2020 SUSTAINABILITY REPORT

Contents

Certain statements in this Sustainability Report are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on current expectations, estimates, and projections about our business and by their nature address matters that are, to different degrees, uncertain. Words such as may, could, should, expect, anticipate, project, position, intend, target, plan, seek, forecast, estimate, believe, predict, outlook, and similar expressions are intended to identify forward-looking statements.

Similarly, statements that describe or refer to future expectations, future plans, strategies, objectives, outlooks, targets, guidance, commitments, or goals are also forward-looking statements. Forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties that may cause actual results, including the pursuit or continuation of any program, policy, or initiative discussed or forecasted in this report, to differ materially from expectations. Forward-looking statements speak only as of the date on which they are made and we do not undertake any obligation to update them to reflect events or circumstances after the date of this report.

WORDS FROM OUR PRESIDENT

If I had to pick a theme behind my thoughts on 2020, it would be *adaptability*. The coronavirus pandemic tested many organizations' ability to anticipate, prepare for, and adapt to large-scale change. Mercury Marine was no exception, as we needed to reengineer many work processes and procedures to discourage the spread of COVID-19 while continuing to build products that people could enjoy in wide-open marine environments.

The good news is that we were prepared and able to adapt quickly. Our outstanding operations and occupational health teams had developed a playbook for various types of emergencies, enabling us to apply these guidelines to the challenges of operating amid a global pandemic.

We rapidly accommodated an enormous shift to home-office work for our nonmanufacturing employees worldwide. We adopted new technologies and changed ways of doing business to continue to be effective without gathering in person. We also instituted careful protocols — even ahead of many CDC and county health department orders — to keep our manufacturing workers as safe as possible.

We accomplished a major milestone in our energy efficiency campaign with the construction of the first solar array located on the company's world headquarters campus.

Because we were prepared and responded quickly, we had an outstanding year and provided consumers with the world's best products for escaping to the water. We also accomplished all the equipping, tooling, and setting up required to begin manufacturing our new flagship product, the industry-revolutionizing and highly efficient V12 600hp Verado outboard, which we unveiled to the market in February 2021.

As we pushed forward with these commercial activities, we refused to put our sustainability initiatives on pause. In 2020, we modified our sustainability practices to overcome unique challenges, and we upheld our responsibilities under our four pillars of sustainability: Energy, Environment, Product, and People.

We accomplished a major milestone in our energy efficiency campaign with the construction of the first solar array located on the company's world-headquarters campus in Fond du Lac, Wisconsin. The collection of rooftop solar panels will generate enough electricity to light our warehouse operation in Fond du Lac for the next 30 years. This array, along with a large array installed in 2017 at our European headquarters and more to come, will contribute to our goal to derive 50% of the company's electricity from renewable sources by the end of 2030.

While we continued our sustainable energy-conservation, water-management, and recycling efforts in our manufacturing plants, we also collected and shared information with our remote-working employees to help them make their home-office operations sustainable. Employees shared and followed tips to reduce energy and water consumption, minimize waste, and take care of the environment at home.

We also adapted several of our regularly occurring sustainability-oriented activities to new requirements. This included hosting no-contact, drive-thru flu shot clinics, food drives, and electronics-recycling events. Employees observed social-distancing and face-covering protocols to continue with organized cleanup activities along our adopted stretch of highway in Fond du Lac and other volunteering efforts worldwide.

In short, throughout 2020 we upheld our commitments to our customers and to our sustainability goals. The world changed in many ways last year, and some of the effects will be long-lasting. Commitments remain even when the game changes, even amid adversity. We demonstrated the depth of our commitment to sustainability and have not diverted our eyes from the goals we established for completion in 2025 and 2030.

Chris Drees
President, Mercury Marine

Mercury Marine President Chris Drees stands beside the new Mercury V12 600hp Verado outboard engine. Designed to enhance the performance of large boats, the V12 Verado is the quietest, smoothest-operating, most fuel-efficient, and most technologically advanced outboard in its class. Mercury set up its manufacturing capabilities for this engine throughout 2020 and unveiled this revolutionary product, which features the world's first two-speed transmission and steerable gearcase for an outboard, in February 2021.

SUSTAINABILITY TIMELINE

2003

Mercury has more **CARB** (California Air Resources Board) 3-Star-certified outboard engines than any other manufacturer.

2004

Verado® outboard engines with supercharged, four-stroke technology set new standards for fuel economy and low emissions.

2005

OptiMax® 225 Pro XS™ is first fuel-efficient, performance outboard built on main Mercury Marine assembly line.

2006

Mercury leads industry with highest percentage of sales from low-emissions outboards. **Zeus®** pod systems provide up to 30% better fuel economy than inboards.

2009

New **8.2L** big block engine is first to come standard with catalyst technology and ultra-low emissions.

2010

ECO-Screen named **Green Product of the Year** for helping boaters improve fuel efficiency.

2011

Mercury Marine issues its **first Sustainability Report**.

2012

Upgraded Mercury **150hp FourStroke™** is launched and achieves improved emissions certification.

2014

Mercury **Enertia ECO Propeller** is globally recognized for delivering significant fuel savings without sacrificing performance.

New 4.5-liter Mercury sterndrive wins **IBEX Innovation Award** for providing increased fuel economy and a better boating experience.

2015

Mercury Marine launches **Active Trim™**, which delivers improved engine performance and fuel efficiency.

2016

Enhanced Mercury **SeaPro™ 40hp** and **60hp** line expands clean and fuel-efficient offerings.

2018

Mercury unveils all-new **V8** and **V6 four-stroke** outboards that win **Business Friend of the Environment Award.**

2019

Plant 3 warehouse and distribution center becomes first Mercury Marine "**zero waste to landfill**" facility.

Mercury earns **Sustainable Process Award** from the Wisconsin Sustainable Business Council for responsible methods of using aluminum in manufacturing.

2020

Mercury receives **2020 Energy Efficiency Excellence Award** from Wisconsin's Focus on Energy program.

Mercury **expands sustainability initiatives** to include employees' home offices during coronavirus safer-from-home period.

Mercury completes installation of a **rooftop solar array** at its world headquarters facility.

Mercury earns its 10th consecutive **Green Masters certification** from the Wisconsin Sustainable Business Council.

AWARDS AND RECOGNITIONS

SUSTAINABILITY:

- 2020 Green Masters designation: Mercury Marine (10th consecutive year). Awarded by Wisconsin Sustainable Business Council.
- 2020 Energy Efficiency Excellence Award: Mercury Marine. Conferred by Wisconsin Focus on Energy Program.
- America's Best-in-State employer in 2020: Brunswick/Mercury in Wisconsin. Conferred by Forbes.
- 2019 Sustainable Process Award for sustainable use of aluminum. Awarded by Wisconsin Sustainable Business Council.
- 2018 Sustainable Product of the Year Award: Mercury Marine Active Trim technology. Awarded by Wisconsin Sustainable Business Council.
- 2018 Business Friend of the Environment Award: Mercury Marine for its V8 and V6 outboard engines. Awarded by Wisconsin Manufacturers and Commerce (WMC).

PRODUCT AND MANUFACTURING:

- Top 10 Most Innovative Companies in 2020 Award: Brunswick/ Mercury. Conferred by Soundings Trade Only media group.
- 2020 Red Dot Design Award: Mercury V8 and V6 FourStroke and V8 Verado outboards
- Most Innovative Product Award, 2020 Hutchwilco New Zealand Boat Show: Mercury Marine 4.6L V8 four-stroke outboard engines.
- National Marine Manufacturers Association (NMMA, U.S.) 2019 Innovation Award, Outboard Engines Category: Mercury Racing 450R.
- 2018 Manufacturer of the Year: Awarded by Wisconsin Manufacturers and Commerce.
- National Marine Manufacturers Association (NMMA, U.S.) 2018 Innovation Award, Outboard Engines Category: Mercury Marine 3.4L V6 FourStroke outboard engines.
- IBEX 2018 Innovation Award, Propulsion Parts Category: Mercury Marine tiller handle assembly for portable outboard engines.
- North American Die Casting Association (NADCA), 2018 Casting of the Year, Over 10lbs. Category: Mercury Marine V8 engine block.

MERCURY MARINE AT A GLANCE

A division of Brunswick Corporation

• FOUNDED •
1939

• 2020 REVENUE •
$3B

• EMPLOYEES •
7,800
WORLDWIDE

GLOBAL REACH:
MANUFACTURING PLANTS IN FOUR COUNTRIES

GLOBAL DISTRIBUTION
NETWORKS IN APPROXIMATELY 40 COUNTRIES

BUSINESS SEGMENTS / Marine outboard engines / Marine sterndrive/inboard engines / Diesel engines / Marine control systems / Global parts and accessories products and distribution

PRODUCT

Minimizing Mercury products' impact on water, land, and air — recognizing the need for an unspoiled environment in which to live and enjoy Mercury products.

ENERGY

Achieving greater energy efficiency by implementing energy-reducing projects, promoting best practices in energy management, and employing new energy technologies.

4 PILLARS

OF MERCURY MARINE SUSTAINABILITY

ENVIRONMENT

Preserving the natural places where customers use Mercury products for work and play; decreasing the use of natural resources through conservation, redeployment, and recycling; and returning purified resources to the planet whenever possible.

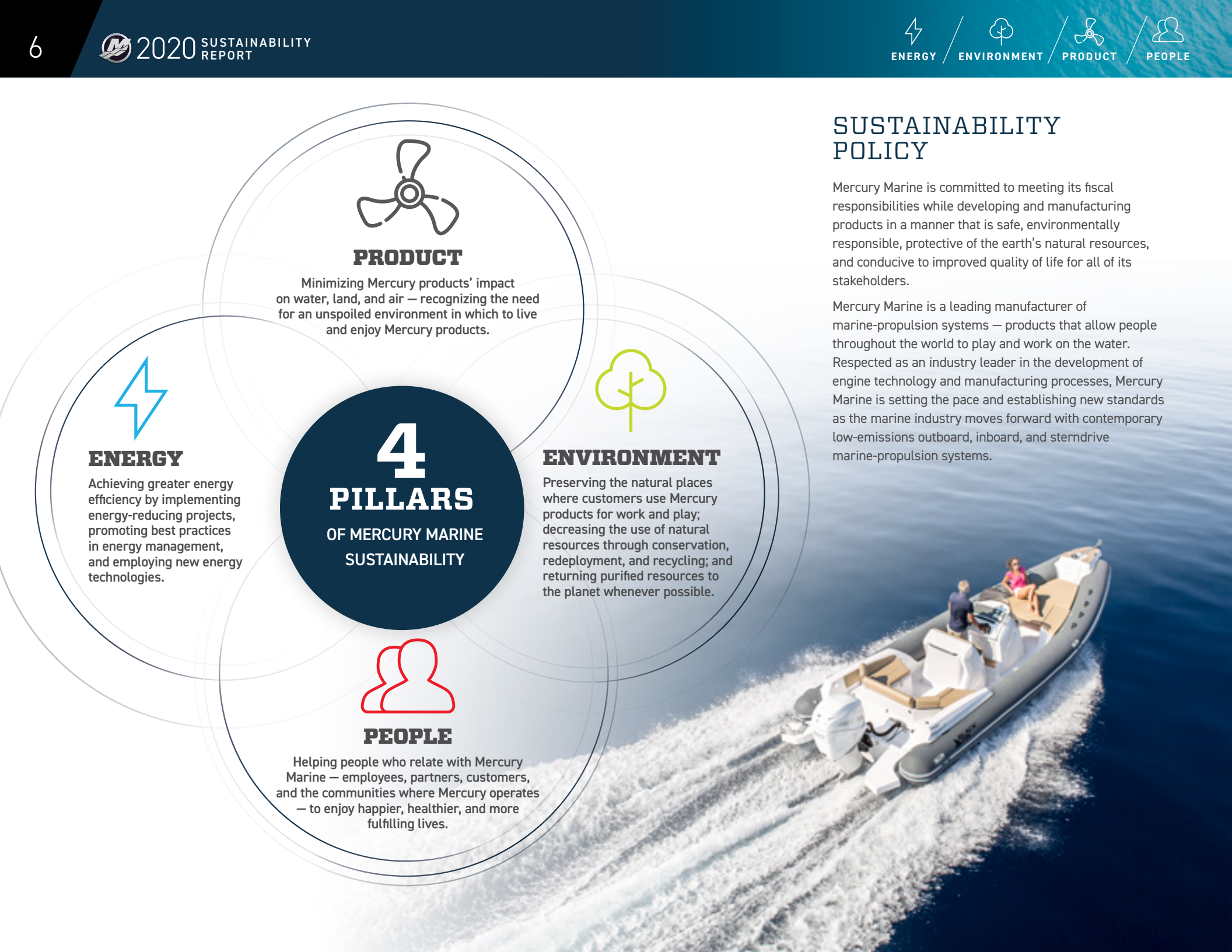
PEOPLE

Helping people who relate with Mercury Marine — employees, partners, customers, and the communities where Mercury operates — to enjoy happier, healthier, and more fulfilling lives.

SUSTAINABILITY POLICY

Mercury Marine is committed to meeting its fiscal responsibilities while developing and manufacturing products in a manner that is safe, environmentally responsible, protective of the earth's natural resources, and conducive to improved quality of life for all of its stakeholders.

Mercury Marine is a leading manufacturer of marine-propulsion systems — products that allow people throughout the world to play and work on the water. Respected as an industry leader in the development of engine technology and manufacturing processes, Mercury Marine is setting the pace and establishing new standards as the marine industry moves forward with contemporary low-emissions outboard, inboard, and sterndrive marine-propulsion systems.



INNOVATION FOR BETTER — AND SUSTAINABLE — EXPERIENCES ON THE WATER

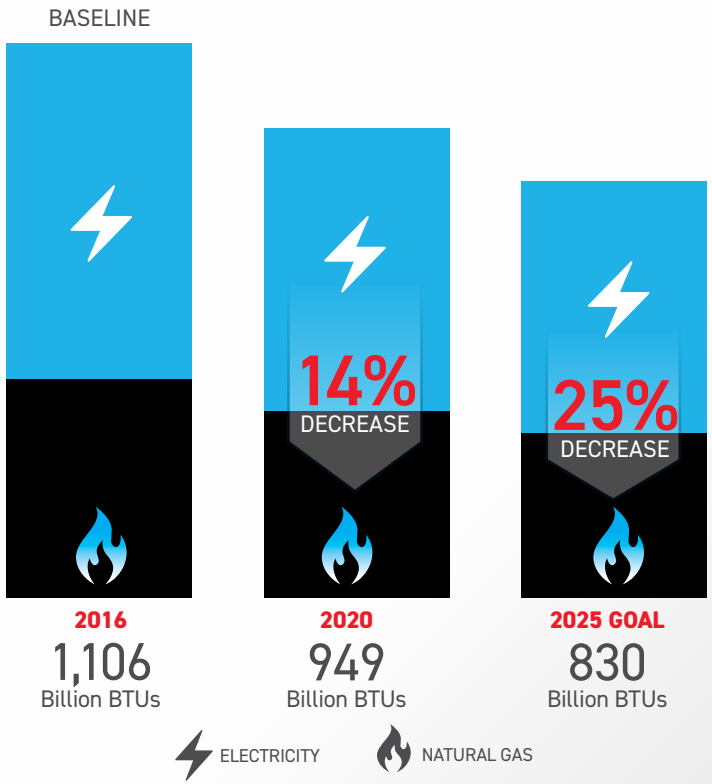
Innovation is often the product of vision. If a company's vision is bold, it should take some innovating to bring it to fruition. At Mercury Marine, our vision includes being much more than a provider of engines, parts, and components to boaters, even though we have done that exceedingly well for more than eight decades.

Rather, Mercury has evolved its brand to represent boating experiences that are easy, carefree ... enjoyable. We give boaters more than just the exhilarating performance and rugged durability for which our marine engines and parts are renowned. We also shorten learning curves for boat ownership and operation, making boating more approachable to the uninitiated. We make control and navigation more intuitive. We make boat care and maintenance unintimidating and easy to manage. We create technologies that enable boat operators to be less distracted by boating "duties" so they may focus on enjoying time on the water with family and friends, or, in the case of commercial applications, being more productive.

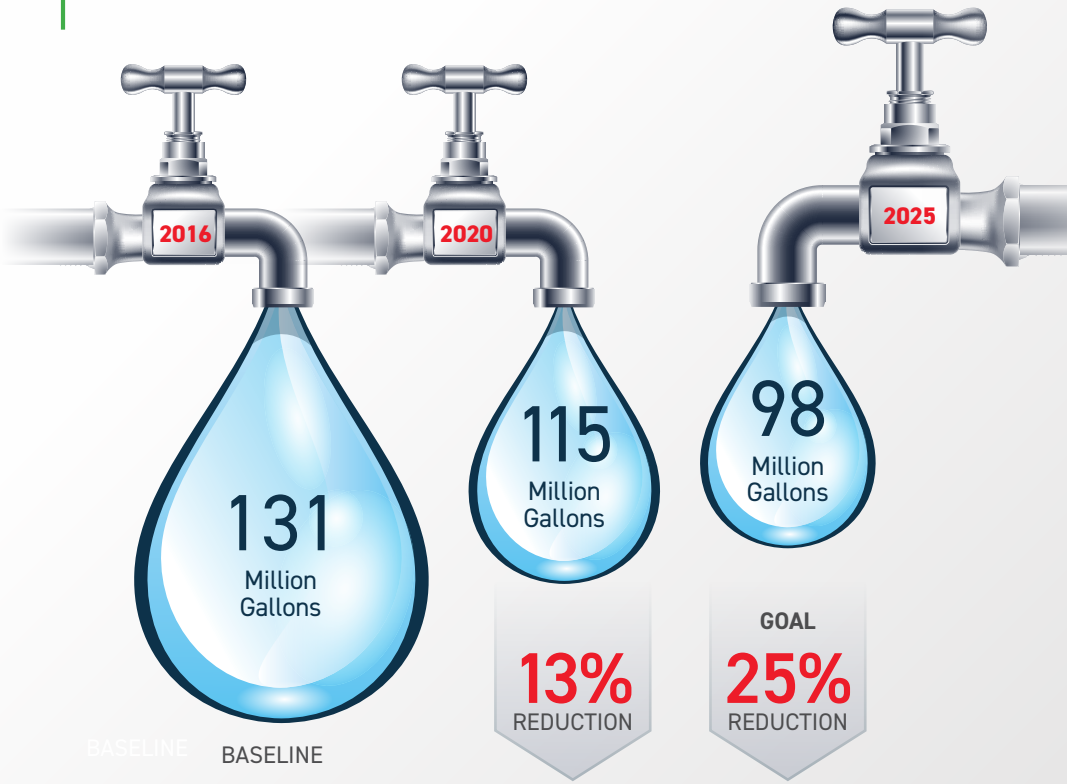
In a traditional manufacturing industry that for years has focused on products, features, and benefits, the inclusion of experiential branding can be considered nothing short of innovative.

We also know there is plenty of room for innovation in being a great corporate citizen. Mercury is leading the way as we find new and better ways to advance the four pillars of our sustainability mission: Energy, Environment, Product, and People.

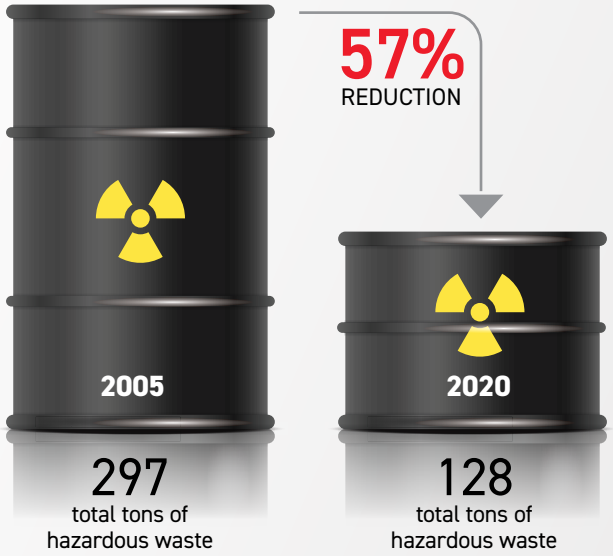
GLOBAL ENERGY IMPROVEMENT



GLOBAL WATER IMPROVEMENT



WASTE REDUCTION



Goal is to maintain significantly reduced hazardous-waste levels as a proportion of total production.

Definitions and measurements of hazardous waste vary by country. Figures shown are based on EPA-defined measurements for operations in the U.S.

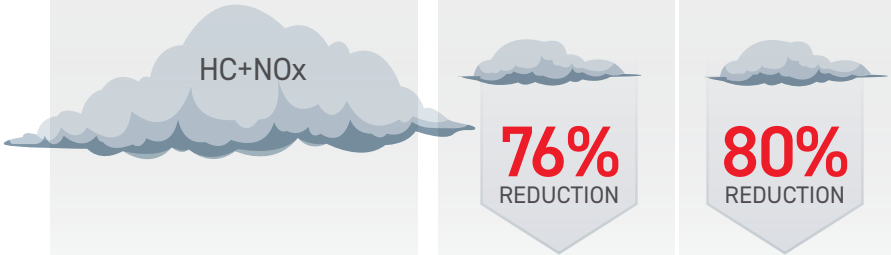
ENGAGEMENT

Steady year-over-year growth in:

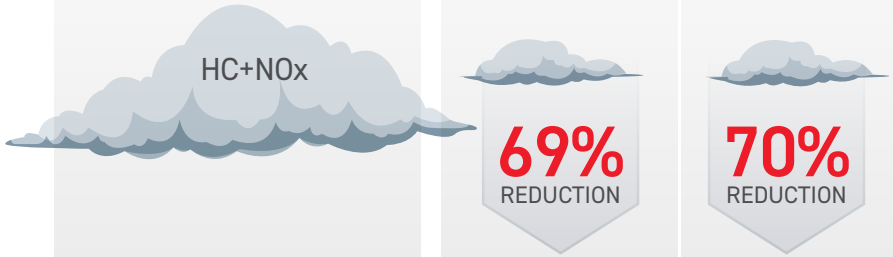
- Employee enrollment and participation in the corporate Be Your Best Program.
- Employee participation in annual health screenings.
- Funds and donations of food and other items for charitable causes.
- Employee volunteer-service hours.

PRODUCT EMISSIONS REDUCTIONS

Decreases in outboard engine emissions
in grams per kilowatt hour (g/kWh)



Decreases in sterndrive engine emissions
in grams per kilowatt hour (g/kWh)



ENERGY

THE GOALS

Deadline: year-end 2025.
Reduce energy consumption by 25% in comparison to 2016 baseline.

Deadline: year-end 2030.
Derive 50% of electricity from renewable sources.

HOW WE ARE ACHIEVING THE GOALS

- At the end of 2020, Mercury completed the rooftop installation of 320 **photovoltaic solar panels**, each 6 feet wide and 4 feet tall, at its world headquarters in Fond du Lac. The array is Mercury's first in the U.S. and will generate enough power to offset the Fond du Lac warehouse operation's lighting needs for the next 30 years.

  Mercury launched its first solar project in 2017 with the installation of a 2,000-panel array at the company's European headquarters in Petit Rechain, Belgium. That solar array, combined with improved insulation at the location, reduces the amount of electricity the facility draws from the grid by 33%, thus lowering the facility's utilities costs and enabling substantial use of clean and sustainable energy.

- Mercury Marine is a growing company that continues to expand facilities worldwide. In 2020, the company completed construction projects in all of its major global regions: North America; Latin America and Caribbean (LAC); Europe, Middle East, and Africa (EMEA); Asia; and Australia, New Zealand, and Pacific (ANZP). With each expansion, renovation, or construction of new facilities, Mercury adopts building design and technologies that improve energy conservation.

  → Mercury is using **LED lighting** to replace less efficient incandescent, fluorescent, and halogen systems. For example, in 2020 the Mercury EMEA headquarters facility achieved 90% replacement of fluorescent tube lights with LED lights. And Mercury facilities in Canada observe a policy whereby bulbs that burn out are replaced with LED bulbs.

  LEDs use only a quarter of the energy required by incandescent bulbs, have a much longer lifespan than all other bulb types, and do not contain hazardous materials such as the mercury vapor found in compact fluorescent bulbs.

  → Mercury Marine also continues to **replace older HVAC systems** with newer technologies that save electricity with better management of climate zones and regulators that reduce power to units without sacrificing comfort.

  → Mercury incorporates other energy-saving elements into its facilities. Such features include improved insulation, passive (natural) lighting, weather-stripping around windows and doors, double-door vestibules, automatic and timer-activated doors, and more.

- In Petit-Rechain, Belgium, the headquarters for the Mercury Marine EMEA division, the company in 2020 replaced its distribution center's charging stations for forklifts, order pickers, and other equipment. The **new, more efficient charging stations** result in an annual savings of 19% of primary energy, from 226,346 kWh to 183,473 kWh. They likewise reduce carbon dioxide emissions by 19%, from 119,964 kilograms to 97,241 kilograms.

- Mercury continued a campaign of upgrading manufacturing equipment with new installations in 2020. This includes new machining centers and robotic devices that perform a broad range of manufacturing functions for marine engines and propellers: die-casting and investment casting; washing, cutting, grinding, machining, and polishing various metal parts; inertia welding; coating and painting; and much more. The **new equipment is more energy efficient** than legacy systems, resulting in energy savings and efficiency gains of more than 3 million kWh annually. That's the energy equivalent of nearly 85,000 gallons of gasoline each year.

- Mercury uses aluminum only from recycled sources in the creation of the patented alloys it uses to create marine engine blocks. All that aluminum must first be melted before it can be used. Mercury continues to **capture the heat exhaust** generated from melting aluminum, directing it into a stack-heating device that preheats solid aluminum scrap that is waiting its turn to be melted in the furnace. This preheating process has saved Mercury 20% of the natural gas it would otherwise use to melt scrap aluminum. This equates to approximately 9 billion BTUs of energy saved every year.

- The company's use of recycled aluminum discussed above also results in substantial energy savings throughout the supply chain. The energy required to melt aluminum scrap is approximately only 5% of the energy required to create primary aluminum from bauxite ore. (The environmental benefits are also huge. See the "Environment" section of this report.)

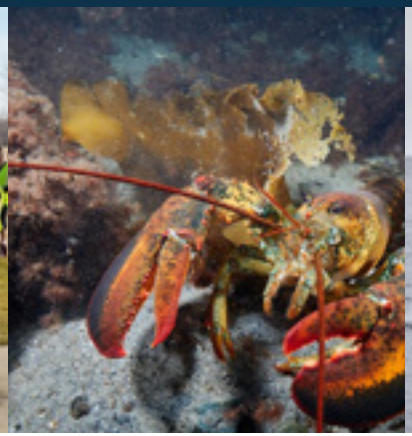
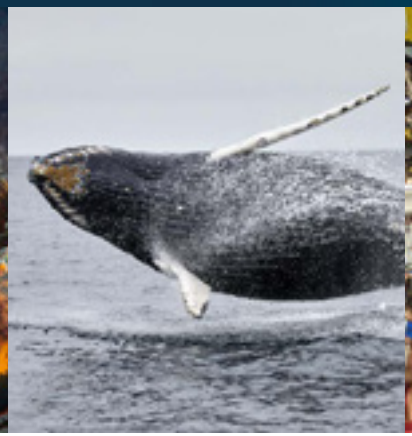
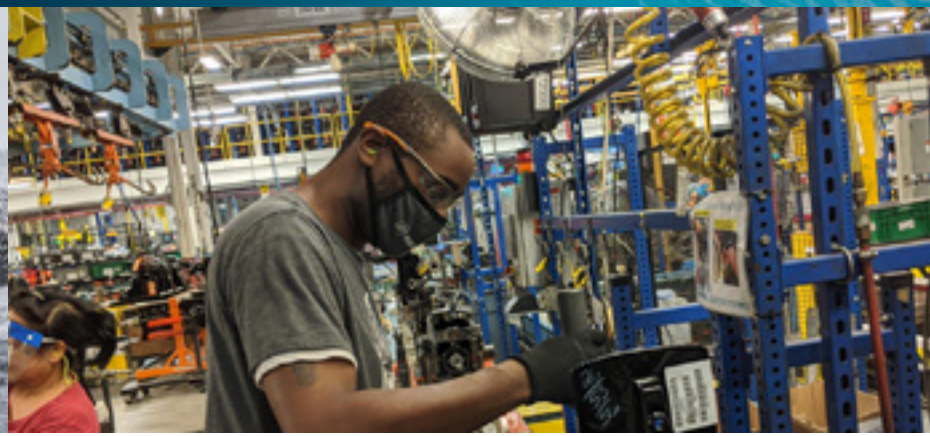
- The company completed a full inspection and **repair of its vast compressed air equipment systems** at its Fond du Lac manufacturing facilities. Repair of leaks and other improvements to contain compressed air systems reduced the power required to maintain pressurization by 50%.

ENVIRONMENT

THE GOALS

Deadline: year-end 2025.
Designate 50% of global distribution centers and warehouse operations as “zero waste to landfill” facilities.

Deadline: year-end 2025.
Reduce water consumption by 25% in comparison to 2016 baseline.

HOW WE ARE ACHIEVING THE GOALS

- Mercury uses **only recycled sources of aluminum** instead of prime aluminum derived from mined bauxite ore. The company processes approximately 40 million pounds of recycled aluminum annually. Discarded vehicle wheels, wiring, and scrap from Brunswick Boat Group operations are melted and purified for use in Mercury's castings. Because its atomic structure is not altered during melting, aluminum can be recycled again and again without degradation of its inherent properties. The company's exclusive use of recycled aluminum avoids the environmental effects of bauxite-ore mining for Mercury's aluminum needs. Recycling aluminum emits only 5% of the greenhouse gas emitted in primary aluminum production.
- Mercury manufacturing operations continue to **recycle baled cardboard**, which totaled 671 tons in 2020. This contributed to the energy savings of 261,690 kWh, which is enough to power approximately 24 homes for one year.
- All Mercury **employees' efforts to recycle** paper, plastics, bottles, and cans added up to 623 tons of recycling in 2020. This figure does not include the recycling that many employees performed while working from home in 2020 to help discourage the spread of COVID-19.
- To **divert wood from the landfill**, Mercury recycled 1,648 tons of pallets/skids to be reconditioned for reuse.
- Mercury made special efforts to recycle an additional 163 tons of **combination wood and cardboard**, which was beneficially reused for other purposes.
- Mercury world headquarters provides two drop-off locations for **used printer ink and toner cartridges**, which the company recycles locally.
- Mercury **treats oily wastewater** generated from washing engine parts and cooling industrial machines. This process annually treats more than 650,000 gallons of wastewater that would otherwise have to be hauled away. This saves roughly 23,000 miles of semi-truck travel on area roadways each year, conserving vehicle fuel and avoiding the noise, emissions, and other environmental impacts of over-the-road hauling.
- Mercury Fond du Lac employees in late September 2020 conducted a drive-thru, masks-required **electronics recycling event**. As part of its sustainability initiatives, Mercury covered the cost to properly recycle employees' unwanted electronics items in exchange for each participating employee's donation of nonperishable food items to go to a local food pantry. The employees recycled more than 25,000 pounds — three-and-a-half 53-foot semi trailers' worth — of e-waste. Thousands of electronic components that would be harmful to the environment in a landfill were instead placed in the appropriate recycling streams for recovery and reuse, giving them new life in new products.
- At the end of 2020, Mercury EMEA headquarters in Petit-Rechain, Belgium, launched a **company bike program**. Employees benefit from the use of a company bike (using either pedal power or electricity) when they commit to using the bike for at least 20% of their daily commutes.
- Beginning in 2020, the Mercury EMEA maintenance and technical workers use **rags made from recycled clothing**. The company purchases the rags from a charity association.
- The Mercury Racing division preserved a **12-acre woodland area** adjacent to its facility in Wisconsin. The division's facilities workers created a winding nature trail for employees' enjoyment of some fresh air, immersion in nature, and exercise.
- The MerCafé food service provider in Fond du Lac increased the proportion of meals served in **biodegradable cardboard boats** instead of polystyrene-foam containers.
- Mercury's Quicksilver division has made sure it is able to use **flexible packaging for engine oils** and lubricants in its product line. This packaging uses less material and collapses when emptied of its contents, resulting in far less packaging waste and volume going into landfill.
- Mercury Marine in China made significant gains in 2020 toward a goal of **reducing paper usage**. Increased use of digital marketing has reduced the China business unit's production and use of paper collateral. Similarly, the adoption of digital administrative tools for functions ranging from expenses to purchasing, to travel management, to sales programs, and to pricing management has reduced the division's use of paper by approximately 30%.
- Mercury donates outboard engines to organizations **performing research and activities aimed at preserving marine environments**. For example, donated Mercury outboards power a Boston Whaler boat that the Massachusetts Institute of Technology (MIT) uses to capture stunning images of marine wildlife in Atlantic waters off the coast of New England U.S. states. Likewise, donated Mercury outboards power research vessels that have assisted the important work of the Coral Reef Restoration Program in the waters near the lower Florida Keys, an effort spearheaded by Mote Marine Laboratory.

PRODUCT

Deadline: year-end 2025.
Reduce outboard emissions by 80% in comparison to 2005 levels.

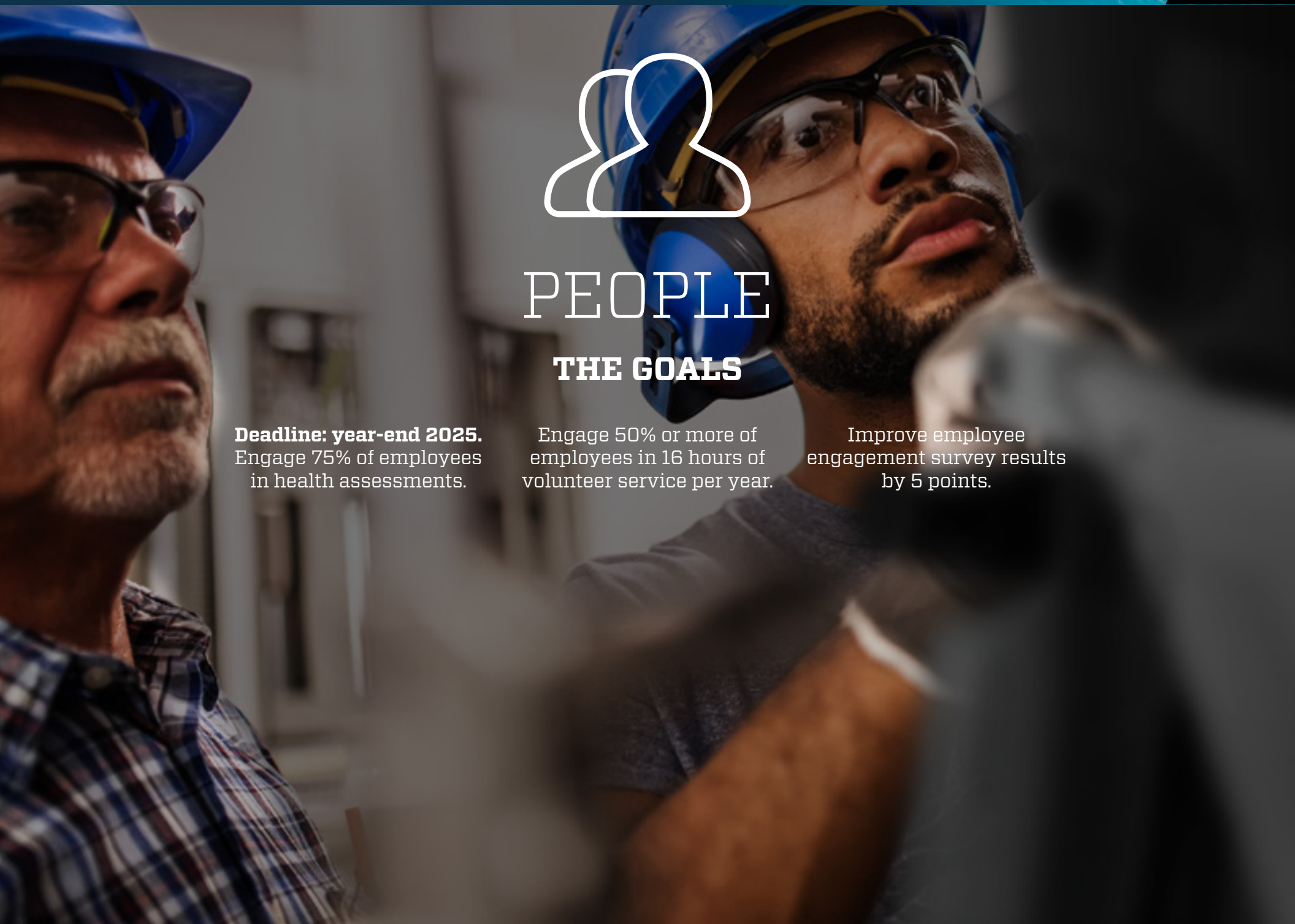
Deadline: year-end 2025.
Reduce sterndrive emissions by 70% in comparison to 2005 levels.

HOW WE ARE ACHIEVING THE GOALS

- In 2020, Mercury Marine saw demand for four-stroke outboard engines built on the company's 4.6-liter V8 and 3.4-liter V6 platforms once again exceed projections. That's good news for the environment, as these high-performance and low-emissions outboards spanning the 175-300hp range are **exceptionally quiet and fuel efficient**. These outboards are not only equipping new boats but also replacing less environmentally friendly engines on existing boats as owners make the switch to the newer Mercury outboards.
  - → **Mercury V8 and V6 outboards are surprisingly lightweight**, even though their acceleration, cruise speed, and durability are world-class. Careful design and patented alloys allowed Mercury to reduce the quantity of metals and materials required to manufacture these outboards. As a result, these engines are as much as 100 pounds lighter than their competitors.
  - → These outboards feature a **closed-loop fuel-control system** using a wide-band oxygen sensor, and they employ proprietary Advanced Range Optimization technology to automate fuel mixture. These features contribute to outstanding fuel efficiency.
  - → The Mercury V8 and V6 outboards demonstrate **superior fuel efficiency at cruising speeds** in side-by-side lake trials against corresponding models of their chief competitors, with V8 models performing 8-10% better and V6 models performing 12-16% better.
  - → They all carry a three-star, "**Ultra Low Emissions**," rating from the California Air Resources Board (CARB), which sets world-recognized standards in measuring air pollutants.
  - → **These engines run quieter**. For example, the Mercury 200hp V6 engine demonstrates noise levels that are 17% lower at idle, 22% lower at cruise, and 31% lower at wide-open throttle in comparison to its closest competitor.

- Mercury Marine continues to expand the application of its acclaimed **Active Trim technology** across a broad range of the company's marine engines. This electronic system automatically applies optimal trimming to outboard and sterndrive engines. Active Trim not only makes boating easier and more enjoyable, but also **improves engine performance and fuel efficiency**. The system uses both boat speed and engine rpm to calculate the ideal trim setting for the most efficient configuration.
- In recent years, Mercury has expanded its **Joystick Piloting for Outboards** offering to a broader range of outboard engines and to boats configured with as many as six outboards. With patented digital controls such as Skyhook, Drifthook, Bowhook, and Heading Adjust, Mercury's joystick-piloting system helps boaters maneuver and dock their vessels easily and successfully on the first attempts, thereby saving fuel.
- Some markets in Asia have lagged behind other global regions in embracing four-stroke technology for internal-combustion engines. However, the tide is shifting and Mercury Marine is leading the way. Mercury has proven that its four-stroke engines can outperform their two-stroke competitors while **producing much lower emissions**. In 2020, Mercury nearly doubled the number of four-stroke outboards it sold in Asia and grew its market share by more than 13% in the four-stroke category.
- Mercury views protection of humans' safety and well-being as a key component of sustainability. With its **potentially life-saving functions**, the new 1st Mate safety and security system fits this criterion. Introduced in 2020, 1st Mate is a comprehensive marine safety and security system that integrates with a boat's propulsion system through an intelligent hub. Wearable fobs for the captain and passengers link together with the hub and a mobile app. If a passenger goes overboard or a fob signal is lost, 1st Mate distributes an alert and GPS location to connected mobile devices. If the captain goes overboard, 1st Mate shuts down the engine(s) and provides guidance for restarting the engines and returning to the boater-overboard location for rescue. The distress messaging feature alerts emergency contacts on other boats or on shore for help. There is also functionality for protecting the boat and its engine from unapproved operation and theft.

- The Mercury Marine **5hp propane-powered outboard** engine is kinder to the environment than its gasoline-powered counterparts. It produces 30% less HC+NOx emissions and 9% less CO_2.
- Mercury Marine diesel marine engines have CARB certification of their carbon capture and sequestration (CCS) capabilities. The certification affirms that these engines can operate 10,000 hours on a commercial duty cycle while maintaining **EPA Tier 3 emission levels**.



PEOPLE

THE GOALS

Deadline: year-end 2025. Engage 75% of employees in health assessments.

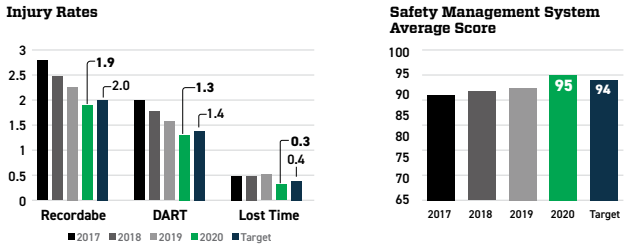
Engage 50% or more of employees in 16 hours of volunteer service per year.

Improve employee engagement survey results by 5 points.

HOW WE ARE ACHIEVING THE GOALS

- Protecting the **health and safety of global employees throughout the COVID-19 pandemic** was of paramount importance to Mercury Marine from mid-March through the remainder of 2020. After a brief shutdown in late March when the health crisis in the U.S. was declared, the state of Wisconsin deemed Mercury an essential business. Mercury rapidly implemented coronavirus-deterrent protocols and resumed production at peak levels to address high demand for Mercury products.
- The company quickly leveraged online tools to allow all employees who were capable of executing their duties from home to do so. Protocols for manufacturing operations included extensive cleaning and disinfecting of all work areas and surfaces, temperature screenings, face coverings, and social-distancing requirements. Work areas and production line stations were rearranged to allow for adequate spacing of employees.
- Mercury communicated extensively with employees on COVID-19 precautions throughout the year.
- As an early **response to the global pandemic**, when supplies of face masks and other protective gear were in short supply, Mercury and its employees sprang into action:
  - → The company donated nearly 10,000 face masks to emergency-responder agencies and hospitals near its world headquarters.
  - → Employees at Mercury Racing innovated a new technique to use 3D printers to create hundreds of plastic tabs that helped volunteers sew hospital-grade face masks for donation to hospitals and emergency responders.
  - → The Mercury Land 'N' Sea Division worked with a major national hospital system to convert full-body protective gear typically used for applying spray paint and other hazardous particulates into protective suits for healthcare workers fighting COVID-19.
- Mercury and its parent company, Brunswick Corporation, were pioneers in the adaptation and use of **virtual exhibition platforms** giving consumers a safe way to browse and learn about boating products and have conversations with experts during the coronavirus pandemic. Mercury was featured prominently in the July 2020 Brunswick Virtual Boat Show, which drew nearly 10,000 online visitors. Mercury hosted four booths and made a key "convention" presentation at this event. Plus, Mercury divisions around the globe leveraged online tools to host events for dealers and consumers within the safe confines of virtual space.
- Even with peak production throughout most of the year, Mercury Marine set new benchmarks in occupational safety, with significant year-over-year improvement in injury rates and safety-management-system (SMS) scores.

Safety Metrics - 2020 FINAL



- Mercury safety improvements are part of a decade-long trend. Since 2010:
  - → Recordable injury rate improved by 33%.
  - → DART (days away, restricted, or transferred) rate improved by 41%.
  - → Lost-time rate improved by 50%.
  - → Sites participating in the Safety Management System (SMS) have grown from nine to 37 in 2020.

Initiatives contributing to these improvements include safety training for employees, the SAFE Awards and Brunswick awards incentives, safe-workspace projects, and investments in machine-, vehicle-, pedestrian-, and dock-safety programs.

- Fond du Lac employees combined their September 2020 electronics-recycling event (see Environment section) with a **food drive**. Donations to a local food pantry served as participating employees' "pass" to obtain company-paid recycling of their unwanted electronics items. The donated food items represented four fully stacked pallets of goods exceeding 1 ton in combined weight. More than a dozen masked and social-distancing employees volunteered in the collecting, sorting, packaging, and shipping of the discarded electronics into the appropriate recycling steams and the food items to the food pantry.
- Mercury Marine employs a **diverse workforce**. In addition to recruiting and hiring people representing a broad variety of backgrounds, Mercury also hires people of varying physical abilities. The use of technologies to assist workers with bearing heavy loads and applying high levels of force opens doors to positions on the manufacturing floor.
- More than half of the workers on the major assembly operation in Fond du Lac are women. The **Women's Leadership Council** at Mercury continues to host events and provide resources aimed at elevating women's roles and contributions to the



advancement of the enterprise. And Boating Industry magazine named Mercury CMO Michelle Dauchy on its 2020 list of 25 "Women Making Waves — stand-out women in the boating industry."

- Mercury Asia's major manufacturing plant received the **2020 Greater Suzhou Best Employer Award** among the more than 5,000 manufacturing, tech, and R&D companies operating in the Government of Suzhou Industrial Park. The award recognizes the best performance in attracting, developing, and retaining employees, other dimensions of human-resources practices, and fulfillment of social responsibilities.
- The 2020 **Be Your Best wellness program** nimbly shifted its employee challenges, incentives, and offerings to accommodate more at-home activities that could be safely performed during the pandemic. The result was increased opportunities for employees to reach their wellness goals. Mercury employees' enrollment in the Be Your Best program attained its highest level, reaching 78% in 2020.
- Every year, Mercury demonstrates its interest in helping employees make **healthful dietary choices**. In partnership with its food service provider at its world headquarters, Mercury offers a discount on healthful meal choices. Additionally, in 2020 employees participated in a Lunch 'n' Learn session on the topic of healthful snacking.
- The 2020 **Mercury Sons and Daughters Scholarship** awarded a total of $63,000 to 21 students.
- The expansion of **Mercury University programs** included new partnerships with organizations that train boat builders and marine-engine mechanics, including Great Lakes Boat Building School in Cedarville, Michigan. The need for more trained marine technicians is great, and Mercury is stepping up to help address it.
- Mercury Marine technician-training initiatives:
  - → 2,466 Outboard Certified Technicians in our training system
  - → 327 Outboard Master Technicians in our training system
  - → 2,134 MerCruiser Certified Technicians in our training system
  - → 269 MerCruiser Master Technicians in our training system
- Mercury continued to expand on programs to engage with students in **STEM and technical-trades programs**, and to provide training opportunities to employees. Moraine Park Technical College honored Mercury with its 2020 Employer of the Year Award, recognizing Mercury for its investment in its staff and its innovative new student-training courses in partnership with the college.
- Every few months, a team of a roughly a dozen Fond du Lac Mercury employees and family members picks up trash and debris along a nearby stretch of highway as part of the Adopt-A-Highway program.


ENERGY

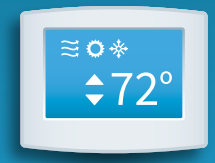
Modern manufacturing equipment saves the energy equivalent of **85,000 gallons of gasoline each year.**

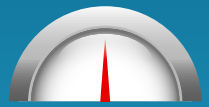
LED lights draw **75%** **less power** than incandescent lights.

Using recycled aluminum requires **95% LESS ENERGY** than creating prime aluminum from bauxite ore.

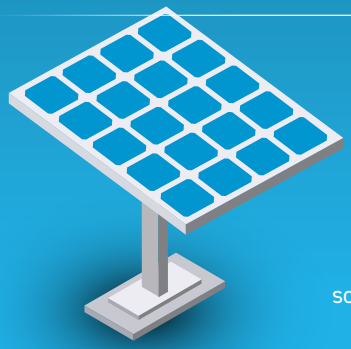
Efficient equipment-charging stations in Europe use **19%** **less power.**

New HVAC manages climate zones more efficiently.





Repair of compressed-air system cut its power requirements by **50%.**



Fond du Lac solar array to power warehouse lights for **30 YEARS.**

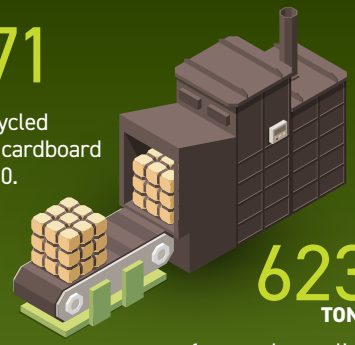
Petit-Rechain solar array cuts energy from the grid by **1/3.**

Captured and reused manufacturing heat to help melt aluminum reduces natural gas consumption by **20%.**

ENVIRONMENT

Company bike program introduced in 2020 at Belgium offices.

671 TONS of recycled baled cardboard in 2020.



623 TONS of general recycling (paper, plastics, bottles, cans) in 2020.

1,648 RECONDITIONED PALLETS in 2020.

163 TONS of wood and cardboard beneficially reused for other purposes in 2020.

Employees' electronics-recycling event sends **25,000 pounds / 3½ truckloads** of e-waste into the proper recycling streams.

650,000 GALLONS of oily wastewater treated on site.

Biodegradable food-service containers.

Capability to use **Flexible packaging** for oils and lubricants.

Recycled Rags from discarded clothing in Europe headquarters.

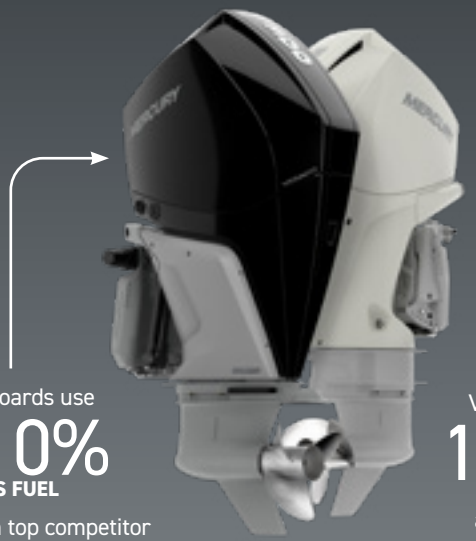
Reduced paper usage in favor of electronic tools in Asia.

100% RECYCLED ALUMINUM TO MANUFACTURE MARINE ENGINES.

PRODUCT

V8 and V6

outboards as much as **100 pounds lighter** than competitor outboards.



V8 outboards use **8-10%** **LESS FUEL** at cruise than top competitor outboard.

V6 outboards burn **12-16%** **LESS FUEL** at cruise than top competitor outboard.

Three-star CARB rating: "Ultra Low Emissions."

96% **INCREASE** in Mercury four-stroke engines with low emissions sold in Asia in 2020.

1st Mate enables potentially lifesaving emergency response.

Mercury propane-fueled outboard produces **30%** lower exhaust emissions than gasoline.

PEOPLE

10,000 **FACE MASKS** donated to emergency responders and front-line health care workers.

4 **FULLY STACKED PALLETS,** together weighing more than 1 ton, of nonperishable food items donated to a Fond du Lac food pantry.

More than **50%** **OF ASSEMBLY-LINE** workers are women.

Lost-time injury rate cut by 1/2 since 2010.

Recordable injuries cut by 1/3 since 2010.

$63,000 in scholarships provided.

78% **EMPLOYEE PARTICIPATION** in Be Your Best wellness program.

TRAINING FUTURE PROFESSIONALS:

2,466 Outboard Certified Technicians in our training system.

2,134 MerCruiser Certified Technicians in our training system.

327 Outboard Master Technicians in our training system.

269 MerCruiser Master Technicians in our training system.

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