particular in respect to fair competition, antitrust and regarding intellectual property rights of others.

C. Awareness of Conflicts of Interest

Mercer expects its employees to perform their duties and exercise judgment in the best interest of Mercer without influence or impairment due to any activity, interest or relationship that arises outside of work. See also Mercer's Code of Business Conduct and Ethics.

Avoiding conflicts of interest is an important component in allowing Mercer to maintain business relationships with our Suppliers. Therefore, we expect our Suppliers to uphold the same principles and establish measures to avoid any situations of conflicts of interests.



If a Supplier has a conflict in the provision of products or services to us because of an outside interest or relationship, we expect them to fully disclose that to us.

D. Respect Data Privacy

Suppliers must ensure that they are compliant with all laws and regulations applicable to them regarding data privacy and the protection of personal information.

When suppliers handle personal confidential information in the performance of services on our behalf, we require them to ensure that such information is protected against unauthorized disclosure and is appropriately safeguarded in accordance with all applicable legal requirements and generally accepted best practices.

Economic Sanctions

Suppliers must comply with all applicable sanctions laws, and must not knowingly include in their supply chain any products or services sourced from sanctioned persons, countries or organizations. Suppliers must have reasonable systems in place to ensure such compliance.

Mercer Resources

Mercer's resources include, among other things, its property, assets, intellectual property and confidential information. Suppliers are responsible for safeguarding our resources used while engaging with Mercer.

These resources are only to be used in the course of authorized work being conducted for Mercer. The personal use of Mercer resources without permission is prohibited.

If a Supplier interacts with any of Mercer's customers or other Suppliers, we expect such Supplier to do so with respect and integrity, and to conduct themselves in a manner that strengthens Mercer's brand and reputation. No Supplier shall be entitled to the use of our trademarks or our brand without prior written consent.

Promotion of Indigenous Development

Mercer expects our Suppliers, when operating on the lands of Indigenous peoples, to seek to develop and maintain policies that work to promote Indigenous development, including individual, community, economic or First Nation development.

Sustainable Forest Management and Wood Sourcing

As a significant purchaser of wood and fibre, Mercer is committed to sustainable forest management and wood sourcing. Mercer conforms to several forest certification standards



which support the responsible procurement of forest resources with proper adherence to sustainable forest management practices that do not contribute to deforestation and that strive to mitigate harm to ecosystem values and services such as biodiversity. Understanding and managing both climate-related and nature-related risks, opportunities, impacts and dependencies is critical in safeguarding important forest ecosystem values and we advise our Suppliers to also work towards understanding and addressing these issues. All Suppliers are expected to adhere to the specific guidance outlined in Mercer's [Wood and Fibre Procurement Policy](#).

Accountability and Reporting

All Suppliers must be in compliance with this Code. Suppliers shall promptly notify Mercer of any violations of this Code. Non-compliance may also be reported through Mercer's anonymous grievance channel on [Ethicspoint](#).

While Suppliers are expected to self-monitor and demonstrate their compliance with this Code, Mercer may, from time to time at its discretion, request reasonable audit or inspection rights to confirm such compliance. Mercer reserves the right to take corrective measures in the event of any non-compliance, including the lawful termination of Supplier contracts or the removal of any Supplier personnel from Mercer facilities who behave in a manner that is inconsistent with this Code.

No Third-Party Beneficiary Rights

This Code does not create any third-party beneficiary rights for the Supplier or any other third parties. This Code is in addition to and not in lieu of the provisions of any legal agreement or contract between Suppliers and Mercer.