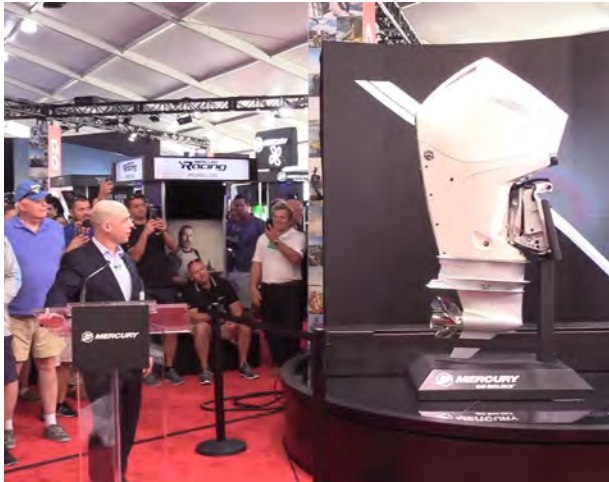




Application: 2018 WMC Wisconsin Manufacturer of the Year
AN EXTRAORDINARY YEAR FOR MERCURY MARINE





Application: 2018 WMC Wisconsin Manufacturer of the Year INTRODUCTION AND COMPANY INFO

2018: A year of AWARDS and RECOGNITIONS for Mercury Marine

Product and Manufacturing

- National Marine Manufacturers Association (NMMA, U.S.) 2018 Innovation Award, Outboard Engines Category: Mercury Marine 3.4L V6 FourStroke outboard engines.
- Boating Industry Magazine 2018 Top Products: Mercury Marine 3.4L V6 FourStroke outboard engines.
- IBEX 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.
- 2017 Best Boat Award, Paris Boat Show: Mercury Quicksilver Activ 605.
- Most Innovative Product Award, Hutchwilco New Zealand Boat Show: Mercury Marine 4.6L V8 four-stroke outboard engines.

Sustainability

- Best Eco-friendly Company That Is Hiring Now: Mercury Marine. Awarded by Glassdoor.com.
- 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 new V6 and V8 outboard engines. Awarded by Wisconsin Manufacturers and Commerce (WMC).
- 2018 Green Masters designation: Mercury Marine (eighth consecutive year). Awarded by Wisconsin Sustainable Business Council.

Mercury Marine makes 2018 a standout year of achievement

A stroll through Heritage Hall at the Fond du Lac, Wisconsin, world headquarters of Mercury Marine, a world leader in marine propulsion, reveals a company that is proud of its history and accomplishments as it approaches its 80th birthday, coming Jan. 22, 2019.

The company may have to build a new wing of Heritage Hall if it plans to include all of the firsts, breakthroughs, milestones and accomplishments of 2018 in an update to its mini-museum. Although Mercury has unveiled many new innovations and has amassed many successes through the years, 2018 stands out as a particularly remarkable year of achievements that will help to shape the future of both Mercury Marine and the entire boating industry. Mercury's highlights include:

- Accomplishing the largest major new-product rollout in its history, including the introduction of 19 brand-new outboard engines in the V6 and V8 platform, and 23 new engines in total (on average, Mercury has released one major new product every six weeks for the past six years);
- Breaking ground for, and completing construction of, a 20,000-square-foot research facility, and making major upgrades to other facilities;
- Installing and implementing new, automated and highly efficient manufacturing equipment;
- Adopting new manufacturing processes and nimbly adapting them for higher output when product demand exceeded expectations;

- Acquiring Wisconsin-based Power Products, a major distributor of parts and accessories, to integrate with Mercury's product portfolio and to enhance consumers' overall boating experiences;
- Expanding operational workforce by 12 percent to support increased production in response to unprecedented product demand;
- Guaranteeing interviews to all military veterans;
- Increasing the diversity of its workforce, including an increase in the proportion of women working in the factories to more than 40 percent;
- Establishing new union contracts through 2023, with higher starting pay, raises for all hourly workers and a schedule of more frequent pay increases;
- Setting new records for charitable giving and volunteer service in the communities where Mercury operates; and
- Making significant progress toward attaining its year-end 2019 objectives for sustainable business practices.

These 2018 accomplishments (more details in the pages that follow), combined with Mercury's storied history as a fixture in Wisconsin since 1939, make Mercury a worthy candidate to be named WMC Wisconsin Manufacturer of the Year.



Application: 2018 WMC Wisconsin Manufacturer of the Year INTRODUCTION AND COMPANY INFO

Mercury Marine at a glance ►

Mercury Marine ► in Wisconsin



The industry leader in marine propulsion systems

- Founded in 1939 in Cedarburg, Wisconsin
- Acquired by Brunswick Corporation in 1961 (largest division of Brunswick Corporation, which was founded in 1845)
- Global distribution networks in 140 countries
- More than 6,000 employees worldwide
- World's largest developer and manufacturer of a broad range of marine propulsion systems for recreational and commercial applications
- A \$2.6 billion global business in 2018

A significant contributor to Wisconsin's economy

- Five facilities in Wisconsin
 - Fond du Lac, Oshkosh, Brookfield, Taycheedah, Menomonee Falls
 - More than 3,500 employees in Wisconsin
 - World-class advanced capabilities: product development, assembly, casting, machining
- Mercury's significant contribution to Wisconsin and local economies
 - \$252MM in annual wages and benefits in 2017, with the 2018 total expected to be higher
 - \$224MM paid to Wisconsin-based contractors and suppliers in 2017, with a similar year-end total expected for 2018
- Mercury accounts for almost \$4 billion annually to commerce in the local community and the region
- Engineering / Product Development Center
 - Approximately 700 engineers and technicians
 - More than 1,000 patents granted since 1985
- Mercury's continued investment in the business
 - More than \$1 billion investment in capital and R&D (2009 - 2018)
 - 80% of capital and R&D investment allocated to Wisconsin contractors

About Mercury Marine

Headquartered in Fond du Lac, Wisconsin, Mercury Marine is a world leading manufacturer of marine propulsion systems. A \$2.6 billion division of Brunswick Corporation (NYSE: BC), Mercury designs, manufactures and distributes engines, services and parts for recreational, commercial and government marine applications, empowering boaters with products that are easy to use, extremely reliable and backed by the most dedicated customer support in the world with 10,000 service points globally. Mercury's industry-leading brand portfolio includes Mercury outboard engines; Mercury MerCruiser sterndrive and inboard packages; Mercury global parts and accessories, including propellers and SmartCraft electronics; Power Products Integrated Solutions; MotorGuide trolling motors; Attwood, Garelick and Whale marine parts; Land 'N' Sea, BLA, Payne's Marine, Kellogg Marine and Lankhorst Taselaar marine parts distribution; and Mercury and Quicksilver parts and oils. More information is available at mercurymarine.com.



Application: 2018 WMC Wisconsin Manufacturer of the Year PRODUCTS



Mercury's new FourStroke V6 (shown here) and V8 outboards come with accent panels available in a variety of colors.



NMMA Innovation Award judges cited this top-of-the-cowl service door among the many innovative features influencing their decision to give the award to Mercury's new V6 outboards.

New lines of V6 and V8 outboard engines headline a year of Mercury Marine product innovation

Mercury introduced its next generation of outboard engines in 2018 as part of the largest single new-product development program Mercury has undertaken in its nearly 80-year history. This new generation of engines comprises 3.4-liter V6 four-stroke outboards and 4.6-liter V8 four-stroke outboards, filling out Mercury's product portfolio in the 175-300hp range.

The engines are precision engineered to be powerful, light, compact and fuel-efficient.

Together, these new engines come in 19 different configurations spanning Mercury' four brands of outboards: Verado, Pro XS, FourStroke, and SeaPro. The specific configurations are designed to meet the needs of particular boating segments, from Verado's refined performance, to the competitive edge that Pro XS provides professional anglers, to the FourStroke's fuel efficiency and rigging versatility, to the rugged durability that the commercial sector demands of the SeaPro line.

The mission to develop these new products prompted a major investment in expanding Mercury's manufacturing footprint, upgrading its technologies and adapting its value stream of manufacturing processes.

3.4-liter V6 outboard engine platform

Mercury unveiled its new 3.4-liter V6 four-stroke outboard engine platform in the 175, 200 and 225hp categories at the 2018 Miami International Boat Show in February. This new engine platform set new standards in lightweight, high-displacement power with superior fuel-efficiency and new features for ease of use and flexible configuration. With these engineering breakthroughs, the new engines earned the **2018 National Marine Manufacturers Association (NMMA) Innovation Award** in the

Outboard Engines category, bestowed at an awards ceremony taking place at the boat show.

The 3.4-liter V6 employs a large-displacement, naturally aspirated, 24-valve powerhead and proven mid-section and drive-system designs. Additionally, the 3.4-liter V6 outboards are versatile, offering the option of mechanical or digital controls, hydraulic or power steering, and black or white cowls on FourStroke-branded products, as well as a variety of accent panel colors. This versatility makes the new V6 ideal for repower applications.

The new V6 FourStroke engine not only provides large displacement at 200hp, but also is exceptionally light at only 475 pounds — the lightest weight in its class. Lean and mean, the 3.4-liter V6 FourStroke boasts Mercury's best acceleration and 20 percent more torque than the closest four-cylinder competitor at cruise.

Fuel efficiency is also unmatched — the new 3.4-liter V6 FourStroke maximizes fuel economy at cruise, yielding a 15-percent advantage over the closest four-cylinder competitor. New engine-calibration technology called Advanced Range Optimization contributes to the V6 engines' class-leading fuel-efficiency.

Other innovations that further differentiate the 3.4-liter V6 are:

- A top cowl service door that provides easy oil check and fill (if needed) without removing the cowl, making routine maintenance easier;
- Idle charge battery-management capability that protects against consumers draining batteries while operating multiple electronic devices, and best-in-class net charging output of 20 amp at 650 rpm;
- Adaptive Speed Control that maintains rpm regardless of load or condition changes.



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Mercury's new line of V8 outboard engines under the (left to right) FourStroke, Verado, Pro XS and SeaPro brands.



4.6-liter V8 outboard engine platform

On the heels of the successful launch of the new V6 outboard engine platform, Mercury in May unveiled its new four-stroke V8 engines in the 200-300hp range. Sharing much of the same engineering as their V6 predecessors, the V8s also boast exceptional torque and acceleration in a lighter-weight and more fuel-efficient package.

New 250 and 300hp Verado

The new 250 and 300hp V8 Verado outboard engines raise the bar for the marine industry. Continuing Verado's legacy as the most refined outboard engine on the water, the new V8 platform provides exhilarating performance across the rpm range. Sea trials have shown the 300hp Verado is up to 20 percent quicker and two mph faster than its closest competitor, while still providing up to eight percent better fuel economy.

The V8 Verados are compatible with Mercury Joystick Piloting for Outboards for maximum maneuverability and control, and feature Mercury-engineered digital controls and electro-hydraulic power steering for smooth operation. Equipped with Adaptive Speed Control, they deliver increased throttle response and a "sportier" feel.

The Verado driving experience is further enhanced by class-leading NVH reduction for an ultra-quiet ride. The new V8 models' next-generation Advanced Mid-Section (AMS) incorporates perimeter mounts that deliver the lowest vibration in the industry, while sound barriers make it the quietest outboard in its segment. Exclusive Advanced Sound Control technology allows users to toggle between ultra-quiet operation and a throatier-sounding sport mode.

New 250 and 300hp FourStroke

The new 250 and 300hp V8 FourStroke outboard engines are high-tech without being high-stress,

delivering powerful performance while remaining quiet, efficient, reliable and strong. The high-displacement, quad-cam design of the new V8 powerhead generates plenty of torque, especially at mid-range. The 300hp FourStroke delivers up to nine percent more torque than the nearest competitor at 3500-4500 rpm. It boasts class-leading 4.6-liter displacement yet is the lightest in the 300hp class by more than 10 pounds. Combine ample power with lightest-in-class weight, and the result is exhilarating FourStroke performance from a highly reliable engine.

These new FourStrokes are also exceptionally versatile, offering consumers choices between mechanical or digital (DTS) controls and hydraulic or power steering. This versatility makes them the ideal outboard engine choice for repowering a wide range of different hulls. The new V8 FourStroke engines are also available in multiple colors and can be further customized with the addition of an accent panel.

New 200-300hp Pro XS

The new 200, 225, 250 and, for the first time ever, 300hp V8 Pro XS outboard engines are quite simply the next generation of tournament-winning performance. Featuring Mercury's new compact cowl, these engines deliver everything the serious fisherman needs to stay competitive on the water, including ample torque from their high-displacement powerheads and superior acceleration due to their quad-cam design and Transient Spark technology. The 250hp V8 Pro XS bested the leading competitor in both acceleration and top end in sea trials — and delivered up to 16 percent better fuel economy at cruise.

These Pro XS engines feature Adaptive Speed Control, which maintains the driver's desired rpm regardless of load or condition, and are available with either mechanical or digital controls.



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New 225-300hp SeaPro

Mercury's new 225-300hp V8 four-stroke SeaPro engines are designed to offer higher displacement at a lighter weight than competitor models. In fact, each of the Conventional Midsection (CMS) SeaPro V8 models is the lightest in its class. Mercury calibrated the new V8 SeaPro models to produce plenty of torque at lower rpm levels, enabling users to work their outboards hard without placing excess stress on the engine, while their exceptionally compact and lightweight design and Advanced Range Optimization (ARO) maximize fuel economy.

True to SeaPro's workhorse heritage, the new V8 225-300hp SeaPro models are engineered to deliver years of trouble-free performance. They are manufactured with heavy-duty components to cope with the demands of global commercial operation — including a gearcase that is validated at *three times the lifespan* of a recreational gearcase.

The new V8 300hp SeaPro is available with Mercury's exclusive Advanced Midsection (AMS), which moves engine mounts aft and outward to virtually eliminate vibration from being transmitted to the boat. In fact, transmitted vibration is a whopping 60 percent less than that of the leading competitor's 300hp engine. Models equipped with the AMS also feature electro-hydraulic power steering and are compatible with Mercury's Joystick Piloting system, which provides maximum control and maneuverability in multi-engine applications.

Other new products introduced in 2018

In addition to introducing 19 iterations of its new V6 and V8 four-stroke outboard engine platforms, Mercury brought several other new products to market. These include the following:

New 150 Pro XS outboard engine

Mercury completely redesigned its 150hp Pro XS model, retiring the outboard's two-stroke platform

and giving the engine all the durability, dependability and low-emissions advantages of a four-stroke design in a 3.0-liter, in-line four-cylinder engine. Mercury's engineering advances in four-stroke technology enabled the move from a two-stroke to four-stroke design without sacrificing acceleration or top speed.

New Mercury Racing dual-calibration sterndrive engine

Mercury Racing, a division of Mercury Marine, introduced its state-of-the-art dual fuel calibration technology to the popular 1350hp sterndrive engine.

Power output is controlled via interchangeable electronic key fobs at the dash. The engine pumps out its advertised 1350hp on 91 octane fuel when the 1350 horsepower fob is engaged. Engaging the 1100 horsepower fob reduces the octane requirement to 89 or rec 90, allowing operation in areas where premium fuel availability is unknown. Both fuel calibrations provide maximum torque and efficiency and are designed to optimize engine performance at each power level.

The electronic fobs work off Mercury's Theft Deterrent System (TDS). The power-specific key fobs provide the operator visual cues via an interactive VesselView display. One key fob controls the horsepower output of multiple engines within the boat. The Theft Deterrent System disables the vessel when an assigned electronic key is not engaged. The net result is a fully integrated control system with unique, switchable engine calibrations.

New Fury and Fury 4 propellers

Mercury makes its engines' propellers from scratch — from development of proprietary alloys to smelting, casting, pouring, grinding and polishing the final product. In 2018 Mercury introduced new versions of its Fury and Fury 4 propellers, making them available in 23 pitch.



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Bass tournament anglers who load their boats with the latest fishing technology require a propeller that will help them reach top speeds ahead of the competition. The Fury 4 has four high-progressive-rake blades made of Mercury's patented X7 Alloy for additional lift and superior top speed on heavy, tournament-loaded bass boats.

New Vessel Config technology

Mercury Marine launched Vessel Config, a new software management configurator for boat builders and dealers. Vessel Config will guide these direct customers through the configuration process to ensure they are ordering the right Mercury controls and rigging products for their boats. The product turns boat builders and dealers into virtual engineers, giving them the ability to configure complex systems without assistance.

With Vessel Config, boat builders and dealers now can prepare the right boat/engine for their customer with ease. Vessel Config will guide our customers through the configuration process to ensure they are ordering the right Mercury products for their boats and, in the end, providing an invaluable service for the end consumer.

New 3.0-liter diesel engines

In August, Mercury unveiled a new line of 3.0-liter diesel engines for sterndrive, inboard and water-jet applications, available in 150, 230 and 270hp. Developed and tested over three years, the new engines lead their class in acceleration, reliability, ease of installation and maintenance, and mitigation of noise and vibration.

The engines are fully compatible with Mercury's SmartCraft technology, giving users instant access to a broad array of engine-related information and measurements, as well as maintenance alerts and troubleshooting guidance. They also integrate with Mercury's Joystick Piloting for Inboards and Joystick

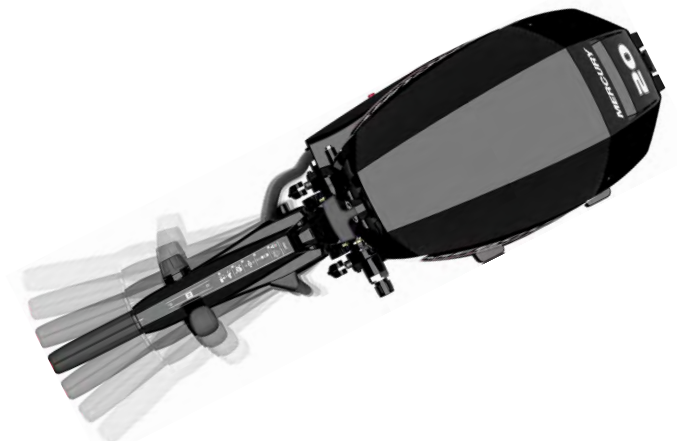
Piloting for Sterndrives, giving the boater enhanced maneuvering control.

The engine uses a new water-cooled, variable-geometry turbocharger and common-rail fuel delivery to provide exceptional performance and substantial improvements in acceleration and top speeds.

New tiller-handle assembly for portable outboard motors

Winning the 2018 IBEX Innovation Award in the "Propulsion Parts" category, this new tiller handle features several remarkable advancements to make the steering, shifting and throttle operation of portable outboards more intuitive, comfortable and responsive. Designed to pair with Mercury's 15hp and 20hp outboard engines with electronic fuel ignition, the new tiller handle assembly is the world's first portable outboard tiller that offers ambidextrous operation.

In addition to offering adjustable horizontal yaw angles for left-handed or right-handed operation, this tiller handle features reversible throttle rotation with hard stop at idle, adjustable vertical operating angles, and stylishly designed key controls and touch points ergonomically positioned for intuitive access and control.





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Sustainable characteristics of Mercury's new V8 and V6 outboard engines shine

In the first half of 2018, Mercury Marine rolled out new lines of environmentally friendly outboard marine four-stroke engines that are significantly lighter, more fuel-efficient and quieter than any of their Mercury predecessors or contemporary competitors in their respective horsepower classes. In addition to using less raw material in their manufacture, consuming less fuel in their operation, and introducing less noise into the environment, these engines also have received recognition for their exemplary emissions controls.

the targeted horsepower range: the V6 3.4-liter four-stroke platform in the 175, 200, and 225hp categories, and the V8 4.6-liter four-stroke platform in the 200, 225, 250 and 300hp categories.

The new V6 and V8 platforms share common engineering and technologies, enabling them to fulfill the dual mandate of exceptional performance combined with sustainability.

Validation-testing results confirmed that these new outboard marine engines set high sustainability standards with regard to the reduced amount of raw materials required for their manufacture as well as their light weight, fuel efficiency, low emissions and noise abatement.

The environmental benefits of this new outboard-engine technology will be significant, as these engines replace aging Mercury predecessors and competitors' less eco-friendly offerings.

Mercury builds sustainability into this engine platform, its state-of-the-art Enertia ECO propellers, its fuel-saving Active Trim technology and other technologies that help boaters operate their engines more efficiently. Together, these breakthroughs demonstrate Mercury's dedication to combining performance with sustainability, ultimately providing a better boating experience.

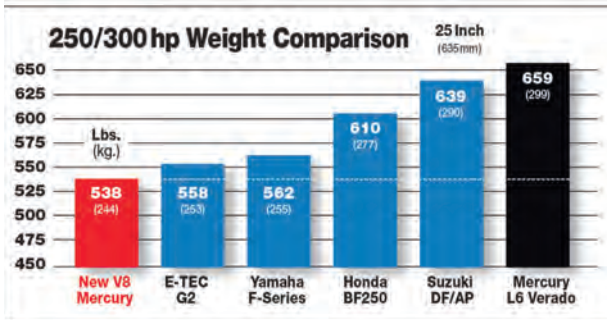
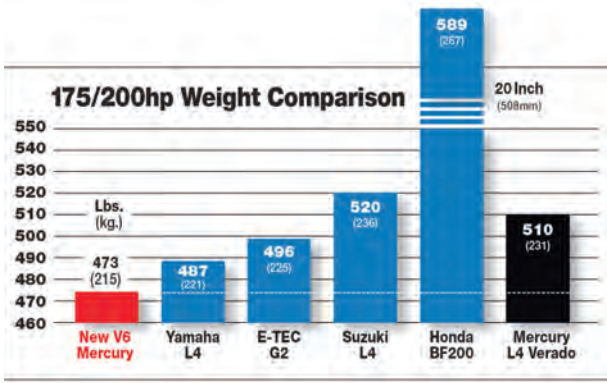
Lighter weight, conserved materials

These engines are able to produce among the industry's best torque and acceleration measurements even though they are significantly lighter than their predecessors and current competitors in their respective horsepower categories. (See graphs.)

Mercury accomplished this using innovative and patented aluminum alloys that weigh less and allow for less material to be used without sacrificing durability. With this alloy, Mercury also was able to adopt a metal-conserving die-casting process, instead of a lost-foam pouring process, to form the engine blocks.

Mercury also adopted durable and light-weight resins and composite materials to coat shrouds, intake manifolds and the midsection chaps. Additionally, the midsection's drive-shaft housing and oil sump units use less connective metal.

These innovations conserve manufacturing materials and make the engines light and compact, contributing to excellent fuel-efficiency.



Both the new V6 engines (top graph) and the V8 engines are the lightest in their class.

Background

Five years ago, Mercury Marine embarked on a landmark project to comprehensively redesign its four-stroke outboard marine engines in the 175hp to 300hp range. The company aimed not only to satisfy the market's considerable appetite for state-of-the-art and high-performing outboard engines in these horsepower categories but also to fulfill the environmental-stewardship responsibilities that are a growing priority among today's consumers.

In 2018, Mercury's five-year vision culminated with the unveiling of new outboard engines in



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Above: Scott Louks, Mercury sustainability manager, receives a 2018 Business Friend of the Environment Award from WMC. The award recognized the environmental friendliness of Mercury's V8 and V6 outboard engine platforms.

Right: Mercury also was honored by the Wisconsin Sustainable Business Council with a Sustainable Business Award in the Sustainable Product category. The award recognized Mercury for its Active Trim product, a technology that automatically optimizes an outboard engine's trim settings, resulting in more efficient operation and fuel savings for the boating consumer.



Fuel efficiency

With their significantly lighter weight and exclusive closed-loop fuel-control system using a wide-band oxygen sensor, these engines have extraordinary fuel-efficiency. In extensive side-by-side lake trials, Mercury's V6 models were 12-16 percent more fuel-efficient at cruising speeds than the corresponding models of their chief competitor, and the V8s were 8-10 percent more fuel-efficient.

The new Mercury engines include Mercury's Advanced Range Optimization, which automates fuel mixture for even greater efficiency. Furthermore, when paired with Mercury Active Trim technology, the engines' positioning is automatically adjusted to optimize performance and get the most mileage out of every drop of fuel.

Lower emissions

Mercury's new V6 and V8 engines received a three-star, "Ultra Low Emissions," rating from California's Air Resources Board (CARB). These engines generate 45 percent and 65 percent fewer emissions, respectively, than the many two-star and one-star CARB-rated outboard engines in use today.

Quiet operation

Understanding that the reduction of noise pollution is also an important factor in keeping natural environments pristine, Mercury's engineers developed the world's quietest outboard engines in these horsepower categories. For example, Mercury's 200hp V6 engine demonstrated noise reductions of 17 percent at idle, 22 percent at cruise, and 31 percent at wide-open throttle in comparison to its closest competitor.

The noise-abatement design innovations include multiple sealing features of the engine cowl, a multi-chamber air intake, fuel injector covers and tuned idle exhaust relief.





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New products introduced in 2018 round out a broad Mercury product portfolio

Mercury and its subsidiaries provide the most comprehensive product line serving the global recreational marine market.

Outboard Engines (2.5hp to 400hp)



Sterndrive/Inboard Engines (135hp to 1750hp)



Parts & Accessories - Products



*Mercury Parts & Accessories,
Oil, Service and Remanufacturing*

Parts & Accessories - Distribution





Application: 2018 WMC Wisconsin Manufacturer of the Year **MANUFACTURING PROCESS**



A new Mercury assembly line builds award-winning V8s and V6s.



This is just one segment of North America's largest die-casting machine.



Mercury's new array of Mazak automated conveyances and machining robots move engine blocks through the process.

Mercury modernizes its manufacturing systems to build state-of-the-art marine propulsion systems

Mercury Marine's 2018 introduction of more than 20 new marine-engine products into the marketplace — the largest annual new-product rollout in the company's history — was the result of a plan that spanned nearly a decade of conception and execution.

To produce new products that are revolutionizing the marine industry, Mercury had to revolutionize the way it approached manufacturing.

Since 2009, Mercury has invested more than \$1 billion in: research and development; tools, technology and equipment; and facilities and infrastructure. The company allocated this investment toward upgrading its manufacturing capabilities at its campus of plants in Fond du Lac, Wisconsin, the company's world headquarters.

Mercury has implemented several key elements of its expansion-and-modernization campaign within just the past few years. These initiatives have enabled Mercury to increase production of outboard engines by nearly 20 percent to respond to overwhelming demand for its new and award-winning line of marine-propulsion systems.

Developments since 2015 include the following:

Expansion of manufacturing floor space

Mercury has expanded manufacturing floor space from 2.5 million to 3.1 million square feet of production facilities. Expansions include research-and-development facilities, metal smelting and casting operations, machining cells, paint facilities, assembly areas and some office spaces.

A marvel of die-casting power

In the first quarter of 2017, the company completed installation and began operating the

largest high-pressure die-casting machine in North America. Weighing more than one million pounds, the machine includes three industrial robots integrated into the cell and is capable of generating 4,500 tons of closing force.

With this machine, Mercury has been making some of the most sophisticated castings in the world. The device enables intricate designs for engine blocks and structural components that use less metal and are consequently lighter in weight, without sacrificing strength and durability. In addition to producing engine blocks for Mercury's new V6 and V8 outboards, the machine produces a variety of other marine-engine components for Mercury and, through production contracts, engine blocks and components for operators in other industries, including producers of automobiles and motorcycles.

Automation in machining

With the addition of approximately 200 new machining cells integrated via a rail system to automatically load and unload parts, Mercury significantly increased its machining capacity to more than 350 total cells.

The new cells robotically perform machining for Mercury's new V6 and V8 outboard-engine platforms. They cut, thread, surface and mate engine blocks and their components to meet Mercury's exceedingly narrow tolerances.

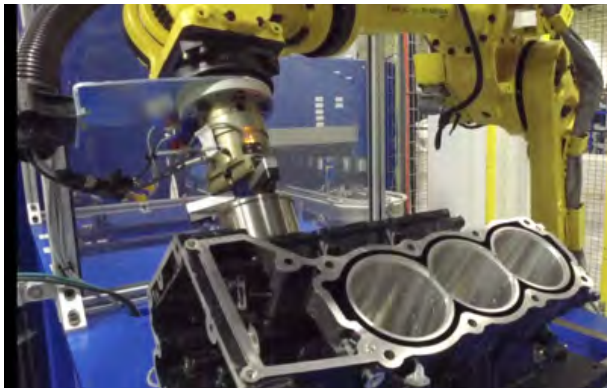
Robotics play a crucial role in these highly controlled processes. Vision-detection systems identify block types and route the correct parts through the process. Using bar codes, data collected from the machining process are tied together with casting and assembly data in an Industrial Internet of Things (IIoT) system.



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Photos above: Mercury's paint and coating processes are highly automated.



Industrial Internet of Things (IIoT) technology helps to ensure the correct matching of components. Here, a cylinder head is married with its engine block.

The robots also perform in-line inspections at specified intervals in the process to prevent any defects from moving to the next operation. This ongoing quality-checking process contributes to Mercury's consistent yield of 96-98 percent.

Off-line processes, such as the insertion of the engine-cylinder liners and the washing of components, are fully integrated and require no human intervention or handling of materials.

Mercury also added new and automated machining devices in its plant that produces gears, shafts and other components.

These highly efficient machines have contributed to Mercury's ability to increase production while also conserving energy.

Although the automation of these machining processes has resulted in fewer employees needed for these specific machining operations, the company continues to include human machining processes in its manufacturing and has been hiring workers to support the company's growth.

New assembly lines

Mercury's new lines of V8 and V6 outboard engines in the 175-300hp ranges represent a comprehensive change for the organization. The construction of these engines required much more than a mere re-tooling of existing assembly processes. Rather, Mercury installed all-new equipment and all-new assembly and sub-assembly lines with advanced levels of process controls and automation incorporated into them.

Enhanced paint-process capacity

Within the past two years, Mercury has doubled its processing capabilities for metal preparation and painting. The Company added a 45,000 square-foot line for EDP (electro-deposition paint) and iridium metal treatment. These processes provide protection against corrosion that is superior to

that of standard paint processes. Mercury is the only outboard-engine manufacturer to use EDP, commonly called a "powder coat," on its engines' components that come into contact with water. This may explain, in part, why Mercury is the only manufacturer to provide a warranty (three years) against corrosion on its outboard engines.

The cutting edge of IIoT

Mercury's new manufacturing processes require full integration of the various operations in the manufacturing value stream. 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.

Beginning with the die-casting or lost-foam pouring of engine blocks, gears, shafts, propellers and other components, Mercury etches bar codes into the metal for a permanent and traceable record of each component and the processes it must undergo. Codes are likewise assigned to other parts, components and processes throughout the manufacturing value stream.

Mercury's automated and robotic systems for handling, machining and assembling components read these codes to match the components with the correct procedures. Any flaws or defects detected in the process can be traced back to steps in the manufacturing process for better identification and correction of any manufacturing errors.

Similarly, data and software delivered by IIoT provide guidance and feedback to manufacturing-process workers, to ensure the correct sequence of task steps and their correct execution.



Application: 2018 WMC Wisconsin Manufacturer of the Year **MANUFACTURING PROCESS**



Mercury builds marine engines — from raw materials to finished products

Mercury Marine believes in building the best marine engines on the water. To do this, Mercury emphasizes engineering and design, employing more than 700 engineers whose mission is to innovate new and better ways to make marine-propulsion systems more powerful, reliable, durable, and responsible to the environment. Their focus is to satisfy consumers' desires for the best-possible boating experiences and, in some cases, to create breakthrough solutions that consumers don't even know they desire ... yet.

When it comes to making engineers' visions reality, Mercury starts from scratch, beginning its manufacturing process with the smelting of metal, the development of proprietary and world-renowned alloys, and the formation of the best engine blocks and components on the planet as the basis for assembling the world's best marine engines.

The steps in Mercury's manufacturing value stream include the following:

Smelting

Mercury makes approximately 30 million pounds of aluminum annually, melting and mixing six different proprietary recipes of aluminum alloy for its manufacturing applications. Masters of metallurgy, Mercury has hundreds of patents related to the creation of its metal alloys.

Living up to its reputation for sustainability, Mercury uses only recycled aluminum for the creation of its alloys. Crusher machines break the aluminum into small pieces so it may be dried, pre-heated and melted to a temperature above 1,300 degrees Fahrenheit.

Metal chemistry is performed on the molten metal with careful checking to ensure the recipe is correct. From there, the molten metal is delivered

to die-casting and lost-foam molding operations to form the metal into the shape of the needed components.

The manufacturing industry holds Mercury's expertise in developing metal alloys in such high esteem that customers including Wisconsin's Harley Davidson Motorcycles order Mercury's metals in ingots to use in their own manufacturing processes.

Die casting

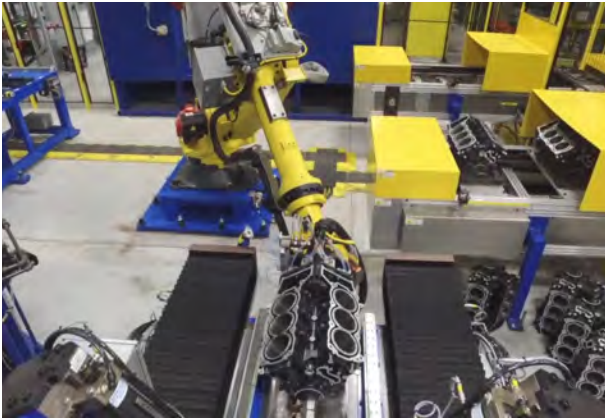
Mercury uses its world-renowned die-casting capabilities, including the use of North America's largest die-casting machine and two other die-casting devices to form molten aluminum alloy into the base shape of engine blocks, crank cases, gear cases, drive-shaft housings and several other components (including manufacturing components for customers from non-marine industries).

Die casting is a process of forcing molten metal under very high pressure into a mold cavity. The die-casting machine injects the metal at pressures typically between 1,500 and 5,000 psi. Once the mold cavity is filled, the machine maintains the pressure until the casting solidifies. The machine then ejects the formed metal and workers remove the extra hanging metal flashing off of the part.

Lost-foam casting

Mercury also forms metal parts such as engine blocks, crank cases and cylinder heads from a lost-foam casting process. This entails using foam (similar to the material used to make foam coffee cups) 3-D patterns that are in the shape of the desired metal part. Each foam pattern is dipped into a coating slurry material; allowed to dry; outfitted with a funnel of sorts, called a cup, attached to its top; and placed in a barrel-shaped container.

Application: 2018 WMC Wisconsin Manufacturer of the Year **MANUFACTURING PROCESS**



A machine then fills the container with sand and uses shaking and vibration to compact the sand around the pattern.

Next, a robot dips molten aluminum from a holding furnace with a ladle and pours the liquid metal into the cup atop the foam pattern. The intense heat from the molten aluminum vaporizes the foam and the liquid metal fills the void, taking the place and the shape of the pattern. The slurry coating material forms a ceramic barrier that prevents the molten aluminum from flowing into the sand.

After the aluminum solidifies, it is removed from the sand and rinsed to cool it down.



Trimming

After a metal part has been formed through the process of die casting or lost-foam casting, workers must use a variety of tools to remove remaining metal flashing and to smooth out rough edges. Tools used may include hammers, punches, sanders, grinders, files, and shot-blast equipment. The reasons for trim operations include cosmetics, safety (metal flash is often very sharp), corrosion protection, and product reliability.

Machining

Mercury's machining operations accept casted and trimmed metal components and fine tune them through processes of cutting, threading, surfacing and/or welding to create precision parts and components for the assembly line. Mercury uses sophisticated technologies and automated processes to ensure that each part receives the right machining treatments and goes into the right assembly pipeline.

Heat treating

In the "Heat Treat" plant, Mercury carburizes and hardens steel shafts, rods, gears and clutches by

heating the parts to a critical temperature of 1,700 degrees in a furnace filled with methane gas and then quenching the parts in oil.

Mercury also heat treats aluminum castings by heating them to 1,000 degrees and quenching them in water, followed by a four-hour aging process.

Carburizing and hardening gives steel a hard outer shell while the material underneath the shell stays relatively soft. So the parts have a shell that resists wear and the inner core is tough and resists breakage. (Show cut and etched gear.)

Heat treating aluminum makes the material easier to machine and gives it better mechanical properties needed in marine engine components.

Manufacturing propellers

Mercury's plant for manufacturing propellers is a stainless steel investment-casting foundry that produces over 100,000 propellers per year. Investment casting is one of the oldest forms of metal forming, dating back over 5,000 years.

This plant completes the entire process of creating propellers from raw materials under one roof. The major processes are:

Wax pattern — Liquid wax is injected into an aluminum die at approximately 140 degrees Fahrenheit. The dies are water cooled to help solidify the wax. Once the pattern is removed from the die, it is inspected; if the pattern is acceptable, a filter and pouring cup are glued to it to complete the assembly process.

Ceramic shell mold — The completed wax assembly is attached to a conveyor system in the dipping room. The wax is then cleaned with citric acid, rinsed with deionized water and the ceramic coating begins. First, a prime coat is applied, which is a finer material to promote smooth surface finish and good detail. Back-up coats are coarser to thicken and strengthen the shell. And a final seal coat binds all the sand grains in the shell.





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Autoclave — An autoclave is a pressure vessel that utilizes steam and pressure as the heat source. The ceramic shells are placed in the autoclave, the door is secured, a valve opens to allow the steam into the pressure vessel and it is then pressurized to 120psi. The combination of steam and pressure bring the vessel up to 350 degrees Fahrenheit in 20 seconds. The quick heating rapidly changes the wax to a liquid before it can expand, thereby lessening the chance for cracks in mold.

Pouring stainless steel — After the molds come out of the autoclave, they go into a burnout oven, which burns any residual wax and sinters (bonds) the sand grains. The shells must be in the burnout at 2,000 degrees Fahrenheit for 45 minutes to achieve an adequate amount of sintering. The sintering strengthens the shell and also helps with the surface finish of the casting. Meanwhile, an induction furnace is used to melt 500 lbs. of stainless steel while the molds are being heated. After the 45-minute wait is up, the shells are pulled out and set on a cart that has a refractory lining. Next, liquid stainless steel is poured into the molds, 50 lbs. at a time, until the 500 lbs. of liquid stainless steel is consumed.

Cleaning cell — A propeller casting is loaded into a pneumatic hammer to knock the ceramic mold material loose. The casting can then be mounted on a rotating chuck under the abrasive cutoff wheel. The wheel then cuts through the top of casting while it is rotating. This operation separates the casting and pouring cup. Pouring cups go back to the pour area to be re-melted while the propeller moves into an abrasive blast cabinet to remove the remainder of the ceramic mold material.

Machining — After the casting process, props can be machined in multiple ways. The most props (outboard props) get a labyrinth seal cut on the outer diameter. Inboard props, such as the Bravo III Series, have some internal machining done as

well as spline cut with a process called broaching. Broaching pulls a steel bar with multiple small teeth to cut a shape into the material that it is pulled through.

Grinding — The grinding process accomplishes a few purposes. First, grinding smooths out the surface and prepares the prop for polishing. Second, the prop is balanced by removing material in the correct areas to reduce vibrations when being run on a boat. Third, the edges of the blades are sharpened to help the props' performance in the water.

Media Finish — A process called media finishing is done by dragging the props through two different types of polishing stones, or media, on a large carousel. The first media is a cut media designed to remove a small amount of material and smooth out the lines from grinding. The second type of media is a finer pin media, which gives the prop its highly polished look.

Boxing — Props are placed into assembled cardboard cartons and labeled. The finished boxed props will then be placed on skids and shipped over to the plant warehouse for shipping to distribution centers, dealers, boat builders, and prop shops.

Coating

Mercury performs its painting/coating operations in its main assembly plant. Most of the engine components arriving at the painting operation come from Mercury's aluminum foundry. For example, Mercury's aluminum gearcase castings go through Mercury's electro-deposition paint (EDP) system and then go to get machined to accept gears & shafts that will later be assembled into them.

The paint process uses various masking strategies that include the use of both high-temperature tape and plugs. Mercury also uses custom-made masking. Each part has critical areas that must be paint-free.

Robots apply the paint. Parts enter the painting



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area hanging on specific types of hangers that tell the robots which part is being painted and how it is oriented “in space.”

Moving on a chain conveyor, the parts pass through zones in a work area. After the robots have sprayed powder paint onto them, the parts continue into an oven that has individual temperature zones that heat and cure the paint. Finish-painted components emerge from the oven, ready to proceed into machining or assembly.

Pre-assembly machining

Raw material (castings) arrive at the assembly plant’s machining operations either directly from the foundry in their raw (uncoated) state or after having had EDP or strontium applied to them.

Mercury machines approximately 220 different part variations. These include blocks, crank cases (also called bed plates), drive-shaft housings, cylinder heads and gear cases.

In the pre-assembly machining operations, Mercury machines raw or EDP-coated castings to within very narrowly specified tolerances. These parts are loaded onto hydraulically clamped fixtures which are then handled by a fixture stacking system — the Mazak Palletec System.

Once the fixture is loaded into the Mazak Horizontal Milling Centers (HMCs) they are then machined. Parts are then returned to the Fixture Load Stand after being machined in the Mazak. Workers then check the parts using various gauges to ensure they are ready to go to the assembly operations.

On the lines that machine engine blocks, those components will go through a process of honing, line boring, final wash and inspection before being delivered to the assembly line.

Many parts also require a leak test to verify that the casting is of good integrity and free from leaks.

Assembly

One of the final stages of the value stream before the end user receives a Mercury engine, assembly brings together the various components and parts produced in neighboring Mercury plants along with additional parts and accessories from outside vendors.

Mercury’s assembly workers build products across five shifts, seven days a week. The operation entails approximately 40 distinct assembly lines.

Assembly of Mercury’s outboard engines occurs in three major areas: Powerhead, Midsection and Gearcase. Approximately 1,100 individual components make up each of Mercury’s high-horsepower outboard engines. And there are approximately 350 different variations, or discrete SKUs, for Mercury’s outboard engines.

Powerhead — In the powerhead assembly area, work begins with engine blocks received from the machining operation. This is called a “green block,” because it is not yet dressed up with all the outside components. Work on the green block focuses on the internal components of crank, rods, bearings and pistons, to name a few. With IIoT software guiding the processes, workers perform special tooling, torque tooling and assembly of supplied components. All parts are well lubricated with oil, which is critical to overcome friction at startup and running of the engines.

Midsection — Meanwhile, work on midsection assembly is also underway. This entails assembling and attaching shock mounts for absorbing engine vibration and gaskets that seal water out and seal oil in. It also involves the use of more special tooling, such as manipulators and torque tools.

Gearcase — Gearcases are also being built along with the powerheads and midsections. This assembly primarily uses steel gears and shafts that Mercury’s neighboring plants produced. Mercury produces and assembles gearcases not only for



Application: 2018 WMC Wisconsin Manufacturer of the Year **MANUFACTURING PROCESS**



full outboard engine assembly but also to be sold separately as replacement components. When boaters drag their gearcases through shallow water, striking logs or rocks, they sometimes damage the gearcase and need a replacement.

Marriage — After separate assembly processes have completed for the powerhead, the midsection and the gearcase, the three components are joined together in two different process steps, each called “marriage,” creating the end product, a new Mercury Marine outboard motor.

Hot testing — The product is not yet ready for shipping, however. Soon after gearcase marriage and near the end of the process, Mercury hot tests 100% of its engines. This means Mercury immerses the outboard gearcase in a tank of water and actually starts and runs the engine (burning fuel), watching key outputs such as temperatures, pressures and RPMs. Every engine must pass these tests before being crated and shipped.

Inboard and sterndrive assembly — Mercury also produces inboard and sterndrive engines. The three major assembly processes are somewhat analogous to those associated with outboards. There is sterndrive engine assembly (analogous to the powerhead assembly for an outboard), the transom assembly (analogous to the midsection of an outboard), and the gearcase assembly (very similar to outboard gearcases).

Sterndrives get the same quality-control treatment that outboards get: every assembled engine gets hot tested before it may be shipped to a customer (a dealer or manufacturer) to be delivered to a boating consumer.

Distribution

This is the final stage of the value stream before the end user receives a Mercury product. Mercury receives the materials that it ships from Mercury’s own plants and from outside suppliers.

Receiving — Incoming shipments of materials are unloaded from trailers or trucks. Workers verify part numbers and quantity of parts to ensure accuracy. On average, 30 trucks are unloaded per day. The materials from incoming shipments are moved to their respective assigned locations in the warehouse until they are needed.

Kitting — Some of the materials in the shipments go to Mercury’s kitting area. Mercury makes “kits” consisting of single parts or multiple bagged parts and instructions.

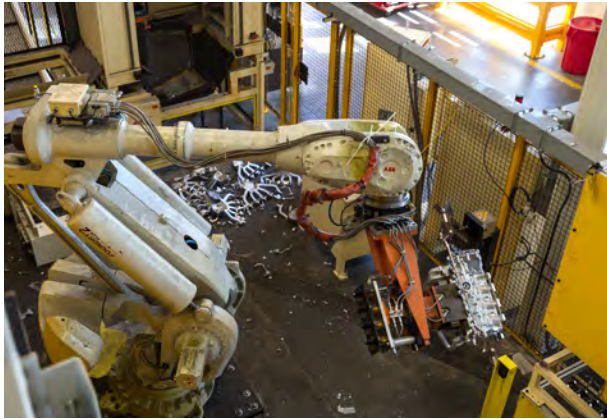
In the kitting area, Mercury operates semi-automated machines — such as the Autobag, the Sprint machine and the Jones boxing machine — where parts are sealed into bags and boxes. Mercury processes more than 75,000 kitting jobs every year. Workers operate vehicles, such as the High-Lift, to pick parts or put parts away on racks that are 28 feet tall. Once complete, the kits are shipped to customers.

Shipping — Mercury prepares orders to ship and loads the orders into trailers or containers. Workers drive vehicles, such as the Automatic Guided Vehicle (AGV), to bring packages from the warehouse to the shipping area. The AGVs are automatically steered by semi-wire-guided vehicles by radio frequency (allows racks to be much closer than if the drivers had to steer the vehicle themselves). Over 99 percent of the orders are picked and delivered on time to their destinations around the world.

Some orders are shipped internally to Mercury’s other global distribution centers (mainly Fresno, Atlanta, and Belgium). Orders are also shipped to end customers. Mercury’s end customers are dealers and boat manufacturers. In some cases, products are shipped to boating consumers. About 57 percent of Mercury’s orders are from dealers.



Application: 2018 WMC Wisconsin Manufacturer of the Year **MANUFACTURING PROCESS**



Mercury Marine wins big with die-casting investment; V8 engine block wins NADCA Casting of the Year Award

Mercury Marine's sizable investment in commissioning North America's largest high-pressure die-casting machine is paying off in a big way.

Mercury's mammoth die-casting machine is a part of Mercury's investment of more than \$1 billion in manufacturing infrastructure, upgrades and technology at its Fond du Lac campus since 2009. The machine began service in the second quarter of 2017. Today, it is generating some of the most sophisticated castings in the world, including the engine blocks for Mercury's new 3.4-liter V6 and 4.6-liter V8 outboards.

In September, the North American Die Casting Association (NADCA) recognized the work Mercury Marine is accomplishing by employing this machine in a complex and well-orchestrated die-casting process. **NADCA on Sept. 6 designated Mercury Marine's V8 engine block as the Casting of the Year winner of its 2018 Die Casting Competition in the "Aluminum - Over 10lbs." category.**

In the roughly 40 years that NADCA has issued these awards, the automotive industry has typically dominated the competition. Those companies have vast resources and extensive casting operations. For Mercury to win amid this field of competitors is a truly significant accomplishment.

Mercury Marine has garnered accolades from the boating industry for its new V6 and V8 engines covering the 175-300 horsepower range, which weigh considerably less than their Mercury forerunners and their contemporary competitors without sacrificing performance and durability.

The fulfillment of lighter, yet highly sturdy, designs is where Mercury shines. Within the past decade, there has been a conscious decision by Product Design & Engineering (PD&E) and the

foundry to go from the lost-foam casting process to high-pressure casting for Mercury Marine engine blocks. These collaborations, and the company's ability to make discoveries and adaptations over the years, have resulted in superior castings.

Mercury started die-casting its blocks with in-line four-cylinder engines and has now progressed to die-casting the new V6s and V8s.

Receiving the NADCA award for the new V8 block is particularly rewarding for Mercury because the geometry is much more complicated with the V8 than with the in-line four-cylinder engines. The V8's surface area is much greater, nearly twice as great, which brings a much higher risk of having a little speck of porosity.

With expectations of casting quality continuing to rise, Mercury relies on sophisticated simulation software, engineered die design and tight process controls to eliminate casting flaws.

Engine blocks have massive amounts of cross-sections and potential leak paths. The Mercury V8 block's designation as the Casting of the Year affirms how far Mercury has come in its ability to identify errors, diagnose issues, and correct processes so that flaws aren't replicated.

Mercury seeks to continuously improve its processes. Every V8 engine block has a tracking code etched into it so that, using Industrial Internet of Things (IIoT) technology, all processes throughout the value stream can be traced back to each unique block. Consequently, the causes of any defects are easier to determine, and faster to act upon, with all the process data immediately available.





Application: 2018 WMC Wisconsin Manufacturer of the Year **MANUFACTURING PROCESS**



Research, development, engineering and testing drive Mercury's innovative designs.

Mercury Marine constantly strives to innovate and develop products that not only respond to the market's current needs but also anticipate the expectations and needs of the future. Accordingly, Mercury dedicates considerable resources to product development and engineering (PD&E).

Mercury PD&E has approximately 700+ engineers, technicians and program managers. Most of these are located in Wisconsin. Facilities and equipment include:

- Engine dynamometers;
- Endurance test tanks;
- Strength, fatigue, NVH (noise, vibration and harshness) and environmental testing;
- Hardware and software in the loop; and
- Boat test docks.

Mercury Marine opens state-of-the-art Noise, Vibration, Harshness (NVH) Technical Center in Fond du Lac

Only eight months after breaking ground in April 2018, Mercury Marine has officially opened a new state-of-the-art expansion at its global headquarters in Fond du Lac. The two-story NVH (Noise, Vibration, Harshness) Technical Center adds close to 20,000 additional square feet to the more than 2.5 million square-foot campus. This \$10 million investment to Mercury's global headquarters gives the company the largest and most expansive testing facility in the marine industry. In total, Mercury has invested more than \$1 billion globally in expansion and R&D since 2009.

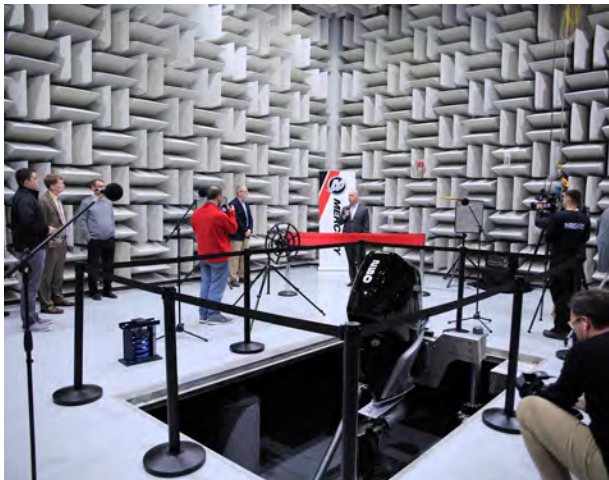
NVH is the engineering practice of studying products' noise, vibration and harshness characteristics. These characteristics are integral to the consumer's boating experience, ensuring the quietest engine for the consumer who seeks a peaceful experience and ensuring the right sound level, tone and resonance of the engine for those who want to hear its performance.

This project reflects Mercury's commitment to invest in ensuring that its engines are the most

reliable and quiet engines in the world. Our new NVH Technical Center gives us the additional test capacity Mercury needs to continue to meet and exceed its product-development goals, and to meet and exceed the desires of its customers.

The two-story NVH Technical Center will contain:

- Two marine-specific hemi-anechoic chambers designed to provide a consistent test environment that mimics being out on the open water without any outside noises present;
- Structural dynamic testing bays for the measurement and analysis of the NVH properties of engines, components, and full configurations on boats of up to 45 feet in length and up to 12 feet in beam;
- A listening (playback) room; and
- Offices and workspaces for NVH engineers and technicians.





Application: 2018 WMC Wisconsin Manufacturer of the Year WORKPLACE SAFETY



Above: Employees participate in an annual Mercury Safety Summit.
Right: Manufacturing employees demonstrate their commitment to the workplace-safety motto: "Home safely every day."

The safety and well-being of Mercury Marine employees is a vital component of the business. Ample time and education practices are committed to making sure staff members around the world are well-prepared to uphold safety standards.

Each November, Mercury facilities in Wisconsin host a safety summit wherein more than 100 employees come together from Mercury's manufacturing teams across the state. Employees work to renew their leadership commitment, share best practices and align improvement plans for the coming year. The summit brings together the senior leadership team, union safety representatives, general managers, engineers, supervisors, hourly employees and occupational health team members.

Best-practices topics reviewed during the 2018 event included dock safety enhancement (using LSS tools), 1600 program (an advanced 5S+1 process), operator tool training for product assembly (resulting in 80% reduction in recordable injuries) and plant safety leadership best-practices reviews.

The highlight of the summit is the presentation of the Safety Award for Excellence, presented by Mercury's president, John Pfeifer. The entire summit

works as a reminder of Mercury's commitment to ensuring its employees are safe at work.

Mercury also has a Safety Champion process, which encourages employees to log their safety-related suggestions with a user-friendly system that tracks progress and metrics toward completion of a suggestion. Employee-led teams also work to identify risks and develop solutions to ergonomic improvement projects. This has helped to identify risks and reduce the physical demands of certain jobs. Mercury works to continually recognize and encourage employees at each plant for their ongoing and exceptional contributions to safety efforts.

These initiatives have produced tangible results. Mercury has achieved an overall reduction in recordable injuries by 17 percent and a reduction in DART injuries by 27 percent. Not only has Mercury worked to make their company safer, overall productivity has increased by nearly 20 percent in the same time period. The safety and well-being of employees will always remain vital components of the business, and Mercury will continually work to make sure that safety is never overlooked.





Application: 2018 WMC Wisconsin Manufacturer of the Year **MANAGEMENT PHILOSOPHY — CULTURE**



Mercury Marine lives its mission, vision, values

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
- Act with integrity
- Put customers first
- Succeed together
- Be sustainable

Mercury runs its business according to five pillars of its business plan

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.

Mercury Marine Lean Six Sigma (LSS) program celebrates 15 years of successes

Mercury Marine launched its Lean Six Sigma program 15 years ago and it's going strong today, giving employees at all levels the tools to reengineer processes to 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 to be successful.

In November 2018, Mercury's LSS program celebrated its 15th birthday with an expo showcasing the results of LSS projects, both past and present.

This expo and ongoing LSS communications inspire employees to participate. Employee engagement and participation in LSS continues to grow year after year.



Application: 2018 WMC Wisconsin Manufacturer of the Year **SUPPORT OF PEOPLE AND COMMUNITIES**



Mercury demonstrates commitment to well-being of employees and communities

The talent, dedication and commitment of Mercury Marine employees form the foundation for its success. The safety and well-being of employees remain vital components of the business, and Mercury continues to work toward a goal of zero lost-time incidents. Additionally, Mercury Marine maintains its commitment to enhance the quality of life of its employees, both in and out of the workplace, and of communities where Mercury operates.

Ongoing strategies include the following:

- Provide a global workplace where everyone is aware of, and participates in, upholding the highest standards of safety, ethical behavior and security.
- Promote environmentally conscious behavior among employees at all of Mercury's worldwide locations.
- Improve the health and lifestyle of employees through a variety of wellness activities and healthy choices for diet and exercise.
- Engage with organizations in the communities where employees live and work, creating a workplace that provides opportunities for networking, volunteering and personal development.
- Develop among all Mercury Marine employees a global worldview, fostering an understanding and appreciation of how the sustainable practices of individuals in one corner of the globe can affect the well-being of those in other parts of the world.

Initiatives

- Mercury gave a fresh new look to its wellness program. A refreshed Be Your Best website was launched in February. This program allows employees to earn points and rewards for taking steps to improve their physical, emotional, financial and work well-being.
- The MerCafé on the Fond du Lac campus provides particularly healthful "Wellness Wednesday" lunches. In January 2018, the company reduced the cost of these lunch options by subsidizing their purchase. Since the implementation of the price change, the average number of wellness lunches purchased has nearly doubled.
- Additionally, Mercury has added another Avenue C open-market food location to its Fond du Lac campus. These open-market food outlets make nutritious food options available to employees working in manufacturing plant locations that are not in proximity to the MerCafé.
- As an added health benefit the company has provided flu vaccinations for employees and their spouses at various locations on the Fond du Lac campus. Over 600 flu shots were distributed in both 2017 and 2018.
- Mercury held three blood drives in 2018 and collected over 130 pints of blood.
- Operations in two countries recently received Brunswick's prestigious Chairman's Safety Award for 2017, recognizing a specific site's excellence in safety, reduction of injuries and



Application: 2018 WMC Wisconsin Manufacturer of the Year SUPPORT OF PEOPLE AND COMMUNITIES



lost-time accidents, and enhancement of safety programming. The award recipients were: Milton, Ontario, Canada; Brookfield, Wisconsin; and Oshkosh, Wisconsin.

- Mercury Marine employees supported those affected by Hurricane Harvey in Texas and Hurricane Michael in Florida by donating money to the relief fund. In addition, the company donated engines, inflatable boats, life jackets, water and cleaning supplies to help with the cleanup efforts. Scores of employees who live in those areas donated their time and talents to help the rescue and rebuilding efforts.
 - The United Way in 2017 and 2018 confirmed that Mercury Marine and its employees are the largest workplace contributor to the charitable organization's Fond du Lac area campaign. With matching grants from Mercury's parent company, Brunswick Corporation, these contributions represent 20% of the campaign's total donations.
 - Each year, Mercury Marine employees at the company's headquarters in Fond du Lac donate approximately 6,000 food items and over \$15,000 to the Fondy Food Pantry via the "Fill the Boat to Cast out Hunger" food drive.
 - The Mercury Relay For Life team raised over \$16,000 in both 2017 and 2018, using various fundraisers, including food-based events, flower sales, preferred parking, and Wear Pink for October activities. All proceeds benefited the American Cancer Society.
 - On average, nearly 60% of Mercury Marine's employees volunteer 10 or more hours of their time engaged in philanthropic activity. Organizations and activities benefiting from these
- volunteer efforts include Habitat for Humanity, Relay For Life, United Way, food drives, highway cleanup, waterway cleanup and more.
 - Mercury Marine and the Fond du Lac School District's STEM Academy and STEM Institute charter schools jointly received the Manufacturing Partnership Award from Wisconsin's New Manufacturing Alliance. The award recognized this partnership's work to provide enhanced education and training to young people in the disciplines of science, technology, engineering and mathematics.
 - To encourage environmentally friendly life habits, including reducing one's carbon footprint, Mercury continued to offer preferred parking spaces for participants in its carpooling program.
 - The Mercury Women's Leadership Council partnered with Fond du Lac High School to host events focused on leadership and career guidance. These events include design-thinking workshops to develop critical-thinking skills. Activities also included a tour of Mercury facilities and a career-development day.
 - Employees in Mercury Marine China pooled resources and gathered more than 200 "pre-loved" books for donation to the local community in June 2016. The community project was called, "Hand in Hand, Let's Do Public Service Together."