

WOOD AND FIBRE PROCUREMENT POLICY

At Mercer, we are committed to sustainable forest management and wood sourcing.

Sustainability, to us, not only includes well-managed forests, but also encompasses those who are a part of our supply chain who work in the forests and forest products industry. This means going to the next steps to ensure that those who work with us benefit from Mercer's activities.

To achieve a high standard in our supplier relations, we continuously update, review, and apply our Due Diligence Systems in our procurement organizations.

Our guiding principles are to:

- Harvest and purchase wood in compliance with applicable laws and regulations.
- Work to maintain long-term supplier relationships.
- Include respect and foster relationships with small landowners, as well as Indigenous communities.
- Live and promote the highest standards of work safety.
- Strive for the lowest possible carbon footprint.

Not only do we apply these principles to forests managed by Mercer, but we also rely upon them when sourcing wood from over 20 countries in North America and Europe. To assist us in following these principles, we make use of forest certification schemes such as PEFC, SFI®, FSC® and others.

In accordance with these standards, Mercer International will avoid sourcing wood and fibre from the following categories:

- Illegally harvested wood;
- Wood harvested in violation of traditional and human rights;
- Wood harvested in forests where high conservation values are threatened by management activities:
- Wood harvested in forests being converted to plantations or non-forest use; and
- Wood from forests in which genetically modified trees are planted.