

2021 Wisconsin Manufacturer of the Year



MERCURY
GO BOLDLY.®



INTRODUCTION AND OVERVIEW

A manufacturing powerhouse in Wisconsin for more than 80 years, Mercury Marine just completed two of the most successful years in its history. Mercury today employs more than 4,300 talented employees in Wisconsin, representing the majority of its global workforce of 7,800 and the most workers Mercury has ever had in its home state. With more expansion and hiring underway, the company is demonstrating sustained growth and its deep commitment to Wisconsin.

A 2021 study released by Envision Greater Fond du Lac reported that the company's overall annual economic impact in the community surrounding its global headquarters surpasses \$5 billion.

The world's leading provider of marine-propulsion solutions and related parts and accessories, Mercury posted record sales and earnings in 2020 and 2021, building on its long history of strong and consistent revenue, earnings, and cash flow generation. Mercury continues to invest hundreds of millions of dollars in its Wisconsin-based people and facilities and global infrastructure.

The company responded to exceptional growth in demand as more consumers turned to Mercury-powered boating as an easy, enjoyable, safe, and socially distanced activity throughout the pandemic. This required rapidly expanding Fond du Lac manufacturing capacity to more than 3 million square feet and onboarding hundreds of additional workers. Mercury increased production of its outboards, which represent the greatest proportion of its revenue, by more than 50% in 2020 and by another 65% by the end of 2021.

Mercury also surmounted global supply chain obstacles in 2021. Leveraging its vertically integrated manufacturing model and the

strength of its global network of supply partners, Mercury acquired the materials it needed to accelerate production while other producers had to slow or suspend manufacturing.

Mercury channeled some increased manufacturing capacity toward production of its new 7.6-liter V12 600hp Verado engine, the highest-horsepower outboard in production today and the world's only outboard with a V12 powerhead, two-speed transmission and steerable gearcase. Several marine manufacturers are now building boats specifically for this outboard. It has already won prestigious awards, including some that have never before gone to a marine engine, putting Wisconsin manufacturing in the spotlight on national and international stages.

Mercury led the way in responding and adapting to the COVID-19 pandemic. The company rushed supplies, including thousands of face masks that it had the foresight to acquire ahead of the coronavirus's arrival in the U.S., to emergency responders and healthcare providers. Mercury prioritized the health and safety of its employees, collaborating with WMC and state and county health departments on the Back to Business Plan aimed at safely opening Wisconsin businesses.

Committed to being an exemplary corporate citizen, in 2020 Mercury set ambitious new goals aligned with the four pillars of its sustainability mission: Energy, Environment, Product, and People. In 2021, the company installed a solar array on its Fond du Lac campus and designated its second major "zero waste to landfill" facility.

Mercury is proud to continue building on its successes and to help showcase Wisconsin's strength as one of this nation's greatest manufacturing states.



A MOTIVATED WORKFORCE, TODAY AND TOMORROW

Mercury is unequivocal in its assertion that its people are its greatest asset. The company's 2020-2021 goals and objectives — pursued in the context of unforeseen and formidable challenges related to the pandemic and a hobbled global supply chain — demanded extraordinary focus, dedication, and performance from employees at every level and function in the organization. Mercury employees did more than step up to these challenges — they conquered them.

To help foster the company's "can-do" culture and employees' dedication to the mission, Mercury enacted measures with its staffing needs, employees' welfare, and workers' morale in mind.

- Mercury has more than 4,300 employees working in Wisconsin — the most it has ever had in its home state.
- The company increased its net staffing in Wisconsin through 2020 and 2021 by 679 employees to support its growth. Mercury continues to hire today, with more than 200 job openings posted at the beginning of March 2022.
- Mercury is dedicated to employees' personal and professional growth, providing learning and training opportunities and promoting from within (more details on page 9 of this report).
- With its track record of success, Mercury is also attracting the best and brightest talent for some leadership roles, including the recent addition of top executives coming from Whirlpool, Ford Motor Company, John Deere, and other Fortune 500 companies.
- Mercury hourly manufacturing employees saw wages grow on average by approximately 20% through the past two years.
- Acknowledging hourly employees' extraordinary performance to accelerate production through a period of adversity, Mercury issued discretionary bonuses of \$1,000 to all of its hourly workers in both 2020 and 2021.

Fostering the next generation of talented marine-industry workers

Steady growth in the marine industry for more than a decade has created demand for more engine technicians and workers representing a broad spectrum of manufacturing trades. Mercury is doing its part to prime the supply line of talented and trained workers for years to come.

- Mercury provides project leaders and mentors, as well as other resources, to the Fond du Lac STEM academy, which teaches science, technology, engineering, and math to middle school and high school students.
- Mercury maintains a close relationship with Moraine Park Technical College (MPTC) to train students in marine sciences and manufacturing trades. MPTC honored Mercury in 2020 with its **Employer of the Year Award** and its **Futuremakers Partner Award**.
- Mercury also supports and participates in technical training for students throughout the Wisconsin Technical College system, including Fox Valley Technical College.
- Mercury University is a program whereby Mercury provides an approved curriculum to boat-building schools and other marine technician training programs. Students may earn the Certified Mercury Technician and Certified Mercury Master Technician credentials, which are passports to fulfilling careers.



A PILLAR OF THE COMMUNITY — A DRIVER OF ECONOMIC STRENGTH

According to a study released in May 2021 by Envision Greater Fond du Lac and Impact DataSource, Mercury Marine has more than a \$5 billion annual economic impact on the greater Fond du Lac community — an increase of more than \$1 billion per year from five years ago.

The study shows that Mercury continues to be one of the top employers in the state, with nearly 4,000 employees at its world-headquarters campus in Fond du Lac. The study further concluded that Mercury has a total job impact of more than 11,000 jobs in the Fond du Lac community, meaning that each job at Mercury Marine supports nearly two more full-time positions in Fond du Lac County.

The study also shows that Mercury's impact on retail activity in the region has increased 80% since 2016, accounting for more than \$336 million in community retail sales. The strong economic trend is predicted to continue given the unprecedented demand for boating, fishing and outdoor recreation.

Since 2009, Mercury has invested more than \$1.7 billion in R&D and expansion at its global headquarters; more than 80% of the work completed during that growth was done with Wisconsin-based companies.



Mercury Marine Growth in Fond du Lac, Wisconsin

<i>Annual Direct, Indirect and Induced Economic Impact</i>	2016	2020
Number of New Direct Jobs	3,090	3,694
Indirect and Induced Jobs Supported	6,293	7,524
Total Jobs	9,383	11,218
Direct Payroll	\$189,924,047	\$300,000,000
Indirect and Induced Payroll	\$222,173,150	\$350,940,000
Total Payroll	\$412,097,197	\$650,940,000
Direct Economic Output	\$2,599,649,822	\$3,381,100,094
Indirect and Induced Economic Output	\$1,306,843,965	\$1,699,679,017
Total Economic Output	\$3,906,493,787	\$5,080,779,112
<i>Taxable Property</i>		
Real Property - Assessed Value	\$42,552,400	\$42,258,418
Personal Property - Assessed Value	\$22,857,700	\$22,857,700
Total Assessed Value of Property	\$65,410,100	\$65,116,118
<i>Retail Sales Impacts of additional Direct, Indirect and Induced Payroll</i>		
Grocery stores	\$25,539,235	\$52,075,200
Restaurants	\$17,631,147	\$36,452,640
Alcoholic beverages	\$3,185,459	\$5,031,684
Apparel and services	\$11,136,761	\$18,877,260
Housekeeping supplies	\$4,339,880	\$8,462,220
Household furnishings	\$10,821,919	\$20,830,080
Vehicle purchases and other expenses	\$42,843,194	\$62,490,240
Gasoline and motor oil	\$13,853,044	\$26,037,600
Health care	\$27,829,556	\$55,980,840
Entertainment	\$17,359,519	\$28,641,360
Personal care products and services	\$4,086,771	\$8,462,220
Tobacco	\$2,432,308	\$4,556,580
Other retail purchases	\$5,167,111	\$8,161,860
Total Retail Sales	\$186,225,905	\$336,059,784

Impact DataSource prepared the above estimates based on information about Mercury Marine to provide an illustration of economic and fiscal impacts resulting from the manufacturer. Impact DataSource prepared this summary using various assumptions and the following sources:

- (1) U.S. Department of Commerce, Bureau of Economic Analysis, Regional Input-Output Modeling System (RIMS II)
- (2) U.S. Department of Labor, Bureau of Labor Statistics, Consumer Expenditure Survey 2019

Mercury Marine 2020 Impact in Fond du Lac, Wisconsin

2020 Employment Impact by Industry Category

	Direct	Indirect & Induced	Total
Agriculture, forestry, fishing, and hunting	0	23	23
Mining	0	5	5
Utilities	0	64	64
Construction	0	96	96
Manufacturing	3,694	2,421	6,115
Wholesale trade	0	686	686
Retail trade	0	882	882
Transportation and warehousing	0	419	419
Information	0	119	119
Finance and insurance	0	246	246
Real estate and rental and leasing	0	178	178
Professional, scientific & technical svcs	0	318	318
Mgmt of companies and enterprises	0	38	38
Administrative & waste mgmt services	0	444	444
Educational services	0	87	87
Health care and social assistance	0	608	608
Arts, entertainment, and recreation	0	63	63
Accommodation	0	52	52
Food services and drinking places	0	495	495
Other services	0	226	226
Households	0	53	53
Total Jobs Created	3,694	7,524	11,218

Estimated Annual Direct, Indirect and Induced Fiscal Impact - 2020

Property, Sales, and Income Taxes	Sales Taxes from			Total Taxes
	Property Taxes	Worker Spending	Income Taxes	
State	\$0	\$5,858,460	\$24,771,338	\$30,629,798
County	\$237,433	\$585,846	\$0	\$823,279
Local	\$376,178	\$0	\$0	\$376,178
School and Others	\$319,220	\$0	\$0	\$319,220
Total	\$932,831	\$6,444,306	\$24,771,338	\$32,148,475



PRODUCT MANUFACTURING

Mercury introduces a new product to the market on an average of every six weeks. The company is committed to innovation, including new technologies that make boating more approachable and intuitive. A commitment to deeply understanding consumers’ needs, both articulated and unarticulated, forms the foundation of Mercury innovations that are best in class and deliver step-change enhancements of the boating experience.

The products summarized below are just a few of the many innovations motivated by a company culture committed to constantly improving its boating products and introducing new solutions that make boating even better.

Mercury 7.6-liter V12 600hp Verado outboard marine engine

Few products can legitimately claim to redefine a category, but the Mercury Marine 7.6-liter V12 600hp Verado® outboard can. Mercury designed this engine to address evolving needs in the market for large outboard-powered recreational boats. As boats have advanced in size, weight and onboard amenities, demand has grown for a more sophisticated high-horsepower solution.

Available to the marketplace beginning in June 2021, the 600hp Verado outboard is the highest-horsepower outboard in production today. It brings several innovative firsts to the outboard-engine industry — chiefly, its V12 powerhead, two-speed transmission, steerable gearcase and cowl-hood door for easy maintenance. These pioneering features — combined with exceptional fuel efficiency, quiet and smooth operation, space-saving design, hydrodynamic contra-rotating propellers, advanced digital controls, the longest service intervals in its category, and more technological advancements — make this outboard a standout that is revolutionizing propulsion in the market of large recreational boats.

The V12 Verado outboard delivers exceptional performance even with its superior fuel efficiency. In sea trials conducted with a 43-foot day boat, twin Mercury 600hp Verado outboards outperformed the top competitor’s triple 425hp outboards in acceleration and top speed, all while logging 20% better fuel economy at cruise.

With so many unique features that enhance the overall boating experience, the V12 Verado outboard has received several prestigious accolades. Most recently, it won the Miami Innovation Award in the Outboard Engines category, prompting award judges to say, “It has changed the way boat builders design their boats. It’s so full of innovation, we can’t even list it all.” It also became the first outboard engine ever to win the European Powerboat Innovation Award, with judges making an exception to confer an honor that almost always goes to complete boats and to companies based in Europe. This engine’s technological advancements also made it this year’s recipient of the Consumer Electronics Show (CES) Innovation Award in the Vehicle & Transportation category. And, finally, Boating Industry media group named the V12 Verado to its Top Products of 2021 list.



The V12 Verado outboard product launch: Innovation didn’t stop at product development

The cancellation of the 2021 Miami International Boat Show because of the COVID-19 pandemic forced Mercury into a new strategy for its V12 Verado® outboard product launch. The company’s marketing team opted for a virtual product launch leveraging its strengths in online promotion and social media. The results were outstanding. In the first seven days of the launch ...

Reach across social media	3,000,000
Advertising impressions	22,400,000
Video views	1,600,000
Mercury V12 webpage views	341,000



Bravo Four S forward-facing drive with Smart Tow controls

Wakesurfing is rapidly gaining popularity as an exhilarating on-the-water activity. In the summer of 2020, Mercury Marine introduced a product that makes creating the perfect wakes for wakesurfing, wakeboarding and other tow sports a cinch.

The Bravo Four S™ forward-facing drive for Mercury MerCruiser® sterndrive engines comes with digital controls that coordinate ballast, surf tabs and propulsion settings under a single and intuitive user interface. These controls, called the Smart Tow® system, allow customization of the tow sports experience with just a few taps on a Mercury VesselView® touchscreen display.

The driver can simply select the desired tow sports activity, and the Smart Tow system will display the appropriate controls to dial in the perfect launch acceleration, towing speed, and wake characteristics. Plus, the forward-facing drive tucks the propeller under the boat's hull for improved tow sports safety.

1st Mate Safety and Security System

Combining boat safety with convenience, 1st Mate™ fills an important niche in the boating market, making new and potentially lifesaving measures available to boaters when things go wrong. Highly effective and able to replace onboard safety lanyards, 1st Mate is a comprehensive marine safety and security system.

1st Mate 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 (even a device-wearing pet!) goes overboard or a fob signal is lost, 1st Mate distributes an alert and GPS location to connected mobile devices. If the captain fob signal is lost, 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 designated emergency contacts on other boats or on shore for help.

Additionally, as a customizable security system, 1st Mate can be programmed to wirelessly lock the engine(s) to prevent unauthorized use.

The awards judges for CES 2021 praised Mercury's ingenuity in developing this system and in December of 2020 conferred its 2021 Best of Innovation Award to 1st Mate.



The Mercury manufacturing value stream

While Mercury maintains a robust and responsive global network of supply partners, the company also benefits from vertical integration, managing most phases of manufacturing — from concept to completed and tested product — in house.

Mercury employs nearly 500 talented engineers who design state-of-the-art products and the processes for manufacturing them.

Then Mercury performs most of its own work using well-trained workers, advanced technologies and robotic systems.

For example, Mercury smelts its own 100% recycled aluminum to form the basis of its award-winning alloys, and it uses some of the world's most sophisticated equipment and techniques to form engine-block castings. From there, the company performs its own trimming, machining and heat-treating of blocks, gears, shafts, and other components.

Mercury has developed its own state-of-the-art techniques for coating and painting components, preparing them for the rigors of service in the water.

Separate streams of production perform similar functions for engine powerheads, midsections, gearcases, and propellers.

Mercury leverages the latest Industrial Internet of Things (IIoT) technologies to ensure that the right components flow into the correct processes and are matched correctly with other components.

The confluence of these streams is the assembly floor, where more skilled workers operate high-tech equipment to bring these components together, install their advanced electronic systems, and build the world's best marine-propulsion products.

Mercury tests, packs and ships its own products to a vast worldwide network of dealers and distributors.



In September 2021, the North American Die Casting Association (NADCA) honored Mercury with its Casting of the Year Award in the Aluminum – Over 50 LBS category for the V12 outboard engine block. NADCA praised the precision and consistency of these castings. Mercury uses two die-casting machines — the largest in North America — to inject patented aluminum alloy into a mold under as much as 4,500 tons of pressure.



WORKPLACE SAFETY AND OPERATIONAL EXCELLENCE

Safety-oriented culture

Mercury's safety culture is built on leadership commitment and employee engagement in an organization that places safety at the foundation of its success and considers safety a key to its sustainability. Throughout 2021, Mercury built upon its ongoing safety and health performance initiatives, leading to a 39% reduction in its recordable-incident rate, a 43% reduction in its DART rate, and a 39% reduction in its lost-time accidents rate over the past three years.

These improvements at Mercury and other Brunswick Corporation companies led to a 2021 recordable incident rate that was the lowest in Brunswick's history.

Mercury employees achieved and sustained these reductions during a period of unprecedented production growth and hiring at Mercury Wisconsin facilities. Even with all these operational priorities, employees at all levels reinforced their focus on the paramount importance of safety.

In an employee survey that covered a broad array of topics and was completed in November 2021, workers ranked the statement, "Safety is a high priority in our company," as the number-one response across the organization.



Guiding safety programs

Foundational to the company's safety success is its strong focus on 5S+1 principles and Lean Six Sigma (LSS) tools. Programming elements are built on industry best practices and compliance guidance for machine safeguarding, electrical hazards, dust management, loading docks, vehicle safety, and COVID protocols, to name a few.

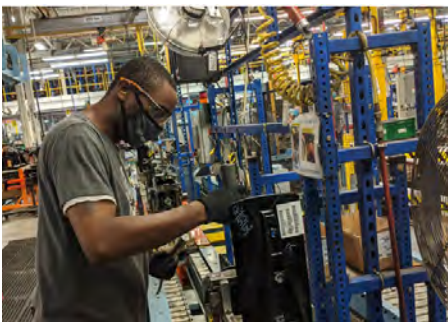
Mercury uses the ANSI Z10 Safety Management System as the primary guidance for program development and evaluation of safety programming across all its sites. The company achieved an aggregate average score of 98 out of 100 during 2021.



Safety Week

Each November, Mercury headquarters in Wisconsin hosts the company's Safety Week event. The 11th annual event in 2021 was hosted in a virtual format over four days, with more than 300 participants from across the globe. Mercury President Chris Dress kicked off the event with recognition of sites that have achieved the highest levels of safety performance. Safety Week brings together senior leaders, managers, supervisors, hourly safety team members, and safety/health professionals. The 2021 event, titled "Good to Great," included presentations on topics ranging from employee engagement, near-miss reporting, ergonomics, and more. Leaders representing an assortment of business functions — from manufacturing to marketing, to product design, to distribution, and more — shared perspectives and encouraged participants to further build a culture of safety through education, feedback, and recognition.

A cornerstone of the Safety Week event is presentation of Mercury's SAFE Award (Safety Award for Excellence). In 2021, a total of nine nominations were submitted from across the globe, each representing an initiative that made a significant contribution toward Mercury's safety culture or represented best practices. The award was presented to a Fond du Lac manufacturing supervisor who had joined Mercury within the past year and developed a near-miss and safety-observation reporting system. This process enabled greater outreach and engagement on safety matters by all employees in Mercury assembly operations, and it led to more than 200 near-misses reported and resolved. That same plant achieved a reduction of 36% in their recordable-incident rate in 2021.



Safety initiatives

Mercury is continually working to reduce risks and enhance the safety and health of its workers. Notable projects have included the following: loading dock safety system updates; boat-launch safety improvements; vehicle/pedestrian interface, including redesign of walk aisles, crosswalks, and traffic flow; safety-oriented signage; and installation of an I.D. card reading and reporting system for emergency evacuation processes.



Occupational health initiatives

From a workplace health perspective, several key initiatives have provided employees with greater access to benefits toward a healthy lifestyle.

Mercury became certified as a Point of Distribution (POD) site for COVID vaccines, which enabled the hosting of on-site vaccine clinics for employees. **A total of 10 on-site vaccine events were held during 2021, with nearly 450 employees and their families participating.**

For new hires, Mercury uses a Post-Offer, Pre-Employment (POPE) process, which helps ensure a good match between the employee and the tasks that the job requires. Other processes include programs aimed at helping employees learn proper body mechanics.

Mercury focuses on ergonomics design. The use of automation and assisted-lift technologies to address strenuous tasks has allowed Mercury to increase the diversity its workforce. In the company's engine assembly operations, women make up more than 50% of the workers.

Mercury also seeks ways to bring new and innovative approaches to its safety efforts. In its skilled-trades areas, the company has implemented a multi-year approach to build knowledge around risk identification and response to help employees recognize dynamic work environments.

A key initiative for Mercury in 2021 was the application of the Design Thinking improvement process, which focuses on the user experience. In the case of safety, this involved in-depth interviews with employees from all types of roles to understand their experience with safety and how Mercury can help ensure that every employee prioritizes safety in daily work tasks.

Ultimately, the company's efforts to achieve excellence in safety and health reflect its commitment to its most important asset — its people.



Lean Six Sigma


Mercury Marine launched its Lean Six Sigma (LSS) program 18 years ago and it's going strong today, giving employees at all levels the tools to reengineer processes and make them more efficient.

The program embraces Mercury's focus on continuous improvement, providing clear and effective methodology for accomplishing that vision. It provides a common set of tools and a common language for identifying and driving out waste, reducing process variation, and developing improved, more efficient, and more capable processes overall.

LSS at Mercury extends well beyond manufacturing operations. From sales and service to administration, LSS helps the organization improve its efficiency and effectiveness.

The Mercury LSS program conducts an annual expo to showcase LSS successes. The expo and ongoing communications to employees about LSS inspire employees to participate. Employee engagement and participation in LSS continues to grow year after year.



 OSHA 300A Data - Mercury Marine Wisconsin Sites 2021						
Total Hours Worked	Total Number of Deaths (G)	Total Number of Cases with Days Away from Work (H)	Total Number of Cases with Job Restriction or Transfer (I)	Total Number of Other Recordable Cases (J)	Total Number of Days Away from Work (K)	Total Number of Days with Job Restriction or Transfer (L)
7,785,031	0	14	35	29	284	1843
Injury and Illness Types (M)						
1) Injuries	74	4) Poisonings	0			
2) Skin Disorders	0	5) Hearing Loss	2			
3) Respiratory Conditions	0	6) All other illnesses	2			
NAICS	336310					
Annual Average # of Employees	4107					
Signed: Jim Sutton Director - Safety and Occupational Health			2/23/2022			

MANAGEMENT PHILOSOPHY AND EMPLOYEE COMMITMENT

The Mission, Vision, and Values statements at right encapsulate the management philosophy driving the company's ongoing success. Working in conjunction with these statements in defining Mercury culture is the company's 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.

Innovation

Also at the heart of the company's management philosophy is a commitment to fostering an environment that promotes innovation.

This includes an emphasis on the principles of design thinking and tolerance of calculated risk in the interest of fresh ideas and new approaches.

Innovation extends beyond product development. In conferring the **Most Innovative Marine Company Award** to Mercury twice in the past three years, boating-industry media group Soundings Trade Only stressed this perspective: "We look to companies that are transforming our industry through the use of new manufacturing processes, marketing approaches, technologies, products, purposes, directions, workforce, and other initiatives. We want to recognize companies shaping the future of the marine marketplace."



Professional and personal development

Mercury actively promotes employees' professional and personal growth with a variety of offerings:

- Regular "Lunch 'n' Learn" sessions (virtual meetings in 2020 and 2021) on health, wellness, and environmental topics.
- Regular online training sessions on various software platforms and other business skills.
- Tuition reimbursement and continuing education credits for fields of study relating to the recipient's job.
- LEAD training for senior managers.
- Manager-development training through Moraine Park Technical College.
- Achieve program training for front-line supervisors.
- Trade-related training (machining, cutting, grinding, electrician work, equipment maintenance, etc.) through Fox Valley Technical College.

Communications

Mercury also shows its commitment to employees through regular and ongoing sharing of information. Mercury President Chris Drees conducts monthly online town hall meetings and quarterly business updates with employees. A monthly employee newsletter, regular email newsletters, and an intranet site provide more information. These tools and an annual survey seek employees' questions and feedback.

Mission:

Fueled by our passion for the water and our customers' boating experience, we provide the most reliable and intuitive propulsion solutions and are committed to be the best partner for our stakeholders.

Vision:

Delighting customers by providing the best engine and propulsion solutions for the world's most demanding environments.

Values:

— Lead in Products and Service —

We provide innovative and high-quality products and services that deliver reliable, easy-to-use solutions and drive passion for our brand.

— Act with Integrity —

We will conduct ourselves with the highest of ethical standards. We do what we say, and say what we do.

— Succeed Together —

We foster a winning culture that engages everyone in driving company and personal success.

— Be Sustainable —

We are committed to the environment, our employees, and our communities.

— Put Customers First —

Delighting customers by providing the best engine and propulsion solutions for the world's most demanding environments.



COMMUNITY SUPPORT, STEWARDSHIP & INVOLVEMENT

Throughout the past two years, Mercury has expanded on its 20-year journey of successfully pursuing sustainability initiatives that align with the four major pillars of the company’s sustainability mission: Energy, Environment, Product, and People. Although the company has made great strides working independently to advance sustainability objectives linked to each of the pillars, Mercury understands that some of its greatest accomplishments are the result of engagement and collaboration with partners and the communities where Mercury employees live and work.



Energy

To conserve energy in the past two years, Mercury has modernized equipment, redesigned facilities, redirected and reused manufacturing-generated heat, adopted energy-saving technologies such as LED lighting, and invested in renewable sources of energy. Highlights include the following:

- In January 2021, Mercury completed installation of its first array of photovoltaic solar panels to be put to use at its world headquarters in Fond du Lac. The 320-panel array will generate enough electricity to light a major section of its assembly facilities for the next 30 years.
- In partnership with its parent company, Brunswick Corporation, Mercury in 2021 committed to a Virtual Power Purchase Agreement representing a major investment in building more solar-power infrastructure to feed the U.S. power grid.
- At its international convention in October 2021, the Association of Energy Engineers (AEE) recognized Mercury with its Corporate Energy Management Award. In bestowing the award, AEE said, “Mercury Marine is an environmental steward, driven by environmentally conscious production and sustainable energy management.”
- In April 2020, Wisconsin Focus on Energy named Mercury a winner of its Energy Efficiency Excellence Award.



Environment

To continue caring for the planet, Mercury cleaned the air and water that it returned to the environment; expanded its recycling initiatives, including its commitment to using 100% recycled aluminum in creating alloys for castings; and established a second “zero waste to landfill” facility. Highlights include the following:

- In 2021 Mercury installed new robotic equipment for fine-grinding and polishing propellers in a plan to replace a process that had used abrasive media and water. The new robotic process spares the environment from as much as 1.5 million pounds of landfill waste and 4.5 million gallons of wastewater annually.
- Applying stringent “reduce, recycle, re-use” standards to its warehouse operations, Mercury declared its major distribution center in Fond du Lac to be a “zero waste to





landfill” facility in 2019. The company is now applying this discipline to other global operations. In September 2021, Mercury designated its Kellogg Marine distribution center in Connecticut as the second facility to earn the “zero waste to landfill” distinction.

Product

To ensure that its products promote sustainability, Mercury designs and manufactures marine engines that are among the world’s quietest, most fuel efficient, and cleanest-running.

- In 2021, Mercury designed, prototyped and tested its new Avator concept for an electric outboard engine. The company unveiled the concept in February 2022, serving notice to the marine industry that the company is embracing the challenge to develop the world’s best electric marine-propulsion solutions.
- Mercury continues to lead the marine industry in manufacturing marine engines that are the quietest and smoothest-operating in their class, according to standardized measurements of NVH (noise, vibration, and harshness).
- Mercury builds marine engines that are as much as 20% more fuel-efficient than competitors’ engines.

People

To improve the lives of its employees and people in the communities it touches, Mercury has embraced diversity and inclusion, and has engaged employees in volunteering activities to serve the sick, hungry, homeless, and others in need. At the corporate level and the grassroots level among employees, Mercury works closely with several organizations on projects aiming to enhance the well-being of individuals and communities:

- Fondy Food Pantry — Every year, Mercury and its employees provide the largest donations of food and money to this food pantry serving the greater Fond du Lac community.
- Habitat for Humanity — A large group of Mercury employees joined the 2021 “Rock the Block” effort to provide home repair and preservation services in a low-income neighborhood.
- Fox-Wolf Watershed Alliance — Teams of Mercury employees joined this organization’s annual cleanup event to help preserve this natural resource, an important habitat for numerous plant and animal species.
- Adopt-A-Highway — Every few months, groups of Mercury employees pick up litter along Mercury’s adopted stretch of County Highway 23.
- Help for the Homeless — Mercury employees donated hygiene items and cleaning supplies to this event that benefits families in need who are being served by Solutions Center Shelter & Support Services, The Salvation Army, New Beginnings Pregnancy Center, Beacon House, and ADVOCAP in the greater Fond du Lac area.
- Fond du Lac STEM Academy — Mercury provides project leaders and mentors, as well as other resources, to this school that teaches science, technology, engineering, and math.
- Moraine Park Technical College — Mercury partners with this and other schools in the Wisconsin Technical College system to prepare students for careers in manufacturing.

Engagement

In achieving these successes, and in planning for more sustainability success in the future, Mercury knows that engagement with partners and communities is critical.

At every annual Mercury Supply Partners Summit, an in-depth session focuses on the company’s expectations regarding sustainable practices among all Mercury supply partners.

Finally, Mercury and its employees aim to be inspirational leaders in the context of sustainability. The company’s sustainability experts serve on a variety of committees and boards to provide advice and counsel in making manufacturing more sustainable in all industries.

Mercury has earned the Green Masters designation from the Wisconsin Sustainable Business Council for 11 consecutive years. In the past few years, Mercury has received various sustainability awards in categories that include Business Friend of the Environment, Sustainable Process, Energy Efficiency Excellence, Sustainable Product of the Year, Corporate Energy Management, and more.

