



May 31, 2024

Hon. Dominic LeBlanc
Minister of Public Safety, Democratic Institutions
and Intergovernmental Affairs
Public Safety Canada

RE: Burgundy Diamond Mines Ltd. - Bill S-211 Modern Slavery Act Annual Report

Burgundy Diamond Mines Ltd. (Burgundy) is a premier independent global diamond company that proudly produces and delivers ethically sourced diamonds from our world-renowned Ekati Mine, in Canada's Northwest Territories to market.

Burgundy has prepared the attached submission in recognition and as a statement of intent to meet the requirements of Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the Act) which came into force on January 1, 2024.

Background

Burgundy's unique end-to-end business model with total chain of custody provides unquestionable diamond origin and traceability in every step of the process, providing the ability to safeguard ethical production of our diamonds from mining to marketing and discovery to design. Our strategy focuses on capturing margins along the full value chain of the diamond market, inclusive of mining, production, cutting and polishing and the marketing and sale of diamonds. Burgundy was founded in Perth, Western Australia, and is listed on the Australian Stock Exchange as ASX:BDM.

Burgundy is the sole owner and operator of Ekati Mine, having purchased the asset from the previous owner, Arctic Canadian Diamond Company Limited (Arctic Canadian), in July 2023. Based on the transaction terms, Burgundy is the parent company of Arctic Canadian, which continues to maintain the previous company name as the named Licence/Permit holder; however, all business is conducted directly by Burgundy. Additional corporate information about Burgundy is available at www.burgundydiamonds.com.

Burgundy is fully committed to maintaining and advancing the principles and practices of sustainable development, while making best use of the resources mined. Responsible and sustainable environmental management form the foundation of our commitment to the environment in which we operate and the communities whose culture is intrinsically connected to the land and wildlife surrounding Ekati Mine.

This commitment includes respect for the natural and social environments, sharing economic benefits, and diligently reducing adverse effects or outcomes resulting from our work. Burgundy maintains a high standard of environmental stewardship throughout all phases of our operations.



Governing Bodies and Legislation to Prevent Modern Slavery

Burgundy is committed to ensuring that all aspects of our business – including diamond mining and the sale of rough diamonds – reflect the highest standards of conduct. Canada subscribes to an international system of certification and warranties known as [Kimberley Process Certification Scheme \(KPCS\)](#) and [The System of Warranties \(SoW\)](#). The KPCS is a joint initiative between government, the diamond industry and non-governmental organizations, that imposes extensive requirements on its member countries to enable them to certify the origin of their rough diamonds and prevent illicit or “conflict” diamonds from entering legitimate trade.

The SoW is an extension of KPCS, where members of the diamond trade provide a written guarantee on all invoices that the diamonds are conflict-free. All warranties, whether given or received must be audited and reconciled on an annual basis. The SoW provides assurance that diamonds are from conflict-free sources all the way to the diamond jewelry retailer. As Canada subscribes to the KPCS, diamonds from the Ekati Diamond Mine are conflict-free.

Burgundy adheres to the to the Government of Northwest Territories Mine Health and Safety Act which provides protocols regarding the minimum age of employment and forced labor which prohibits persons under the age of 16 from being employed at the mine and prohibits persons under the age of 18 from being employed underground or at the working face of any open cut workings, pit, or quarry.

Burgundy is a member of several organizations that provide a means of verification of policies related to child and forced labour. The Responsible Jewelry Council (RJC) promotes responsible, ethical, environmental and social practices throughout the diamond chain, from mine to retailer. Burgundy has been a member since 2016. Burgundy is also a member of the Mining Association of Canada and has participated in their Towards Sustainable Mining (TSM) program since 2013. The main objective for the TSM program is to enable mining companies to meet society’s needs for minerals, metals and energy products in the most socially, economically and environmentally responsible way. This program requires the completion of an annual self-assessment on child and forced labour protocols.

Looking Forward

Burgundy is committed to adhering with the requirements of Bill S-211 and will continue to monitor modern slavery risks in our supply chain. Please contact Sheila.Chernys@burgundydiamonds.com or 403-910-1933 ext.2401 should you have any questions.

Sincerely,

Sheila Chernys
Head, Health, Safety, Environment and Communities
Burgundy Diamond Mines Ltd.



ATTACHMENT A: ATTESTATION

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I 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.

I have the authority to bind Burgundy Diamond Mines Ltd.

Signature:  _____

Full name: Kim Truter

Title: Chief Executive Officer and Managing Director

Date: May 31, 2024

ATTACHMENT B: BURGUNDY DIAMONDS LTD. RESPONSES TO THE MODERN SLAVERY ACT QUESTIONNAIRE

Identifying information: Questions marked with an asterisk (*) are mandatory.

1. *This report is for which of the following? (Required)

- Entity
- Government institution

2. *Legal name of reporting entity or government institution (Required)

Burgundy Diamond Mines Ltd. (Arctic Canadian Diamond Company Ltd. is the legal Canadian subsidiary of Burgundy Diamond Mines Ltd.)

3. *Financial reporting year (Required)

2023 (January 1st, 2023 – December 31st, 2023)

4. *Is this a revised version of a report already submitted this reporting year? (Required)

- Yes
- No

5. For entities only: Business number(s) (if applicable):

793178146 (Arctic Canadian Diamond Company Ltd.), 33 160 017 390 (Burgundy Diamond Mines Ltd.)

6. For entities only: *Is this a joint report? (Required)

- Yes
- No

7. For entities only: *Is the entity also subject to reporting requirements under supply chain legislation in another jurisdiction? (Required)

- Yes
- No

8. For entities only: *Which of the following categorizations applies to the entity? Select all that apply. (Required)

- Listed on a stock exchange in Canada
- Canadian business presence (select all that apply):
 - Has a place of business in Canada
 - Does business in Canada
 - Has assets in Canada
- Meets size-related thresholds (select all that apply):
 - Has at least \$20 million in assets for at least one of its two most recent financial years
 - Has generated at least \$40 million in revenue for at least one of its two most recent financial years
 - Employs an average of at least 250 employees for at least one of its two most recent financial years

9. For entities only: *Which of the following sectors or industries does the entity operate in? Select all that apply. (Required)

- Agriculture, forestry, fishing and hunting
- Mining, quarrying, and oil and gas extraction
- Utilities
- Construction
- Manufacturing
- Wholesale trade

- Retail trade
- Transportation and warehousing
- Information and cultural industries
- Finance and insurance
- Real estate and rental and leasing
- Professional, scientific and technical services
- Management of companies and enterprises
- Administrative and support, waste management and remediation services
- Educational services
- Health care and social assistance
- Arts, entertainment and recreation
- Accommodation and food services
- Other services (except public administration)
- Public administration
- Other, please specify:

10. For entities only: *In which country is the entity headquartered or principally located? (Required)

Canada

10.1 If in Canada: *In which province or territory is the entity headquartered or principally located? (Required)

Arctic Canadian is registered in British Columbia with extensions of the business in Alberta, Northwest Territories and Nunavut. Calgary, Alberta is our Canadian office headquarters and our Ekati Diamond Mine is located in the Northwest Territories.

Annual Report

Reporting for entities

1. *What steps has the entity taken in the previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity? Select all that apply. (Required)

- Mapping activities
- Mapping supply chains
- Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains
- Contracting an external assessment of risks of forced labour and/or child labour in the organization's activities and supply chains
- Developing and implementing an action plan for addressing forced labour and/or child labour
- Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily
- Addressing practices in the organization's activities and supply chains that increase the risk of forced labour and/or child labour
- Developing and implementing due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains
- Carrying out a prioritization exercise to focus due diligence efforts on the most severe risks of forced and child labour
- ✓ Requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains
- Developing and implementing child protection policies and processes

- Developing and implementing anti-forced labour and/or -child labour contractual clauses
- Developing and implementing anti-forced labour and/or -child labour standards, codes of conduct and/or compliance checklists
- Auditing suppliers
- Monitoring suppliers
- Enacting measures to provide for, or cooperate in, remediation of forced labour and/or child labour
- Developing and implementing grievance mechanisms
- Developing and implementing training and awareness materials on forced labour and/or child labour
- Developing and implementing procedures to track performance in addressing forced labour and/or child labour
- Engaging with supply chain partners on the issue of addressing forced labour and/or child labour
- Engaging with civil society groups, experts and other stakeholders on the issue of addressing forced labour and/or child labour
- Engaging directly with workers and families potentially affected by forced labour and/or child labour to assess and address risks
- Information not available for this reporting period
- Other, please specify:

2. Please provide additional information describing the steps taken (if applicable) (1,500 character limit).

Burgundy is committed to ensuring that all aspects of our business – including diamond mining and the sale of rough diamonds – reflect the highest standards of conduct. Canada subscribes to an international system of certification and warranties known as [Kimberley Process Certification Scheme \(KPCS\)](#) and [The System of Warranties \(SoW\)](#). The KPCS is a joint initiative between government, the diamond industry and non-governmental organizations, that imposes extensive requirements on its member countries to enable them to certify the origin of their rough diamonds and prevent illicit or “conflict” diamonds from entering legitimate trade. The SoW is an extension of KPCS, where members of the diamond trade provide a written guarantee on all invoices that the diamonds are conflict-free. All warranties whether given or received must be audited and reconciled on an annual basis. The SoW provides assurance that diamonds are from conflict-free sources all the way to the diamond jewelry retailer. As Canada subscribes to the KPCS, diamonds from the Ekati Diamond Mine are conflict-free.

Burgundy is a member of the Responsible Jewelry Council (RJC) which promotes responsible, ethical, environmental and social practices throughout the diamond chain, from mine to retailer and is a member of the Mining Association of Canada and participates in Towards Sustainable Mining. This involves an annual self-assessment on Child and Forced Labor which has been met for the past 6 years.

The Company Code of Ethics and Business Conduct sets out that the Company follows all applicable laws, rules and regulations in the countries where we work. Employees and contractors must familiarize themselves with, and follow, all the laws, rules and regulations that apply to their job.

3. *Which of the following accurately describes the entity’s structure? (Required)

- Corporation
- Trust
- Partnership
- Other unincorporated organization

4. *Which of the following accurately describes the entity’s activities? Select all that apply. (Required)

- Producing goods (including manufacturing, extracting, growing and processing)
 - in Canada
 - outside Canada
- Selling goods
 - in Canada
 - outside Canada
- Distributing goods

- in Canada
- outside Canada
- ✓ Importing into Canada goods produced outside Canada
- ✓ Controlling an entity engaged in producing goods in Canada or outside Canada, or importing into Canada goods produced outside Canada

5. Please provide additional information on the entity's structure, activities and supply chains (1,500 character limit).

Burgundy is a premier global diamond company that proudly produces and delivers ethically sourced diamonds from its world-renowned Ekati Mine in the Northwest Territories (NWT) to market. Burgundy's unique end-to-end business model with total chain of custody provides unquestionable diamond origin and traceability along every step of the process, providing the ability to safeguard the ethical production of its diamonds from mining to marketing and discovery to design.

Burgundy's suppliers are integral partners in achieving our purpose to bring people and resources together. Our supply network reflects our operational footprint, meaning most of our supplier spend in 2023 continued to be in the NWT where we have our only operating asset. The form of our supplier relationships varies according to the nature, term and value of each engagement. All our strategic supplier relationships are underpinned by multi-year contractual arrangements and where possible, mutually agreed performance metrics.

Our inbound supply chain is made up of two categories: 1) **non-traded goods and services** comprising goods and services sourced by our Procurement team, which do not form part of Burgundy's finished product portfolio, along with some specialist asset-level purchases. Non-traded goods and services represent the majority of Burgundy's overall purchasing activity. 2) **sales-related** comprising of diamonds which we sell in our Antwerp office in Belgium.

6. *Does the entity currently have policies and due diligence processes in place related to forced labour and/or child labour? (Required)

- ✓ Yes
- No

6.1 *If yes, which of the following elements of the due diligence process has the entity implemented in relation to forced labour and/or child labour? Select all that apply. (Required)

- ✓ Embedding responsible business conduct into policies and management systems
- Identifying and assessing adverse impacts in operations, supply chains and business relationships
- Ceasing, preventing or mitigating adverse impacts
- Tracking implementation and results
- Communicating how impacts are addressed
- Providing for or cooperating in remediation when appropriate

7. Please provide additional information on the entity's policies and due diligence processes in relation to forced labour and child labour (if applicable) (1,500 character limit).

Burgundy adheres to the GNWT Mine Health and Safety Act with regards to protocol minimum age of employment and forced labor which prohibits persons under the age of 16 from being employed at the mine and prohibits persons under the age of 18 from being employed underground or at the working face of any open cut workings, pit, or quarry.

Burgundy also maintains a Code of Ethics and Business Conduct Policy that references our commitments to legislations such as Human Rights, Health and Safety and compliance with laws, rules and regulations. Burgundy's contract between the Union and Burgundy provides protocol on employee's right to refuse work as well as minimum age requirement for employment.

Additionally, Burgundy's standard Master Service Agreements with contractors require suppliers, and their employees, affiliates, and sub-contractors, to comply with all applicable laws and company policies and procedures that are applicable

to the services provided by that supplier. This establishes a foundation such that our suppliers are obliged to comply with the provisions of the Modern Slavery Act and prohibit the use of forced labour and/ or child labour in their supply chains.

8. *Has the entity identified parts of its activities and supply chains that carry a risk of forced labour or child labour being used? (Required)

- Yes, we have identified risks to the best of our knowledge and will continue to strive to identify emerging risks.
- Yes, we have started the process of identifying risks, but there are still gaps in our assessments.
- ✓ No, we have not started the process of identifying risks.

9. *Has the entity identified forced labour or child labour risks in its activities and supply chains related to any of the following sectors and industries? Select all that apply. (Required)

- Agriculture, forestry, fishing and hunting
- Mining, quarrying, and oil and gas extraction
- Utilities
- Construction
- Manufacturing
- Wholesale trade
- Retail trade
- Transportation and warehousing
- Information and cultural industries
- Finance and insurance
- Real estate and rental and leasing
- Professional, scientific and technical services
- Management of companies and enterprises
- Administrative and support, waste management and remediation services
- Educational services
- Health care and social assistance
- Arts, entertainment and recreation
- Accommodation and food services
- Other services (except public administration)
- Public administration
- ✓ None of the above
- Other, please specify :

10. Please provide additional information on the parts of the entity's activities and supply chains that carry a risk of forced labour or child labour being used, as well as the steps that the entity has taken to assess and manage that risk (if applicable) (1,500 character limit).

Burgundy ships natural rough raw diamonds to India for sorting and valuation. The contractor providing the sorting services has a signed agreement with Burgundy and is required to have policies in place for prohibiting the use of forced labour and/or child labour in all their activities in compliance with Burgundy's corporate policies and code of Conduct/Ethics. After valuation sorting, all goods are shipped to our Antwerp, Belgium office for sales.

Burgundy is a member of the Responsible Jewelry Council (RJC) which promotes responsible, ethical, environmental and social practices throughout the diamond chain, from mine to retailer. In late 2022, Burgundy was audited by the RJC for the Calgary, Belgium and Ekati Mine sites which included auditing against child and forced labour risks. No non-compliances were found. Burgundy is also a member of the Mining Association of Canada and participates in their Towards Sustainable Mining initiative which requires the completion of an annual self-assessment on Child and Forced Labor. Burgundy has met the requirements of this protocol for the past 6 reporting years. Every 3 years these results are verified by a third-party assessment. Burgundy will be undergoing this third-party verification process in 2024.

11. *Has the entity taken any measures to remediate any forced labour or child labour in its activities and supply chains? (Required)

- Yes, we have taken remediation measures and will continue to identify and address any gaps in our response.
- Yes, we have taken some remediation measures, but there are gaps in our response that still need to be addressed.
- No, we have not taken any remediation measures.
- ✓ **Not applicable, we have not identified any forced labour or child labour in our activities and supply chains.**

12. Please provide additional information on any measures the entity has taken to remediate any forced labour or child labour (if applicable) (1,500 character limit).

Not Applicable.

13. *Has the entity taken any measures 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? (Required)

- Yes, we have taken substantial remediation measures and will continue to identify and address any gaps in our response.
- Yes, we have taken some remediation measures, but there are gaps in our response that still need to be addressed.
- No, we have not taken any remediation measures.
- ✓ **Not applicable, we have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.**

14. Please provide additional information on any measures the entity has 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 (if applicable) (1,500 character limit).

Not Applicable.

15. *Does the entity currently provide training to employees on forced labour and/or child labour? (Required)

- Yes
- ✓ **No**

16. Please provide additional information on the training the entity provides to employees on forced labour and child labour (if applicable). (1,500 character limit).

Not Applicable.

17. *Does the entity currently have policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains? (Required)

- ✓ **Yes**
- No

- 17.1 *If yes, what method does the entity use to assess its effectiveness? Select all that apply. (Required)

- Setting up a regular review or audit of the organization's policies and procedures related to forced labour and child labour

- Tracking relevant performance indicators, such as levels of employee awareness, numbers of cases reported and solved through grievance mechanisms and numbers of contracts with anti-forced labour and -child labour clauses
- ✓ Partnering with an external organization to conduct an independent review or audit of the organization's actions
- Working with suppliers to measure the effectiveness of their actions to address forced labour and child labour, including by tracking relevant performance indicators
- Other, please specify.

18. Please provide additional information on how the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains (if applicable). (1,500 character limit).

Burgundy is a member of the Responsible Jewelry Council (RJC) which promotes responsible, ethical, environmental and social practices throughout the diamond chain, from mine to retailer. In late 2022, Burgundy was audited by the RJC for the Calgary, Belgium and Ekati Mine sites which included auditing against child and forced labour risks. No non-compliances were found. Burgundy is also a member of the Mining Association of Canada and participates in their Towards Sustainable Mining initiative which requires the completion of an annual self-assessment on Child and Forced Labor. Burgundy has met the requirements of this protocol for the past 6 reporting years. Every 3 years these results are verified by a third-party assessment. Burgundy will be undergoing this third-party verification process in 2024.