KPMG Forest Certification Services Inc.
Box 10426, 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada

Telephone (604) 691-3000
Fax (604) 691-3031
www.kpmg.ca

To: JD Irving, Limited FSC® CoC/CW Stakeholders

July 25, 2017

Dear Stakeholder:

Stakeholder Consultation

KPMG Forest Certification Services Inc. (KPMG FCSI) to conduct an FSC® Chain and Custody/Controlled Wood Re-certification Audit of JD Irving, Limited.

Purpose and scope of the audit

KPMG Forest Certification Services Inc. (KPMG FCSI) will be conducting a re-certification audit of JD Irving, Limited against the requirements of the current Forest Stewardship Council® (FSC) chain of custody (CoC) and controlled wood (CW) standards. A stakeholder consultation process is planned for the summer of 2017, with the main assessment scheduled to begin on September 11, 2017 and conclude on September 15, 2017.

JD Irving, Limited holds a multi-site FSC CoC/CW certificate that includes the following sites:

New Brunswick:

- Irving Pulp & Paper, Limited
- Irving Paper Limited
- Clair Sawmill
- Veneer Sawmill
- St Leonard Sawmill
- Baker Brook Sawmill

Quebec:

- Estcourt Yard

Maine

- Dixfield Sawmill

- Ashland Sawmill

The supply area for the above participating sites is those portions of the WWF ecoregions listed below that are located within New Brunswick, Nova Scotia, Prince Edward Island, southern Quebec and Northeastern United States:

- New England-Acadian
- Eastern Canadian
- Gulf of St Lawrence lowland
- Laurentian Plains and Hills
- Eastern Great Lakes and Hudson Lowlands
- Northeastern Highlands
- Northeastern Coastal Zone

A map of the WWF ecoregions can be found at: https://www.worldwildlife.org/science/wildfinder/

The audit will be based on the current FSC CoC (FSC-STD-40-004 V3-0) and CW (FSC-STD-40-005 V3-1) standards.

This letter serves as an invitation to interested and affected stakeholders who wish to provide comments that are pertinent to JD Irving, Limited's FSC CoC/CW certification. The comments received will be considered by KPMG FCSI in reaching its conclusions regarding JD Irving, Limited's conformance with the applicable FSC CoC and CW standards.

About FSC and the CoC and CW standards

The FSC is an international non-profit organization founded in 1993 to support environmentally appropriate, socially beneficial, and economically viable management of the world's forests. It supports the development of national and regional standards to be used to evaluate whether a forest is being well-managed.

It is an association of members consisting of a diverse group of representatives from environmental and social organizations, forest and product industries, Indigenous People's organizations, community forestry groups and certification bodies from around the world. Membership is open to all who are involved in forestry or forest products and share its aims and objectives.

FSC, with its head office in the city of Bonn, Germany, is governed by an elected Board which consists of people from industry, environmental, social and labor groups, Indigenous People's representatives and others.

FSC-STD-40-004 V3-0 and FSC-STD-40-005 V3-1 were recently released for use by FSC. Organizations holding certifications to the previous versions of these standards must be assessed against the current version by December 31, 2017 (in the case of FSC-STD-40-005 V3-1) and March 31, 2018 (in the case of FSC-STD-40-005 V3-1).

Your role

We would appreciate your comments on issues that are pertinent to JD Irving, Limited's FSC CoC/CW certification. Such comments may include, but are not necessarily limited to, concerns or observations regarding the Company's due diligence system (i.e., the system of measures and procedures developed by the organization to minimize the risk of sourcing material from unacceptable sources), one component of which is the company risk assessment. Comments received will be considered by KPMG FCSI in assessing JD Irving, Limited's performance against the requirements of the applicable FSC CoC and CW standards. A summary of stakeholder comments will also be included in the JD Irving, Limited FSC CoC/CW certification audit summary report.

A questionnaire is provided with this letter for your comments on issues that are pertinent to JD Irving, Limited's FSC CoC/CW certification. However, additional materials and other methods of communication will also be accepted. Upon request, arrangements may also be made to allow stakeholders to meet with members of the audit team during the on-site portion of the audit.

Access to information

FSC requires that stakeholders be provided access to certain information as part of the consultation process, including:

- A description of the supply area and respective risk designation. This information is included within the body of this letter and the summary of the JD Irving, Limited Due Diligence System (DDS).
- A written summary of the JD Irving, Limited DDS. A copy of this document is available on KPMG FCSI's website at https://home.kpmg.com/ca/en/home/services/audit/sustainability-services/forest-management-consultations.html
- Copies of the applicable FSC CoC and CW standards. These can be obtained from FSC International at https://ic.fsc.org/en.
- A copy of the current (2016 version) JD Irving, Limited company risk assessment. This can also be obtained from FSC International at http://info.fsc.org.
- The procedure for filing complaints. A copy of KPMG FCSI's dispute resolution procedures are available on KPMG FCSI's website at https://home.kpmg.com/ca/en/home/services/audit/sustainability-services/forest-management-consultations.html
- Contact information of the person or position responsible for addressing complaints. This can be obtained by visiting the KPMG FCSI website noted above.

KPMG FCSI Contact information

All comments and requests for additional information should be directed to Craig Roessler at:

KPMG Forest Certification Services Inc.
PO Box 10426, Pacific Centre
Vancouver, B.C.
V7Y 1K3
Fax: (604) 691-3031

Our commitments

1 The source of specific comments received will remain confidential unless the commenting party specifically indicates to the contrary.

2 We will respond to all stakeholders who provide comments and provide information on how their comments were taken into account.

3 A summary of stakeholder comments and how they were considered by KPMG FCSI will be included in the JD Irving, Limited FSC CoC/CW certification audit summary report.

Yours very truly,

Craig Roessler, EP(EMSLA), RPF(BC), CF(SAF)
Senior Manager,
KPMG Performance Registrar
(604) 691-3115

Enclosures

Stakeholder Questionnaire – 2017 JD Irving, Limited FSC® Chain of Custody/Controlled Wood Re-certification Audit

To: Craig Roessler, KPMG FCSI **Fax #: 604-691-3031**

From:_____ **Phone #: _____**

Organization (if applicable): _____

KPMG Forest Certification Services Inc. (KPMG FCSI) will be conducting a re-certification audit of JD Irving, Limited against the requirements of the current Forest Stewardship Council® (FSC) chain of custody (CoC) and controlled wood (CW) standards. A stakeholder consultation process is planned for the summer of 2017, with the main assessment scheduled to begin on September 11, 2017 and conclude on September 15, 2017. This questionnaire is intended to obtain information from interested and affected stakeholders regarding issues that are pertinent to JD Irving, Limited's FSC CoC/CW certification. Such comments may include, but are not necessarily limited to, concerns or observation's regarding the Company's due diligence system (i.e., the system of measures and procedures developed by the organization to minimize the risk of sourcing material from unacceptable sources), one component of which is the company risk assessment (which FSC has decided may continue to be used until approved national risk assessments for Canada and the US are in place). Comments received will be considered by KPMG FCSI in assessing JD Irving, Limited's performance against the requirements of the applicable FSC CoC and CW standards. A summary of stakeholder comments will also be included in the JD Irving, Limited's FSC certification report. However, the identity of individuals/organizations providing comments will be kept confidential by KPMG FCSI unless the party providing comments specifically indicates in writing to the contrary.

NB: In order to be considered during the 2017 audit, comments must be received no later than September 11, 2017.

1. Do you have any specific concerns regarding the JD Irving, Limited's due diligence system (DDS), company risk assessment or other issues that are pertinent to the Company's FSC CoC/CW certification? Comments:	**YES/NO/ NA**

Stakeholder Questionnaire – 2017 JD Irving, Limited's FSC CoC/CW Audit

To: **Craig Roessler, KPMG FCSI** **Fax #:** **604-691-3031**

From: _____ **Phone #:** _____

Organization (if applicable): _____

2. If you answered yes to question 1 above, have you communicated your concerns to JD Irving, Limited? Comments:	**YES/NO/ NA**
3. If you answered yes to question 2 above, in your opinion, has JD Irving, Limited made a reasonable attempt to address your specific concerns? Comments:	**YES/NO/ NA**

Stakeholder Questionnaire – 2017 JD Irving, Limited's FSC CoC/CW Audit

To: **Craig Roessler, KPMG FCSI** **Fax #:** **604-691-3031**

From: _____ **Phone #:** _____

Organization (if applicable): _____

4. Do you have any other concerns regarding JD Irving, Limited FSC CoC/CW certification that have not been addressed in the above questions? Comments:	**YES/NO/ NA**
5. Are there any specific issues or requirements of the FSC CoC or CW standard (FSC-STD-40-004 V3-0 and FSC-STD-40-005 V3-1) that you believe merit special attention during the 2017 JD Irving, Limited' FSC CoC/CW audit? Comments:	**YES/NO/ NA**

FSC Controlled Wood Due Diligence System (DDS)

J.D. Irving, Limited

Date: July 21, 2017

Approving FSC Accredited Certification Body:

KPMG FCSI
777 Dunsmuir Street
P.O. Box 10426
Vancouver, BC V7Y 1K3

Description of wood supply area –

Country – USA - **Ecoregions:** Laurentian Plains and Hills, Eastern Great Lakes and Hudson Lowlands, North eastern Highlands, North eastern Costal Zone

Country – Canada
Province – New Brunswick, Nova Scotia, Prince Edward Island, Quebec
Ecoregions: New England-Acadian, Eastern Canadian, Gulf of St Lawrence lowland

Risk - All areas have been classified as low risk as per the J. D. Irving, Limited Controlled Wood Risk Assessment that can be found at https://info.fsc.org/details.php?id=a0240000005tYJAAA2&type=certificate

Complaints – Complaints can be sent to Scott MacDougall, J.D. Irving, Limited's Certification Manager at macdougall.scott@jdirving.com

FSC Controlled Wood Risk Assessment

J.D. Irving, Limited

Date of Controlled Wood Risk Assessment: December 14, 2016 (last review)

Approving FSC Accredited Certification Body:

KPMG FCSI
777 Dunsmuir Street
P.O. Box 10426
Vancouver, BC V7Y 1K3

Date of last review and approval by KPMG FCSI: December 14, 2016

Controlled Wood Category	Origin Level	Justification	Source of Information	Risk
Illegally harvested wood	**Country** – USA Ecoregions: Laurentian Plains and Hills, Eastern Great Lakes and Hudson Lowlands, North eastern Highlands, North eastern Costal Zone **Province** – NB,NS,PEI,Quebec Ecoregion : New England-Acadian, Eastern Canadian, Gulf of St Lawrence lowland	- FSC USA website - Risk Registry (American - Hardwood Export Council) - Wood theft in Canada is low due to existing laws and related penalties, and the efforts of forest companies and the RCMP to enforce and prevent it. The NB Forest Products Transportation Act directly addresses this by requiring all loads of wood to have a transportation certificate that identifies the property that the wood was harvested from. - J. D. Irving has an SFI certified wood program	http://fsccontrolledwood.org/RiskRegistry.aspx http://www.ahec.org/publications/AHEC%20publications/AHEC_RISK_ASSESSMENT.pdf http://laws.gnb.ca/en/showfulldoc/cs/T-11.02//20150202 http://www.woodtheft.ca/e/brochure_e.htm http://www.nbwoodlotowners.ca/?section=10&subsection=59 http://www2.gnb.ca/content/dam/gnb/Departments/nr-	Low

		- other controlled wood risk assessments in the region have been reviewed	rn/pdf/en/Publications/AnnualReport2013-2014.pdf http://www.sfmcanada.org/english/topicsofinterest.asp?tID=20 http://www.transparency.org/cpi2014	
Wood harvested in violation of traditional and civil rights	**Country** – USA Ecoregions: Laurentian Plains and Hills, Eastern Great Lakes and Hudson Lowlands, North eastern Highlands, North eastern Costal Zone **Province** – NB,NS,PEI,Quebec Ecoregion : New England-Acadian, Eastern Canadian, Gulf of St Lawrence lowland	- FSC USA website - Risk Registry (American - Hardwood Export Council) - In Canada there are government processes to deal with traditional and civil rights. A strong Canadian government and enforcement laws prevent this from being a high risk. This is verified through the information sources listed in the FSC Canada Controlled Wood Information Matrix. - other controlled wood risk assessments in the region have been reviewed	http://fsccontrolledwood.org/RiskRegistry.aspx http://www.ahec.org/publications/AHEC%20publications/AHEC_RISK_ASSESSMENT.pdf https://ca.fsc.org/preview.information-matrix-for-conducting-controlled-wood-risk-assessments-in-canada-2007.a-645.pdf http://www.ainc-inac.gc.ca/index-eng.asp http://www.sfmcanada.org/english/topicsofinterest.asp?tID=20	Low

Wood harvested in forests where high conservation values are threatened by management activities	**Country** – USA Ecoregions: Laurentian Plains and Hills, Eastern Great Lakes and Hudson Lowlands, North eastern Highlands, North eastern Costal Zone **Province** – NB,NS,PEI,Quebec Ecoregion : New England-Acadian, Eastern Canadian, Gulf of St Lawrence lowland	**3.1 Forest management activities in the relevant level (eco-region, sub-eco-region, local) do not threaten eco-regionally significant high conservation values.** - FSC USA website - Risk Registry (American - Hardwood Export Council) - Global 200 Eco-Regions or biodiversity hotspots are not identified in NB, NS, PEI, Quebec, and Maine - The Convention on Biological Diversity was signed by Canada - There are no significant intact forests in the New England-Acadian, Eastern Canadian, or Gulf of St Lawrence lowland Ecoregions -The IUCN Centres of Plant Biodiversity sites are not applicable as they do not occur within the wood supply area - The Conservation International's High Biodiversity Wilderness Areas are not applicable as they do not occur within the wood supply area	http://fsccontrolledwood.org/RiskRegistry.aspx http://www.ahec.org/publications/AH http://en.wikipedia.org/wiki/Global_200 http://sp10.conservation.org/where/priority_areas/hotspots/Pages/hotspots_main.aspx http://www2.gnb.ca/content/gnb/en/departments/natural_resources/ForestsCrownLands/content/ProtectedNaturalAreas.html http://www.novascotia.ca/nse/protectedareas/ http://www.gov.pe.ca/agriculture/index.php3?number=69528&lang=E http://www.mddep.gouv.qc.ca/biodiversite/aires_protegees/orientation-en/index.htm Canada for determining intact forests. - Globally significant intact forests are intact forests larger than 500,000 hectares (https://ca.fsc.org/technical-updates.241.313.htm) - Nationally significant intact forests are intact forests larger than 200,000 ha.	Low

			(http://www.fsccanada.org/docs/c51089fe42270d0c.pdf) - Provincially significant intact forests are intact forests larger than 50,000 ha. (http://www.fsccanada.org/docs/73ceecfa79144a46.pdf) (http://www.fsccanada.org/docs/24f3bca1fbdf9762.pdf) http://www.ccfm.org/pdf/C&I_e.pdf http://www.worldwildlife.org/science/wildfinder/ http://www.cbd.int/countries/ http://www.biodiversitya-z.org/content/centres-of-plant-diversity-cpd http://sp10.conservation.org/where/priority_areas/wilderness/Pages/default.aspx	

		WWF at http://www.worldwildlife.org/biomes identifies the following ecoregions as "critical/endangered": Eastern Great Lakes lowland forests, Northeastern coastal forests, New England Acadian forests, Gulf of St. Lawrence Lowlands and Eastern Canadian forests.	www.worldwildlife.org/science/ecoregions/g200.cfm	Unspecified
		3.2 A strong system of protection (effective protected areas and legislation) is in place that ensures survival of the HCVs in the ecoregion. - The Canadian Provinces all have protected areas legislation. -Level of Protected Areas in the region: All sites are threatened by forestry activities and are protected from harvesting NS – 60 sites NB – 63 sites PEI – 17 sites Quebec – 236 sites	http://fsccontrolledwood.org/RiskRegistry.aspx http://www.ahec.org/publications/AH http://en.wikipedia.org/wiki/Global_200 http://sp10.conservation.org/where/priority_areas/hotspots/Pages/hotspots_main.aspx http://www2.gnb.ca/content/gnb/en/departments/natural_resources/ForestsCrownLands/content/ProtectedNaturalAreas.html http://www.novascotia.ca/nse/protectedareas/ http://www.gov.pe.ca/agriculture/index.php3?number=69528&lang=E	Low

		- J. D. Irving has its own Unique Areas Program. All Unique Areas are threatened by forestry activities and management/operating plans are made to protect their high conservation value. - other controlled wood risk assessments in the region have been reviewed - There is a high level of Forest certification in NB, NS, Quebec, and Maine - Crown land in the area under the risk assessment has a planning requirement by ecoregion The impacts on these the "critical/endangered" ecoregions identified under 3.1 (i.e., Eastern Great Lakes lowland forests, Northeastern coastal forests, New England Acadian forests, Gulf of St. Lawrence Lowlands and Eastern Canadian forests) are mitigated through a strong regulatory system that protects; watercourses and wetlands, natural areas of importance to biodiversity and cultural attributes, and critical/endangered species at risk, along with the protection/mitigation measures identified directly above.	http://www.mddep.gouv.qc.ca/biodiversite/aires_protegees/orientation-en/index.htm .www.worldwildlife.org/science/ecoregions/g200.cfm (http://www.fsccanada.org/docs/24f3bca1fbdf9762.pdf) http://www.ccfm.org/pdf/C&I_e.pdf http://www.worldwildlife.org/science/wildfinder/ http://www.cbd.int/countries/ http://www.biodiversitya-z.org/content/centres-of-plant-diversity-cpd http://sp10.conservation.org/where/priority_areas/wilderness/Pages/default.aspx	
Wood harvested in forests being	**Country** – USA Ecoregions: Laurentian Plains and Hills, Eastern	- FSC USA website - Risk Registry (American - Hardwood Export Council)	http://fsccontrolledwood.org/RiskRegistry.aspx	Low

converted to plantations or non forest use	Great Lakes and Hudson Lowlands, North eastern Highlands, North eastern Costal Zone **Province** – NB,NS,PEI,Quebec Ecoregion : New England-Acadian, Eastern Canadian, Gulf of St Lawrence lowland	- Planted areas in NB, NS, PEI, and Quebec do not meet the definition of "plantation" under the FSC definition. A high rate of urbanization is not found in these areas. - other controlled wood risk assessments in the region have been reviewed	http://www.ahec.org/publications/AHEC%20publications/AHEC_RISK_ASSESSMENT.pdf http://www.fsccanada.org/docs/BA7B5940482ABABD.pdf http://www.fao.org/forestry/en/	
Wood from forests in which genetically modified trees are planted	**Country** – USA Ecoregions: Laurentian Plains and Hills, Eastern Great Lakes and Hudson Lowlands, North eastern Highlands, North eastern Costal Zone **Province** – NB,NS,PEI,Quebec Ecoregion : New England-Acadian, Eastern Canadian, Gulf of St Lawrence lowland	- FSC USA website - Risk Registry (American - Hardwood Export Council) - Genetically modified trees are regulated by the Canadian Food and Inspection Agency - Genetically modified trees are not being used on a commercial scale in Canada. - other controlled wood risk assessments in the region have been reviewed	http://fsccontrolledwood.org/RiskRegistry.aspx http://www.ahec.org/publications/AHEC%20publications/AHEC_RISK_ASSESSMENT.pdf http://cfs-scf.nrcan-rncan.gc.ca/projects/73 http://www.inspection.gc.ca/plants/forestry/eng/1299166186965/1299166280737	Low