FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT

2024 Compliance Report

May 31, 2025

IRVING

J.D. IRVING, LIMITED

Introduction and Scope of Report

J.D. Irving, Limited is committed to delivering quality products and services to its customers, and, in doing so, we strive to maintain, improve, and continue to adapt our procurement processes and safeguards to reduce the risk of forced labour and child labour within our supply chain.

This report is made pursuant to the Government of Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the **Act**) for the 2024 reporting period. This report outlines JDI's commitment to compliance with the Act. This is a consolidated report applicable to the companies and divisions listed in Schedule A (collectively referred to as **JDI**), each of which is a reporting entity (or a division of a reporting entity) under the Act.

Business Overview

Founded in 1882, JDI is a privately held and industry diverse group of companies and businesses with headquarters in Saint John and Moncton, New Brunswick. JDI operates primarily in Canada and the United States, employing over 19,000 employees. Mr. James D. Irving and Mr. Robert K. Irving are the Co-Chief Executive Officers of all JDI companies that are subject to this report.

JDI's mandate is to provide excellent products and superior services to its customers. This is accomplished by "The Irving Way." The Irving Way is the foundation of JDI's identity and operations.

The following core values shape JDI's approach to business:

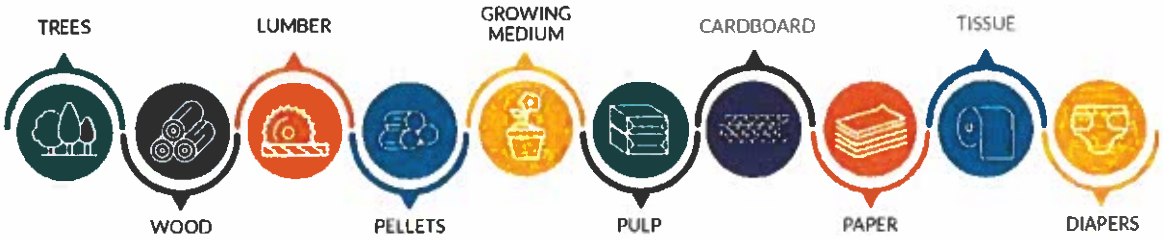
- Customer Focus;
- People and Teamwork;
- Quality Products and Services;
- Results Driven;
- Continuous Improvement and Innovation;
- Integrity;
- Fast and Flexible; and
- Health, Safety, and Environment.

JDI's Structure, Activities, and Supply Chains

JDI's supply chain activities in connection with its Canadian reporting entities are performed by procurement professionals and supply chain departments within the JDI group of companies. JDI selects suppliers after performing the appropriate due diligence during the on-boarding process. JDI's supply chain procures goods and services for the purposes of then providing goods and services (i) to third-party businesses, (ii) to individual consumers at the retail level, and (iii) to JDI affiliates in a vertically integrated business structure. JDI's supply chain also procures a wide array of goods and services for internal consumption within the respective businesses.

An example of JDI's vertically integrated business structure is the JDI Forest Supply Chain. The JDI

Forest Supply Chain is made up of businesses in the forestry, forest products, and consumer goods sectors. The supply chain includes forests, tree nurseries, logging and reforestation operations, lumber, peat and horticultural products, kraft pulp, paper, corrugating medium, consumer tissue, and diaper manufacturing. JDI transports its products by road, rail, and sea through its affiliated transportation businesses and third-party carriers, and forest products are shipped to 30 countries around the world.



JDI consists of the following business divisions:

Forestry and Forestry Products: As noted above, the Irving Forestry and Forestry Products Division includes companies that own, manage, develop, and harvest and reforest woodlands (JDI – Woodlands Division); produce spruce, fir, white pine, and hardwood lumber and value added products, wood pellets, and growing medium (JDI – Sawmills Division); manufacture softwood and hardwood grades of kraft pulp (Irving Pulp & Paper, Limited); manufacture specialty grade paper (Irving Paper Limited); manufacture parent roll tissue for consumer brands (Irving Consumer Products Limited); and manufacture corrugated packaging (JDI - Lake Utopia Paper). The Division also includes St. George Power, which is a run-of-the-river hydroelectrical facility owned and operated by the Charlotte Pulp and Paper Company Limited; as well as Juniper Organics Limited, which owns and operates a peat moss bog and offers peat moss products for professional growers.

Construction and Equipment: The Construction and Equipment Division includes companies that offer modular commercial and industrial structures (JDI – Kent Mobile Shelters); modular homes (JDI – Kent Homes); specialized crane and heavy equipment services (Irving Equipment Limited); civil construction and aggregate production (Gulf Operators Ltd.); industrial fabricating, machining, and technical services (Custom Fabricators & Machinists Limited); wallboard manufacturing (Atlantic Wallboard Limited); and the sale and service of industrial pumps and related products (PumpsPlus Ltd.).

Retail and Distribution: The Retail and Distribution Division includes companies that offer home building and improvement goods and services (JDI – Kent Building Supplies); building materials for commercial and industrial projects (Industrial Commercial Supplies Limited); business-to-business commercial goods, such as company apparel, restaurant supplies, office furniture and supplies, and safety equipment (JDI – Chandler); specialty and digital print media (Plasticraft Limited); and pre-engineered structural systems (Atlas Structural Systems Limited).

Transportation and Logistics: The Transportation and Logistics Division includes a railway company

(New Brunswick Southern Railroad Company Limited); trucking companies (RST Industries Limited, Sunbury Transport Limited, and Midland Transport Limited); a marine transportation services company (Atlantic Towing Limited); marine construction and dredging services company (Harbour Development Inc.); heavy duty trucks sales and related services (Universal Sales, Limited); and marine shipping logistics and agency company (Kent Lines).

Food: The Food Division includes the Cavendish Farms Corporation. It produces and sells frozen potato products and other frozen agricultural food products, both retail and business-to-business.

Agriculture: The Agriculture Division includes Cavendish Agri Services Limited. It offers products and services to farmers, such as: seed, fertilizers, crop protectants, agronomy services, crop advisors, researchers, and equipment operators.

Consumer Products: The Consumer Products Division includes Irving Consumer Products Limited, which produces and sells major brand and private label products, including bath tissue, paper towels, facial tissues, napkins, and diapers.

Assessment of JDI's Supply Chain and the Risk of Forced Labour or Child Labour

In 2023, JDI analyzed the locations of all its Tier 1[1] suppliers in the supply chains for its Canadian reporting entities and determined that, for the 2023 reporting period, more than 90% of its Tier 1 suppliers were resident in the traditionally low-risk jurisdictions of Canada, the United States of America, Europe, and the United Kingdom. This still holds true for the 2024 reporting period. JDI has not identified any specific parts of its Tier 1 supply chain that carry risk of forced labour or child labour.

As set out below, JDI has measures in place applicable to its Tier 1 suppliers to reduce the risk of forced and child labour in the supply chain of the products they provide to JDI. Consequently, JDI's assessment of the risk of forced labour or child labour within its supply chain is low.

JDI is committed to contribute to the fight against forced labour or child labour and therefore JDI will continue to build on its existing risk-mitigation measures. In 2025, JDI will continue to identify additional processes and risk-assessment solutions that can be implemented to increase JDI's visibility into risk within its supply chains.

Steps JDI has taken to Reduce the Risk of Forced and Child Labour and JDI's Policies and Due Diligence Processes in relation to the Risk

[1] *For the purpose of this report, a "Tier 1" supplier is a legal entity that a JDI reporting entity directly contracts with, or otherwise directly purchases goods or materials from. In the interest of transparency, the Tier 1 supplier of a particular good may not be the manufacturer of the good and may not be resident in the same geographic area as the manufacturer.*

Supplier Social Responsibility Code of Conduct

JDI maintains a Code of Business Conduct and a Supplier Social Responsibility Code of Conduct.

The Supplier Social Responsibility Code of Conduct is available on JDI's website, and it directs suppliers as follows:

> *"Child Labor*
> *Suppliers must not directly (or indirectly through the use of its subcontractors) employ underage individuals as defined by applicable child labor laws.*
>
> *Forced Labor*
> *Suppliers must not use forced labor or involuntary prison labor, which means any work or service performed involuntarily under threat of physical or other penalty. Suppliers shall respect the freedom of movement of its workers and not restrict their movement by controlling identity papers, holding money deposits, or taking any other action to prevent workers from terminating their employment. If workers enter into employment agreements with suppliers, workers should do so voluntarily."*

Under the Supplier Social Responsibility Code of Conduct, suppliers are asked to allow and assist JDI in periodic audits of compliance and it states a violation of the code may result in the termination of JDI's business arrangement with a supplier.

In 2024, JDI enhanced its onboarding process so that the Supplier Social Responsibility Code of Conduct is expressly communicated to potential supplier during the onboarding process.

In 2025, JDI will be reviewing the current supplier on-boarding process and during that review will consider whether other updates are warranted to specifically address supplier compliance with forced labour and child labour laws.

Code of Business Conduct

As mentioned above, JDI also maintains a corporate Code of Business Conduct that is applicable to all JDI companies and employees. The two guiding general business principles of the Code of Business Conduct are "Integrity and Honesty" and "Compliance with Laws." In particular, the Code of Business Conduct requires that:

- Employees must comply with all laws, rules, and regulations.
- Employees must adhere to the spirit as well as the letter of the law.
- Employees must not participate in activities that could involve JDI in any unlawful or improper practice.
- Employees are expected to conduct themselves with honesty and high ethical standards, as well as abide by all anti-corruption laws.

The Code of Business Conduct states that a violation of the code may result in disciplinary action, including termination of employment. If the breach also constitutes a violation of law, then civil or criminal proceedings may result. The Code of Business Conduct undergoes regular reviews and updates as deemed necessary by JDI.

Supplier Onboarding Process

JDI currently vets its supply chain through its standardized supplier on-boarding process and by performing due diligence regarding the financial, quality, and legal standing of suppliers. In some cases, this includes the use of the third-party platform, ISNetworld, a global leader in contractor and supplier information management.

Contracting Standards and Supplier Certifications

As a part of the supplier onboarding process, suppliers are required to acknowledge and accept terms and conditions applicable to the supply of goods and services to JDI (the **JDI General Terms and Conditions**). The JDI General Terms and Conditions require suppliers to contractually agree to comply with all applicable laws in the performance of the contract and provide all information necessary for JDI to comply with all applicable laws, including legal reporting obligations, in the countries of origin and destination.

In 2024, JDI updated the JDI General Terms and Conditions that are applicable to the suppliers of Kent Building Supplies to specifically include a representation that it does not, directly or indirectly, utilize any forced labour or child labour, as those terms are defined by the Act.

In 2025, JDI will be reviewing the JDI General Terms and Conditions to consider whether other updates are warranted to specifically address supplier compliance with forced labour and child labour laws.

Training

JDI maintains a suite of in-house training and development resources. Amongst these is SkillSoft, a digital corporate learning platform available to all JDI employees. SkillSoft offers courses on the following topics: supply chain risk management; organizational ethics, ethical challenges, and ethical responsibility; labour law, employment law, and employment legislation; and corporate governance and corporate ESG.

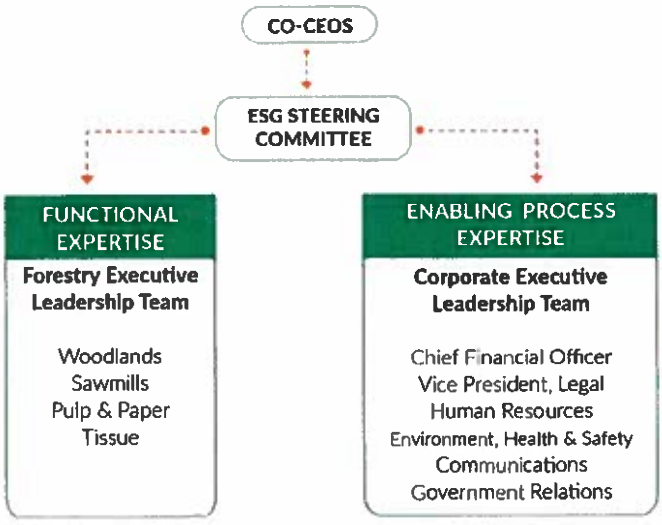
In 2025, JDI will continue to leverage its in-house training and development resources to offer internal training for JDI supply chain employees related to supply chain risk management, including the risk of forced labour and child labour in supply chain activities.

Climate, Conservation, and Community Impact Report

JDI maintains an ESG (Environmental, Social, and Governance) Steering Committee to manage and

disclose topics related to the climate, conservation and community impact of the Forest Supply Chain. The ESG Steering Committee is comprised of functional expertise from the executives and senior leaders in each of the Forest Supply Chain divisions – Woodlands, Sawmills, Pulp and Paper and Consumer Products – and enabling process expertise from the corporate executive teams – Finance, Legal, Human Resources, Safety, Communications and Government Relations (see the diagram below outlining the structure of the Steering Committee). Together the executives are responsible for sharing ESG-related information with their management teams to ensure information is communicated to all employees and linked to operating plans for execution.

The ESG Steering Committee is currently focused on environmental sustainability strategies in the JDI Forest Supply Chain, including sustainable forest management, forest conservation and biodiversity, climate change action and adaptation, air and water quality, safety, community engagement, and business ethics. The Forest Supply Chain is committed to disclose information on its climate, conservation, and community impact annually in a public report with external assurance.



Whistleblowing

Finally, consistent with JDI values, JDI encourages all employees who witness any unethical behaviour or code of conduct violations to report directly to our anonymous whistleblower program. JDI's Whistle Blower policy is embedded within the Code of Business Conduct, which is available to all employees. The JDI Tips Line, "See Something – Say Something", is staffed 24-hours a day, seven days a week by trained security officers. All anonymous tips are reviewed and actioned by an independent investigator. The JDI Tips Line is included in the Code of Business Conduct and is advertised throughout the organization on posters and through presentations by our security staff.

Identification of Risks of Forced Labour and Child Labour, Effectiveness in Preventing Forced Labour and Child Labour, and Associated Remediation Activities

In addition to the information disclosed above, the Act requires that reporting entities disclose the following:[2]

> *"(d) any measures taken to remediate any forced labour or child labour;*
>
> *(e) any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains;"*

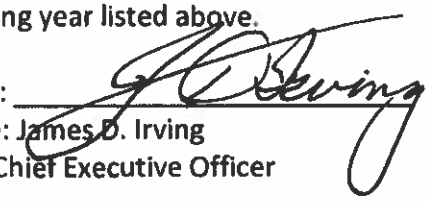
No instances of forced labour or child labour have been identified within JDI's supply chains, and therefore JDI has not been required to take any of the measures described in (d) and (e) above.

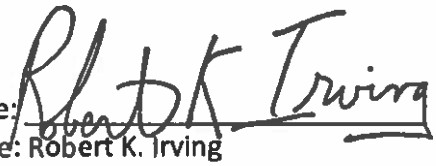
[Attestation Follows]

[2] The Act, Part 2, Section 11(3).

Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, we attest that we have reviewed the information contained in the report for the entities listed in Schedule A. Based on our knowledge, and having exercised reasonable diligence, we attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Signature: 
Full name: James D. Irving
Title: Co-Chief Executive Officer
Date:

Signature: 
Full name: Robert K. Irving
Title: Co-Chief Executive Officer
Date:

We have the authority to bind J.D. Irving, Limited and each of the reporting entities listed in Schedule A

Schedule "A"

- Atlantic Towing Limited
- Atlantic Wallboard Limited
- Atlas Structural Systems Limited
- Cavendish Agri Services Limited
- Cavendish Farms Corporation
- Chandler (a division of J. D. Irving, Limited)
- Charlotte Pulp & Paper Limited, operating as St. George Power
- Industrial Commercial Supplies Limited
- Custom Fabricators & Machinists Limited
- Gulf Operators Ltd.
- Harbour Development Inc.
- Irving Consumer Products Limited
- Irving Equipment Limited
- Irving Forest Services Limited
- Irving Paper Limited
- Irving Pulp & Paper, Limited
- Irving Tissue, (a division of J.D. Irving, Limited)
- Irving Transportation Services Limited
- JDI, Information Technology (a division of J. D. Irving, Limited)
- JDI, Sawmills Division (a division of J. D. Irving, Limited)
- JDI, Woodlands Division (a division of J. D. Irving, Limited)
- Lake Utopia Paper (a division of J. D. Irving, Limited)
- Kent Building Supplies (a division of J. D. Irving, Limited)
- Kent Mobile Shelters (a division of J. D. Irving, Limited)
- Kent Homes (a division of J. D. Irving, Limited)
- Juniper Organics Limited
- Kent Line, Limited
- Midland Transport Limited
- New Brunswick Southern Railway Company Limited
- Plasticraft Limited
- PumpsPlus Ltd.
- RST Industries Limited
- Sunbury Transport Limited
- Universal Sales, Limited