

**Spence Diamonds Holding Ltd.
Modern Slavery Act Report
Fiscal Year 2024**

1. Introduction

The Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) sets out that reporting entities meeting certain criteria must prepare an annual report (the “Report”) setting out steps taken 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 or of goods imported into Canada.

This is a joint Report for Spence Diamonds Holding Ltd. and its wholly owned subsidiary Spence Diamonds Ltd. (collectively, “Spence Diamonds”, or the “Entities”) setting out steps taken by the Entities during the financial year ended December 28, 2024 (the “Reporting Period”).

2. Steps taken to prevent and reduce the risk of forced labour or child labour

We do not tolerate any form of modern slavery, forced labour or child labour in our operations and expect the same from all of our business partners, including the entirety of our supply chain.

3. Structure, activities and supply chain

The Entities were incorporated under the Business Corporations Act (BC). Spence Diamonds Holding Ltd. is a holding company and the sole shareholder of Spence Diamonds Ltd., which operates as Spence Diamonds.

For more than 45 years, Spence Diamonds has sold diamond jewelry to the Canadian public. Spence Diamonds currently operates 8 locations across Canada and also offers a selection of products for sale online directly on our website (www.spencediamonds.com). Our products are custom made for each client.

All of our custom rings (which make up a significant majority of our sales) are manufactured at our Vancouver headquarters, while the remainder are sourced through suppliers based in Canada, China, India, and the United States.

Key inputs for items manufactured at our Vancouver headquarters consist of precious metals sourced primarily from Canada and US (a significant portion of which consists of recycled materials), Lab Grown Diamonds sourced primarily from India, the United States, Israel and China, and mined diamonds sourced from the global market. Spence Diamonds sources mined diamonds from reputable sources who provide written certification that the diamonds were obtained in compliance with the rigorous Kimberley process. All diamonds (whether mined or Lab Grown) are cut primarily in India.

4. Policies and due diligence processes in relation to forced labour and child labour

Spence Diamonds operates under the applicable laws in place in Canada which serve to protect against forced labour and child labour.

5. The parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk

Key considerations to assess this risk are the geographical location and type of product provided. Spence Diamonds only has operations in Canada, which the Global Slavery Index prepared by Walk Free, an international human rights group, has assessed to be at low risk of human rights abuses.

However, Spence Diamonds recognizes that some portions of our supply chain present a greater risk of forced labour or child labour.

6. Any measures taken to remediate any forced labour or child labour

To date, there have been no identified or reported instances of forced labour or child labour in our activities and supply chain.

7. 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

To date there have been no identified or reported instances of loss of income to vulnerable families that resulted from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

8. The training provided to employees on forced labour and child labour

Understanding and complying with the Employee Handbook is a requirement at Spence Diamonds, which includes our Bill of Rights that ensure our people are treated fairly and in compliance with all local laws and regulations and provides points of escalation to report any violations. We require new team members to review and sign off on our Employee Handbook on their first day of employment with Spence Diamonds.

9. How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains

Spence Diamonds has in place a number of measures to prevent and reduce the risk that forced labour or child labour is used in our activities and supply chains. While we have not yet taken any actions to assess the effectiveness of those actions, Spence Diamonds intends to assess its effectiveness in preventing and reducing risks of forced labour and child labour in its activities and supply chains at a later stage.

Approval & Attestation

This report was approved by the Board of Directors of Spence Diamonds Holding Ltd. on May 30, 2025.

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.

("Signed Robert Darwent")

Robert Darwent

Director, Spence Diamonds Holding Ltd.

May 30, 2025

I have authority to bind Spence Diamonds Holding Ltd.