

JAY PROJECT

ADEQUACY REVIEW ITEMS 11.1, 11.2, 11.3, 11.4, 11.5

Prepared for: Dominion Diamond Ekati Corporation

Prepared by: Golder Associates Ltd.

January 2015



Table of Contents

1	INTRODUCTION	1
2	MITIGATIONS BY AGREEMENT TYPE	2
3	EMPLOYMENT STATISTICS	3
3.1	Employment by Priority Group and Gender	3
3.2	Employee Retention	
3.3	Aboriginal Advancement	5
4	SOCIAL ISSUES, BARRIERS TO EMPLOYMENT AND MITIGATIONS	6
4.1	Collaborative Issue Identification	
4.2	Social Issues and Barriers to Employment	7
4.2.		
4.2.	2 Community Development 1	0
4.2.	3 Additional Community Concerns 1	1
5	CLOSING1	3

Tables

Table 1-1	Developer's Assessment Report Adequacy Questions – Section 14	1
Table 2-1	Comparison of Commitments Found in IBAs and the SEA for the Ekati Mine	2
Table 3.1-1	Employment by Priority Group, 1999 to 2013	4
Table 3.1-2	Employment by Gender, 2006 to 2013, including Contractors	4
Table 4.2-1	Barriers to Employment and Dominion Diamond Responses	7
Table 4.2-2	Community Development Strategy Social Initiatives and Goals	11
Table 4.2-3	Additional Community Concerns and Dominion Diamond Responses	12



Abbreviations

Abbreviation	Definition
BHP Billiton	BHP Billiton Canada Inc. including subsidiary BHP Billiton Diamonds Inc.
DAR	Developer's Assessment Report
Dominion Diamond	Dominion Diamond Ekati Corporation
e.g.	for example
Ekati Mine	Ekati Diamond Mine
i.e.	that is
IBA	Impact Benefit Agreement
NWT	Northwest Territories
SEA	Socio-Economic Agreement
ТК	Traditional Knowledge
YKDFN	Yellowknives Dene First Nation

Units of Measure

Unit	Definition
%	percent
#	number



1 INTRODUCTION

This supplement has been prepared in response to the adequacy review of the Jay Project (the Project) Developer's Assessment Report (DAR). Table 1-1 outlines the adequacy questions relating to Section 14 of the DAR, Maximizing Benefits and Minimizing Impacts to Communities, and directs the reader to where in this supplement the question is addressed.

DAR Adequacy Item #	Question/Concern	Addressed in Section
11.1	The existing Dominion Diamond Ekati Corporation (Dominion Diamond) agreements were outlined and described but not explicitly identified as related to impact benefit agreements (IBAs) or socio-economic agreements (SEAs). Please clarify under which agreements the various mitigations fall under.	2
11.2	Please describe the barriers to employment, advancement and retention, and transportation. In addition, please describe how were these barriers identified and if consideration was given to community engagement and human resources records.	4
11.3	Please describe the success of programs both qualitatively and quantitatively. Please include, at a minimum, a summary table with: the proportion of Aboriginal employees, northern employees, employee retention/turnover, male to female ratio, and Aboriginal advancement by year. The table should provide annual data back to the beginning of mining and indicate the timing of the socio-economic initiatives.	3
11.4	Please describe the specific means of collaboration to identify and address social issues.	4
11.5	Please describe the success of Dominion's social programs, either quantitatively or qualitatively. In addition, please identify if there are any additional programs planned.	4

Table 1-1 Developer's Assessment Report Adequacy Questions – Section 14

Responses to the DAR adequacy questions were developed through interviews with Dominion Diamond Ekati Corporation (Dominion Diamond) human resources, community development, permitting and environmental staff, and through review of the Ekati Mine's Socio-Economic Agreement (SEA).

Much of the information presented in this supplement is limited to data collected since Dominion Diamond's acquisition of the Ekati Diamond Mine (Ekati Mine) from BHP Billiton Canada Inc. (BHP Billiton) Data held by BHP Billiton for the years leading up to Dominion Diamond's purchase of Ekati are proprietary, and were not transferred in the acquisition process.

Dominion Diamond is actively engaged in improving human resource indicator (e.g., employment, retention and advancement statistics) tracking, and is exploring opportunities to create more robust reporting in the annual SEA report. As data on human resource indicators are collected and compiled, the data will be presented in the annual SEA report.



2 MITIGATIONS BY AGREEMENT TYPE

Table 2-1 provides a comparison of the socio-economic commitments identified in the SEA and the Impact Benefit Agreement (IBA) framework. Additional mitigation, environmental designs, policies and benefit enhancement measures found in Section 14 of the DAR have been identified by Dominion Diamond in support of the commitments in the IBAs and SEA.

Table 2-1 Comparison of Commitments Found in IBAs and the SEA for the Ekati Mine

 Preferential hiring commitments for IBA candidates Hiring priority targets, including Northern/Aboriginal Encourage women in the workforce Revised recruitment and screening procedures for IBA candidates Recruitment visits to all IBA communities Contractors to adhere to hiring commitments for IBA candidates Contractors to adhere to hiring commitments for IBA candidates Point of hire travel Apprenticeship programs Contractors to adhere to Northern residents in a range of positions Training and apprenticeship programs for Northern residents Training and apprenticeship programs for Northern residents Training and apprenticeship programs (e.g., drug and alcohol counselling) Orientation and Cross cultural training Contraction and Cross cultural training General support programs (e.g., drug and alcohol counselling) Orientation and Cross cultural training Use of official languages Employment for IBA summer students Summer student employment to Northern residents Summer student to tors Training, apprenticeship, advancement opportunities Training, apprenticeship, advancement opportunities Training, apprenticeship, advancement opportunities Training, apprenticeship, advancement opportunities Subcontracting opportunities Procurement office located in the NWT Make Northern businesses aware of opportunities Procurement priority targets, including Northern/Aboriginal Community Education Support 	IBA Commitments	SEA Commitments
Encourage women in the workforce Recruitment exceruitment and screening procedures for IBA candidates excruitment visits to all IBA communities Employment Obligations • Contractors to adhere to hiring commitments for IBA candidates • Point of hire travel • Apprenticeship programs • Contractors to adhere to Northern and Aboriginal hiring targets • Employment Support System • Drug and alcohol rehabilitation programs • Drug and alcohol rehabilitation programs • Cores cultural orientation to all employees • Employee counselling and assistance programs • Contractors cultural training • Contration and Cross cultural training • Contration and Sistence programs • Summer Student tours Employment for IBA summer students • Ba community student tours Training • Training, apprenticeship, advancement opportunities Aboriginal Employment Coordinator • Cross cultural link with the company Business opportunity priority given to IBA groups • Subcontracting opportunities • Procurement office located in the NWT • Make Northern businesses aware of opportunities • Procurement priority targets, including Northern/Aboriginal Community Education Support	Employment	·
Revised recruitment and screening procedures for IBA candidates Recruitment visits to all IBA communities Employment Obligations Contractors to adhere to hiring commitments for IBA candidates Point of hire travel Point of hire travel Apprenticeship programs Training and apprenticeship programs for Northern residents Training and apprenticeship programs for Northern residents Training and alcohol rehabilitation programs Money management workshops Liaison assistance to programs Contractor to relation to all employees Employee counselling and assistance programs Contraction to all employees Employment for IBA summer students IBA community student tours Training, apprenticeship, advancement opportunities Aboriginal Employment Coordinator Cross cultural link with the company Business opportunity given to IBA groups Subcontracting opportunities Procurement office located in the NWT Make Northern businesses aware of opportunities Procurement priority targets, including Northern/Aboriginal Community Education Support	Preferential hiring commitments for IBA candidates	
candidates Recruitment visits to all IBA communities Employment Obligations Contractors to adhere to hiring commitments for IBA candidates Point of hire travel Employ Northern residents in a range of positions Point of hire travel Employ Northern residents in a range of positions Point of hire travel Employ Northern residents in a range of positions Point of hire travel Employ Northern residents in a range of positions Point of hire travel Semploy Northern residents in a range of positions Point of hire travel Employ Northern residents in a range of positions Point of hire travel Employ Northern residents in a range of positions Programent Support System Training and apprenticeship programs for Northern residents • Drug and alcohol rehabilitation programs • Maintain a drug and alcohol-free mine site • Cost cultural orientation to all employees • General support programs (e.g., drug and alcohol counselling) • Liaison assistance to programs • Orientation and Cross cultural training • Country food availability • Technical education Summer Employment • Summer student employment to Northern residents • Training, apprenticeship, advancement opportunities • Training, apprenticeship, advancement opportunities • Training	Recruitment	
Employment Obligations • Contractors to adhere to hiring commitments for IBA candidates • Point of hire travel • Apprenticeship programs • Drug and alcohol rehabilitation programs • Liaison assistance to programs • Construction and Cross cultural orientation to all employees • Employment for IBA summer students • Employment for IBA summer students • IBA community student tours Training Training, apprenticeship, advancement opportunities • Training, apprenticeship, advancement opportunities • Cross cultural link with the company Business opportunity given to IBA groups • Business opportunity given to IBA groups • Business opportunities • Subcontracting opportunities • Procurement office located in the NWT • Subcontracting opportunities • Procurement priority targets, including Northern/Aboriginal		
 Contractors to adhere to hiring commitments for IBA candidates Point of hire travel Apprenticeship programs Contractors to adhere to Northern and Aboriginal hiring targets Employ Northern residents in a range of positions Training and apprenticeship programs for Northern residents Training and apprenticeship programs for Northern residents Training and apprenticeship programs (e.g., drug and alcohol counselling) Liaison assistance to programs Money management workshops Liaison assistance to programs Const cutural orientation to all employees Employment for IBA summer students programs Country food availability Technical education Summer student tours Training, apprenticeship, advancement opportunities Aboriginal Employment Coordinator Cross cultural link with the company Business opportunity given to IBA groups Subcontracting opportunities Procurement office located in the NWT Make Northern businesses aware of opportunities Oricurement priority targets, including Northern/Aboriginal 	Recruitment visits to all IBA communities	
candidates • Employ Northern residents in a range of positions • Apprenticeship programs • Employ Northern residents in a range of positions • Drug and alcohol rehabilitation programs • Maintain a drug and alcohol-free mine site • Money management workshops • Maintain a drug and alcohol-free mine site • Laison assistance to programs • Maintain a drug and alcohol-free mine site • Cores cultural orientation to all employees • Benployment courselling • Employment for IBA summer students • Employment counselling • Employment for IBA summer students • Summer student employment to Northern residents • Training, apprenticeship, advancement opportunities • Summer student employment to Northern residents • Training, apprenticeship, advancement opportunities • Training, apprenticeship, advancement opportunities Aboriginal Employment • Training, apprenticeship, advancement opportunities • Cross cultural link with the company • Procurement office located in the NWT • Subcontracting opportunities • Procurement office located in the NWT • Subcontracting opportunities • Procurement priority targets, including Northern/Aboriginal	Employment Obligations	
 Apprenticeship programs Training and apprenticeship programs for Northern residents Transportation from communities, and rotation schedule Employment Support System Drug and alcohol rehabilitation programs Money management workshops Liaison assistance to programs Cross cultural orientation to all employees Employment for IBA summer students IBA community student tours Training, apprenticeship, advancement opportunities Training, apprenticeship, advancement opportunities Training, apprenticeship, advancement opportunities Subcontracting opportunities Business opportunity given to IBA groups Subcontracting opportunities Procurement office located in the NWT Make Northern businesses aware of opportunities Unbundle contracts where practicable Procurement priority targets, including Northern/Aboriginal 	Contractors to adhere to hiring commitments for IBA candidates	Contractors to adhere to Northern and Aboriginal hiring targets
Transportation from communities, and rotation schedule Employment Support System Drug and alcohol rehabilitation programs Money management workshops Liaison assistance to programs Cross cultural orientation to all employees Employee counselling and assistance programs Country food availability Use of official languages Employment for IBA summer students IBA community student tours Training Training, apprenticeship, advancement opportunities Aboriginal Employment Coordinator Cross cultural link with the company Business Opportunities Business opportunity given to IBA groups Subcontracting opportunities Procurement priority targets, including Northern/Aboriginal Community Education Support	Point of hire travel	Employ Northern residents in a range of positions
Employment Support System Drug and alcohol rehabilitation programs Money management workshops Liaison assistance to programs Cross cultural orientation to all employees Employee counselling and assistance programs Country food availability Use of official languages Employment for IBA summer students IBA community student tours Training, apprenticeship, advancement opportunities Training, apprenticeship, advancement opportunities Training, apprenticeship, advancement opportunities Training, apprenticeship, advancement opportunities Procurement office located in the NWT Subcontracting opportunities Procurement office located in the NWT Make Northern businesses aware of opportunities Unbundle contracts where practicable Procurement priority targets, including Northern/Aboriginal Community Education Support	Apprenticeship programs	Training and apprenticeship programs for Northern residents
 Drug and alcohol rehabilitation programs Money management workshops Liaison assistance to programs Cross cultural orientation to all employees Employee counselling and assistance programs Country food availability Summer Employment Employment for IBA summer students IBA community student tours Training Training, apprenticeship, advancement opportunities Subcontracting opportunity priority given to IBA groups Business opportunity priority given to IBA groups Subcontracting opportunities Procurement office located in the NWT Maintain a drug and alcohol-free mine site General support programs (e.g., drug and alcohol counselling) Orientation and Cross cultural training Use of official languages Employment counselling Technical education Summer student employment to Northern residents IBA community student tours Training, apprenticeship, advancement opportunities Training, apprenticeship, advancement opportunities Procurement office located in the NWT Make Northern businesses aware of opportunities Unbundle contracts where practicable Procurement priority targets, including Northern/Aboriginal 		Transportation from communities, and rotation schedule
 Money management workshops Liaison assistance to programs Cross cultural orientation to all employees Employee counselling and assistance programs Country food availability Technical education Summer Employment for IBA summer students Employment for IBA summer students IBA community student tours Training Training, apprenticeship, advancement opportunities Cross cultural link with the company Business Opportunities Procurement office located in the NWT Make Northern businesses aware of opportunities Unbundle contracts where practicable Procurement priority targets, including Northern/Aboriginal 	Employment Support System	
 Liaison assistance to programs Orientation and Cross cultural training Use of official languages Employee counselling and assistance programs Country food availability Technical education Summer Employment Employment for IBA summer students IBA community student tours Training Training, apprenticeship, advancement opportunities Training, apprenticeship, advancement opportunities Training, apprenticeship, advancement opportunities Training the company Business Opportunities Subcontracting opportunities Subcontracting opportunities Procurement office located in the NWT Make Northern businesses aware of opportunities Unbundle contracts where practicable Procurement priority targets, including Northern/Aboriginal 	 Drug and alcohol rehabilitation programs 	Maintain a drug and alcohol-free mine site
 Cross cultural orientation to all employees Employee counselling and assistance programs Country food availability Technical education Summer Employment Employment for IBA summer students IBA community student tours Training Training, apprenticeship, advancement opportunities Training, apprenticeship, advancement opportunities • Training, apprenticeship, advancement opportunities Training, apprenticeship, advancement opportunities • Training, apprenticeship, advancement opportunities Procurement office located in the NWT Make Northern businesses aware of opportunities Unbundle contracts where practicable Procurement priority targets, including Northern/Aboriginal 	 Money management workshops 	General support programs (e.g., drug and alcohol counselling)
 Employee counselling and assistance programs Employment counselling Technical education Summer Employment Employment for IBA summer students IBA community student tours Training Training, apprenticeship, advancement opportunities • Training, apprenticeship, advancement opportunities Training, apprenticeship, advancement opportunities • Training, apprenticeship, advancement opportunities Training, apprenticeship, advancement opportunities • Training, apprenticeship, advancement opportunities Procurement office located in the NWT Make Northern businesses aware of opportunities Unbundle contracts where practicable Procurement priority targets, including Northern/Aboriginal 	 Liaison assistance to programs 	Orientation and Cross cultural training
Country food availability Technical education Summer Employment Employment for IBA summer students IBA community student tours Summer student employment to Northern residents IBA community student tours Training Training, apprenticeship, advancement opportunities Procurement office located in the NWT Make Northern businesses aware of opportunities Unbundle contracts where practicable Procurement priority targets, including Northern/Aboriginal Community Education Support	 Cross cultural orientation to all employees 	Use of official languages
Summer Employment • Employment for IBA summer students • IBA community student tours Training • Training, apprenticeship, advancement opportunities • Cross cultural link with the company Business Opportunities • Business opportunity priority given to IBA groups • Subcontracting opportunities • Unbundle contracts where practicable • Procurement priority targets, including Northern/Aboriginal	 Employee counselling and assistance programs 	Employment counselling
 Employment for IBA summer students IBA community student tours Summer student employment to Northern residents IBA community student tours Training Training, apprenticeship, advancement opportunities Cross cultural link with the company Business Opportunities Business opportunity given to IBA groups Subcontracting opportunities Procurement office located in the NWT Make Northern businesses aware of opportunities Unbundle contracts where practicable Procurement priority targets, including Northern/Aboriginal Community Education Support 	Country food availability	Technical education
IBA community student tours Training Training Training, apprenticeship, advancement opportunities Training, apprenticeship, advancement opportunities Aboriginal Employment Coordinator Coross cultural link with the company Business Opportunities Business opportunity priority given to IBA groups Business opportunities Unbundle contracts where practicable Procurement priority targets, including Northern/Aboriginal Community Education Support	Summer Employment	
Training • Training, apprenticeship, advancement opportunities • Training, apprenticeship, advancement opportunities • Training, apprenticeship, advancement opportunities • Cross cultural link with the company Business Opportunities • Business opportunity priority given to IBA groups • Subcontracting opportunities • Unbundle contracts where practicable • Procurement priority targets, including Northern/Aboriginal	 Employment for IBA summer students 	Summer student employment to Northern residents
 Training, apprenticeship, advancement opportunities Training, apprenticeship, advancement opportunities Aboriginal Employment Coordinator Cross cultural link with the company Business Opportunities Business opportunity priority given to IBA groups Subcontracting opportunities Procurement office located in the NWT Make Northern businesses aware of opportunities Unbundle contracts where practicable Procurement priority targets, including Northern/Aboriginal 	IBA community student tours	
Aboriginal Employment Coordinator • Cross cultural link with the company Business Opportunities • Business opportunity priority given to IBA groups • Subcontracting opportunities • Unbundle contracts where practicable • Procurement priority targets, including Northern/Aboriginal	Training	• •
Aboriginal Employment Coordinator • Cross cultural link with the company Business Opportunities • Business opportunity priority given to IBA groups • Subcontracting opportunities • Unbundle contracts where practicable • Procurement priority targets, including Northern/Aboriginal	Training, apprenticeship, advancement opportunities	Training, apprenticeship, advancement opportunities
Business Opportunities Business opportunity priority given to IBA groups Subcontracting opportunities Make Northern businesses aware of opportunities Unbundle contracts where practicable Procurement priority targets, including Northern/Aboriginal Community Education Support		
Business Opportunities Business opportunity priority given to IBA groups Subcontracting opportunities Make Northern businesses aware of opportunities Unbundle contracts where practicable Procurement priority targets, including Northern/Aboriginal Community Education Support	Cross cultural link with the company	
 Business opportunity priority given to IBA groups Subcontracting opportunities Make Northern businesses aware of opportunities Unbundle contracts where practicable Procurement priority targets, including Northern/Aboriginal 	Business Opportunities	
Subcontracting opportunities Make Northern businesses aware of opportunities Unbundle contracts where practicable Procurement priority targets, including Northern/Aboriginal Community Education Support	••	Procurement office located in the NWT
Unbundle contracts where practicable Procurement priority targets, including Northern/Aboriginal Community Education Support		
Procurement priority targets, including Northern/Aboriginal Community Education Support	0 11	
Community Education Support		
	Community Education Support	
	Scholarships	Scholarships

IBA = Impact Benefit Agreement; SEA = Socio-Economic Agreement; NWT = Northwest Territories.



Jay Project Developer's Assessment Report Adequacy Review Items 11.1, 11.2, 11.3, 11.4, 11.5 January 2015

3 EMPLOYMENT STATISTICS

Adequacy Item 11.3

Please describe the success of programs both qualitatively and quantitatively. Please include, at a minimum, a summary table with: the proportion of Aboriginal employees, northern employees, employee retention/turnover, male to female ratio, and Aboriginal advancement by year. The table should provide annual data back to the beginning of mining and indicate the timing of the socio-economic initiatives.

3.1 Employment by Priority Group and Gender

While historical human resources data for the Ekati Mine was not transferred to Dominion Diamond by BHP Billiton, publicly available copies of the mine's annual SEA reports provide some level of historical data on employment by hiring priority and gender. Table 3.1-1 provides a breakdown of employment at the Ekati Mine, by year and hiring priority, from 1999 to 2012. Information has been broken out by direct and contractor employment where available. Table 3.1-2 provides a breakdown of employment by gender from 2006 to 2013. Data from 2014 are currently under review by Dominion Diamond, and will be available at a later date in the form of the annual SEA report.



		1999	2000	2001	2002	2003	2004	2005		2006			2007			2008			2009)		2010			2011			2012			2013	i
Employment By Prio (Person Years)	ority	Total	Direct	Contractor	Total																											
Aboriginal	#	235	312	357	401	399	410	429	222	115	336	250	168	418	287	121	408	255	156	411	240	86	326	243	74	317	267	117	384	272	105	377
Aboriginal	%	33	32	30	28	28	34	32	35	29	33	39	31	35	33	21	28	32	23	28	31	19	27	30	18	26	32	22	28	34	20	28
Oth on Month one	#	259	299	366	419	427	381	392	228	52	279	183	103	286	235	69	304	240	122	362	240	104	344	233	99	333	225	106	331	183	111	294
Other Northern	%	37	31	31	30	30	32	29	36	13	27	28	19	24	27	12	21	30	18	25	31	23	51	29	24	27	27	20	24	23	21	22
Total Nanthann	#	495	611	723	820	826	791	821	449	166	615	433	271	704	522	190	712	495	278	773	480	190	670	476	174	650	492	223	715	455	216	671
Total Northern	%	70	64	62	58	58	65	61	71	42	60	67	50	59	60	33	49	63	42	53	62	41	54	59	42	54	58	43	52	57	41	50
Other	#	214	350	452	592	598	419	517	188	231	418	215	274	489	345	385	730	293	391	684	292	267	559	325	238	563	353	299	652	348	317	665
Other	%	30	36	39	42	42	35	39	29	58	40	33	50	41	40	67	51	37	58	47	38	59	46	41	58	46	42	57	48	43	59	50
Tatal	#	709	961	1,174	1,412	1,424	1,209	1,337	637	397	1,034	648	545	1,193	867	575	1,442	788	669	1,457	772	457	1,229	801	412	1,213	845	522	1,367	803	533	1,336
Total	%	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Table 3.1-1Employment by Priority Group, 1999 to 2013

% - percent; # = number; Note: Some percent totals may not add to 100% due to rounding.

Table 3.1-2 Employment by Gender, 2006 to 2013, including Contractors

			2006			2007			2008			2009			2010			2011			2012			201	3
Employment By Ger (Person Years)		Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Aboriginal	#	78	259	336	97	321	418	84	324	408	117	294	411	60	266	326	56	262	317	90	294	384	71	303	374
Aboriginal	%	23	77	100	23	77	100	21	79	100	28	72	100	18	82	100	18	82	100	23	77	100	19	81	100
Other Northern	#	60	219	279	58	228	286	34	270	304	92	270	362	97	247	344	91	242	333	78	253	331	63	234	297
Other Northern	%	21	79	100	20	80	100	11	89	100	25	75	100	28	72	100	27	73	100	24	76	100	21	79	100
Total Northern	#	137	478	615	157	1,036	1,193	118	594	712	209	564	773	157	513	670	146	504	650	168	547	715	134	537	671
rotal Northern	%	22	78	100	13	87	100	17	83	100	27	73	100	23	77	100	22	78	100	23	77	100	20	80	100
Other	#	21	397	418	19	470	489	87	643	730	50	634	684	45	515	560	45	518	563	69	583	652	63	602	665
Other	%	5	95	100	4	96	100	12	88	100	7	93	100	8	92	100	8	92	100	11	89	100	9	91	100
Total	#	158	876	1,034	138	566	704	205	1,237	1,442	259	1,198	1,457	202	1,028	1,230	192	1,022	1,213	237	1,130	1,367	197	1,139	1,336
iolai	%	15	85	100	20	80	100	14	86	100	18	82	100	16	84	100	16	84	100	17	83	100	15	85	100

% - percent; # = number; Note: Some percent totals may not add to 100% due to rounding.

Jay Project Developer's Assessment Report Adequacy Review Items 11.1, 11.2, 11.3, 11.4, 11.5 January 2015



3.2 Employee Retention

Retention data for BHP Billiton Ekati have previously not been tracked in a manner conducive to public reporting, and were not transferred to Dominion Diamond by BHP Billiton. Dominion Diamond is committed to improving upon the existing tracking of human resources indicators, including employee retention, in the future. Currently, Dominion Diamond tracks direct Dominion Diamond Ekati¹ employment by years of service, as well as employee departures². Table 3.2-1 provides employees by years of service and Aboriginal identity. Aboriginal representation in each tenure year is provided in number, and as a percentage.

		<u></u>		~ .	Juli				4114	/	<u> </u>			<u>,</u>		·/					
Years of Service	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20+
Aboriginal	50	71	34	23	11	7	7	7	4	4	17	13	12	13	16	8	41	3	1	0	0
Non-Aboriginal	50	70	52	41	17	16	30	20	14	19	5	16	22	21	9	9	50	4	1	1	3
Total	100	141	86	64	28	23	37	27	18	23	22	29	34	34	25	17	91	7	2	1	3
% Aboriginal	50	50	40	36	39	30	19	26	22	17	77	45	35	38	64	47	45	43	50	0	0

 Table 3.2-1
 Employees by Years of Service and Aboriginal Identity (2014)

% = percent

In 2014, there were 79 employee departures, of which 25 (or 32 percent [%]) were Aboriginal. It should be noted that this applies only to direct Dominion Diamond Ekati employment. Entry-level positions associated with janitorial, housekeeping, and cooking activities are largely filled by contractors. These positions also typically both have higher turnover rates, and higher Aboriginal representation.

Dominion Diamond is motivated to understand the factors that drive both employee turnover and job satisfaction. To this end, in addition to exit interviews aimed at identifying why employees leave the company, Dominion Diamond has implemented a "Stay Survey" with existing employees to determine both areas for improvement, and things that the company is doing well, and can build upon.

3.3 Aboriginal Advancement

Similar to the tracking of Aboriginal retention, Aboriginal advancement has not been systematically tracked at the Ekati Mine in the past. Dominion Diamond is exploring measures to effectively track advancement in the future. To date, the measure of Aboriginal advancement has been limited to tracking promotions by Aboriginal identity. In 2014, there were 60 promotions at the Ekati Mine. Aboriginal employees made up approximately 40% of these promotions, which is in line with Aboriginal representation in the mine's direct labour force. Examples of promotions include movement from a haul truck driver position to a support operator, or from a support operator to a production loader. Advancement of existing personnel is a priority for Dominion Diamond, and many positions are advertised internally prior to being sent out to the general labour force. This internal movement of employees into increasingly advanced positions creates openings for entry level positions. Dominion Diamond prioritises Northern and Northern Aboriginal candidates for such positions.

¹ Dominion Ekati employment refers to direct employment at the mine, as well as associated support and management employment in Yellowknife.

² A departure can be voluntary (e.g., retirement, resignation) or involuntary (e.g., termination).



4 SOCIAL ISSUES, BARRIERS TO EMPLOYMENT AND MITIGATIONS

4.1 Collaborative Issue Identification

Adequacy Item 11.4 Please describe the specific means of collaboration to identify and address social issues.

Dominion Diamond has collaborated with communities and undertaken various activities to identify barriers to employment and social issues in communities. Table 4.1-1 lists these activities, and provides a description of how issues are identified, and addressed.

Issue Identification Activity	Description
IBA meetings	IBA meetings are held annually with the North Slave Métis Alliance and the Kitikmeot Inuit Association. Bi-annual IBA meetings are held with the Tłįcho and Akaitcho. Dominion Diamond presents employment, training, and business spend statistics, by IBA group, and provides an overview of the community development investments (i.e., donations) provided since the last meeting. This meeting is a forum for the IBA groups to bring forward any concerns or issues they may have concerning the implementation of those agreements.
Jay Project engagement	Jay Project engagement sessions are held on a quarterly basis and involve Community Development staff, community leadership, and in some cases, the communities as a whole. Issues and concerns raised are recorded, and brought to the attention of the appropriate department (e.g., Human Resources, procurement).
Leadership meetings at site with their membership	The Tłįcho and Akaitcho have held private meetings at the Ekati Mine site between their leadership and their membership employed at the mine. This is an opportunity for their members to raise issues or concerns they may have about their employment experience at Ekati Mine with their leadership directly. The leadership then convey these concerns to Dominion Diamond for follow up.
Site visits	IBA groups are invited to site for tours of various parts of the Ekati Mine. This is an opportunity for Aboriginal groups to learn about the mine and to bring forward issues or concerns they may have.
Liaison position	Dominion Diamond and an IBA group have partnered to establish pilot project liaison positions to provide pre-employment assistance. This position will assist with resumes, the online application system, posting job opportunities, mock interviews, and will provide advice on successfully completing the drug tests and criminal record checks required for employment at Ekati Mine. The liaison will also assist with Jay Project meeting logistics, participants for community events at site, and other areas Dominion Diamond may need an on the ground contact in their community.
Community Development investments	Dominion Diamond makes contributions to projects identified by communities that fall within our guidelines. Communities have identified initiatives to address poverty, homelessness, health, wellness, culture, traditional knowledge, training, school equipment, and school programs.

 Table 4.1-1
 Issue Identification Activities

IBA = Impact Benefit Agreement.



Jay Project Developer's Assessment Report Adequacy Review Items 11.1, 11.2, 11.3, 11.4, 11.5 January 2015

4.2 Social Issues and Barriers to Employment

Adequacy Item 11.2 Please describe the barriers to employment, advancement and retention, and transportation. In addition, please describe how were these barriers identified and if consideration was given to community engagement and human resources records.

Adequacy Item 11.5 Please describe the success of Dominion's social programs, either quantitatively or qualitatively. In addition, please identify if there are any additional programs planned.

Social issues and barriers to employment are intertwined. Issues such as low educational attainment and literacy, alcohol and drug abuse, and past criminal activity can prevent potential workers from accessing employment opportunities with Dominion Diamond. Substance abuse problems and family stressors can contribute to employee absenteeism and retention problems for employers. Literacy and educational gaps can also prevent the advancement of employees to higher positions.

Other issues have emerged that are related to employment and incomes, and represent the down-side of development. Anecdotal evidence shows that increased disposable income has encouraged the growth of a market for illegal drugs and alcohol in the rural communities near the diamond mines. Employment with the mines has in many instances resulted in increased rental rates in social housing because rents are assessed based on family income. The rent increase in some instances has motivated people to leave their community, which can have both positive and negative effects on communities and families. Lack of financial awareness has, in some cases, led to poor decisions around spending, increased debt, and habit forming problems such as gambling. Rotational employment can result in changes to family roles, stress on the parent who is at home caring for children and elderly family members, and can mean that the working parent misses family and community activities that may be very important to them.

4.2.1 Barriers to Employment, Retention and Advancement

Table 4.2-1 provides a summary of specific barriers to employment identified through review of human resources records and ongoing engagement activities with mine employees and communities.

Indicator	Barrier	Dominion Diamond Response	Additional Comments
Employment	In the small rural communities, women with children do not tend to apply for rotational positions. Most of Dominion Diamond's employment is rotational, except in Yellowknife, where Dominion Diamond's corporate head office is situated.	On a case-by-case basis Dominion Diamond evaluates alternative shift options for women such as 3 on, 4 off.	Women with children are more likely to apply for positions that become open in Dominion Diamond's offices in Yellowknife. There are, however, fewer openings there and these positions require the employee to reside in Yellowknife, or be willing to move.

 Table 4.2-1
 Barriers to Employment and Dominion Diamond Responses



Indicator	Barrier	Dominion Diamond Response	Additional Comments
	Criminal records can prevent potential workers from passing security clearance.	Dominion Diamond conducts case-by-case security assessments. If an applicant self- declares a criminal record, security investigators consider when the offence was committed, and the severity of the crime before making a recommendation as to the hiring of the individual.	Through this process, some candidates with criminal records can be considered for employment opportunities. There are still problems associated with getting an official pardon, including the cost of the pardon, and the lengthy processing time. Dominion Diamond would prefer that the Community Development Officer from the applicant's home community pursue the pardon. This would occur during pre- employment, before the candidate applies for a position.
Employment	Drug and alcohol abuse can prevent potential workers from passing pre- employment medical clearance. Failure to pass the medical clearance is the most common barrier to employment.	Drug testing is conducted prior to employment at the mine and while employed, if there is suspected drug and alcohol use. If an applicant fails the drug test, this does not prejudice them, and they are able to immediately apply for other employment opportunities with Dominion Diamond in the future. In the past, the applicant would have to wait for months before they were permitted to re-apply. Dominion Diamond contributes to projects and initiatives to address health and wellness issues, including substance abuse problems in communities. Dominion Diamond will pay for drug and alcohol treatment which may include residential treatment, out- patient services and/or educational counselling. This is in addition to the Employee and Family Assistance Program, which is part of the employee benefits package.	Workers will be reinstated after the alcohol/drug issue has been addressed. Drug testing is booked in advance and is required for all positions with Dominion Diamond. People over 40 have to have an Electrocardiogram; however, failure to achieve medical clearance is mainly related to the presence of drugs or alcohol. The test reveals recent drug and alcohol use, in the last 48 hours.
	Low levels of literacy can prevent employees from going through the application process.	Community liaison or community development officer identify gaps in education and literacy of potential applicants in their community. Dominion Diamond provides support for initiatives aimed at improving literacy pre-employment through IBAs.	It has been observed that pre- employment readiness has been improving, particularly amongst the young.
	People living in remote communities or those who are unfamiliar with the online application process may not be able to access employment opportunities and need other options.	The Dominion Diamond Aboriginal employment coordinator recruits the majority (approximately 90%) of entry level positions directly from Aboriginal communities. Community Development Officers have a listing of all candidates interested in employment in their community, and provides this list to the Aboriginal Employment Coordinator. Dominion Diamond maintains a database of candidates from IBA communities, including their resumes. Dominion Diamond also accepts unsolicited resumes from communities sent by fax or mail. These options are only open to communities in the NWT, and are not available to southern applicants, who must use the online system. Further, southern applicants will not be short listed for entry level positions.	Employment opportunities are advertised, and made available to interested community members.



Indicator	Barrier	Dominion Diamond Response	Additional Comments
	Drug and alcohol abuse can result in termination of employment.	Dominion Diamond conducts "for cause" drug and alcohol testing after an incident where it is suspected that drugs or alcohol was a contributing factor, or if there is unusual behaviour exhibited by an employee. Dominion Diamond pays for addictions counselling, including both out-patient and residential treatment programs.	Some employees are able to successfully deal with their addiction following counselling and treatment, allowing them to return to work.
Retention	In the event that an individual with low literacy levels passes through the application process, and their literacy problems begin to pose a risk to safety (e.g., not being able to pass the online safety programs), employment may necessarily be terminated.	Dominion Diamond is reinstating the Workplace Learning Program, and is introducing an adult educator position, with the goal of improving the education and literacy of employees. Where a gap in education is identified, the adult educator will work with the employee to close said gap. If an employee is unable to improve their literacy to an acceptable level through the Workplace Learning Program, or with the help of the adult educator, they may be terminated. If this occurs, Dominion Diamond is open to reinstating the employee, should they bring their literacy up to an acceptable level. Dominion Diamond has also hired an Aboriginal workplace advisor who will work with the adult educator. This role involves coaching and mentoring employees.	There may be issues associated with English as a Second Language, however, literacy issues dominate, even among the young.
	Competition from other resource sectors in other parts of Canada (e.g., the oil sands in northern Alberta) has affected retention, particularly of workers in senior positions.	Dominion Diamond offers competitive wages and benefit packages, and transportation allowances to pick up points and many communities are designated as pick up points.	
	Stress and bereavement can lead employees to feel that they cannot continue employment at the mine.	Dominion Diamond takes a flexible approach to stress and bereavement leave, and evaluates, on a case-by-case basis, the appropriate length of leave to meet the needs of the employee, as reasonable.	Allowing for flexible leaves of absence, where reasonable, can provide employees with an option other than resignation, improving retention.
	Increased incomes associated with mining can enhance access to drugs and alcohol, and can result in poor spending habits that threaten household stability. This in turn can affect employment and the retention of employees.	Dominion Diamond is instituting a financial literacy program conducted in communities. Course material can be provided to the community for delivery to interested members, or can be delivered by the Dominion Diamond adult educator. There are many modules to the program, including budgeting, loans, and home ownership.	To date, the program has been rolled out in Behchoko, where ten people attended. Chiefs are in support of the program, and are recommending it to community members. It may take time to achieve momentum and positive word of mouth recommendations.
	Some employees may feel that, in order to take part in cultural activities, they cannot continue to work at the mine due to schedule conflicts.	Most positions with the mine are on a 2:2 rotation. Dominion Diamond also offers up to one week unpaid cultural leave to participate in activities such as organized community hunts. Further, communities try to schedule these events in a manner that does not conflict with the schedule of those employed at the mine.	There is also a cultural room at camp, and cultural celebrations

Table 4.2-1 Barriers to Employment and Dominion Diamond Responses



Table 4.2-1	Barriers to Employment and Dominion Diamond Responses	2
1 able 4.2-1	Barners to Employment and Dominion Diamond Responses	2

Indicator	Barrier	Dominion Diamond Response	Additional Comments	
	Low levels of literacy can prevent employees from advancing their careers at the mine.	Dominion Diamond is reinstating the Workplace Learning Program, and is introducing an adult educator position, with the goal of improving the education and literacy of employees. Where a gap in education is identified, the adult educator will work with the employee to close said gap.	Employees are self–referred or are referred to the Workplace Learning Program through their Team Leader.	
Advancement	Low levels of literacy and numeracy can prevent pre- apprentices from successfully pursuing apprenticeships or writing the exam. Costs associated with travelling to write the exam and costs to take the exam are paid by the student, and can be prohibitive.	 identify education gaps, and recommend areas for improvement (e.g., maths, sciences, literacy) prior to writing apprenticeship exams. Dominion Diamond allows pre-apprentices one failed attempt at the test, without impunity. A second successful writing is accepted as a pass. 		
	Aboriginal employees may not feel able to advance into managerial or leadership roles that have, in the past, been filled primarily by non-Aboriginal candidates.	Dominion Diamond has introduced an Aboriginal Workplace Advisor position. This position works with Aboriginal employees and provides coaching and mentoring, in conjunction with skills development provided by the adult educator. There is also a Supervisor Training Program aimed at building the capacity of people in supervisory roles, including Aboriginal employees.	Aboriginal employees have a support system in place to encourage their development and advancement, including advancement into leadership positions.	
Transportation	fly-point communities to transportation allowances for workers living in removed as a barrier for		Geographic location has been removed as a barrier for communities in the Slave region.	

IBA = Impact Benefit Agreement; NWT = Northwest Territories.

4.2.2 Community Development

Dominion Diamond maintains Community Development Plans for each of its IBA communities. During the development of the Ekati Community Development Strategy, consideration was given to the IBA community priorities based on conversations held with the community leaders and Elders, and feedback from employees. Some of the areas of interest and concern raised were common in all communities; others were quite specific to individual communities. Table 4.2-2 captures the areas of interest relating to the social impacts of the mine, and potential initiatives, some of which are options for future social programming. These have been identified from the internal draft Community Development Plan for Dominion Diamond's Ekati operation. The allocation of funding for initiatives is confidential.



Table 4.2-2 Community Development Strategy Social Initiatives and Goals

Area of Interest	Topics Addressed by Community Development Strategy	Potential Initiatives or Goals
Youth	 Social, physical and mental health and wellness concerns observed in youth. 	 Community partnership programs to provide sport, recreation, and outdoor traditional activities. Community and school partnerships to develop youth mentorship and leadership programs.
Community, Culture, and Pride	 Fostering community pride in youth. Youth participating in Traditional Knowledge, country food supply, and environmental plans and programs. Community facilities and cultural activities and celebrations. Awareness of tourism potential. 	 Community partnerships to define Traditional Knowledge projects and to preserve oral histories and genealogical archives. Support for traditional activities (e.g., fall hunt) and training in traditional skills (e.g., moccasin, dreamcatcher, and drum making). Funding or partnership for community-building activities. Community and government partnership to develop facilities for sport and other recreation activities.
Education	 Completion of high school education, student work experience. Currently, some youth must leave their home community for Grades 10 to 12. Career Training and opportunity awareness. 	 Consider all areas in the Ekati Mine for summer employment. Increased profile in schools and exposure to summer vacation training opportunities. Support for post-secondary education standards improvement programs through community partnerships. Trades entrance exam training and support.
Employment and Training	 Community employment and entry-level employment opportunities. Workplace readiness and life skills training. Community liaison. 	 Identification of community members with skill sets. Community partnerships to provide pre-employment training. Increased employment of community members. Assist IBA communities in developing a labour force inventory. Establish community liaisons employed by the community but funded through Dominion Diamond. The liaison will be the company's point of contact in the community and will mainly be responsible for pre-employment assistance.
Business	• New business opportunities related to the mining sector, and support services including transportation, fuel, and equipment.	 Review current contract process to comply with IBA business development commitments. Inform Aboriginal/Northern groups of business opportunities related to the sale of goods and services.

IBA = Impact Benefit Agreement.

In addition to the community development strategies identified in Table 4.2-2, Dominion Diamond has continued the Ekati Plus program, which provides funding for community and social initiatives. Further information on the Ekati Plus program is found in Section 14 of the DAR.

4.2.3 Additional Community Concerns

Ongoing engagement with communities has also revealed other concerns that Dominion Diamond has taken steps to address (Table 4.2-3). These concerns are not related specifically to barriers to employment, or broader social issues, but are associated with employment at the mine, and community use of the land and environment. Dominion Diamond's engagement and participatory monitoring activities demonstrate a commitment to communities, and the company's respect for Aboriginal cultural and relationship with the land. Dominion Diamond Community Development staff have indicated that, during engagement activities, it is more common for community members to identify environmental issues as concerns, as opposed to broader social issues, such as family issues, substance abuse, and others.



Table 4.2-3 Additional Community Concerns and Dominion Diamond Responses

Indicator	Community Concern	Dominion Diamond Response
Transportation	In a meeting in Gamètì, the Chief and Ekati employees from Gamètì raised the concern that the Ekati flight schedule meant that employees from Gamètì were the first to arrive at site and the last to leave. They felt this was unfair as it infringed on their time off.	Dominion Diamond changed the flight schedule to ensure that the Ekati Mine employees from Gamèti arrive later in the day for their shift and return to their community earlier in the day on their time off. Previously the aircraft would pick up the employees coming in to site from Gamèti first, fly them to site, then pick up the employees returning to Gamèti. Dominion Diamond has changed the flight schedule so that the employees who are now on their time off are picked up at site and returned to their community where the employees going into site for their shift are picked up.
	Northerners raise the issue that Dominion Diamond needs to make a concerted effort to hire more Northerners.	Dominion Diamond has cancelled its southern charter between Edmonton and Yellowknife, as the charter made it easier for employees residing outside the Northwest Territories and Kugluktuk in Nunavut to work at Ekati. People are provided with allowances to get to the nearest pick up point but will have to use their own time to do so.
ment	IBA groups identified the online application system as a barrier to employment with Dominion Diamond.	Dominion Diamond agreed to accept hardcopy resume's for IBA applicants.
Recruitment	One IBA community requested a liaison position to assist with increasing employment of their membership at Ekati.	Dominion Diamond agreed to fund a liaison position who would be employed by the community to provide pre-employment assistance. This person will assist with resumes, online applications, mock interviews, and job postings.
	In a Jay Project workshop, a Kugluktuk participant advised Dominion Diamond that it might be valuable to use a pole inserted into the ground with a tarp attached to it that would flap in the wind, providing height and movement as a caribou deterrent.	In a caribou monitoring workshop this past summer, the Tłįchǫ group built the pole and tarp caribou deterrent that is currently in use at site.
	As part of Dominion Diamond's community protocols, the local participants selected for the Ekati Mine community engagement environment programs are selected by their representative community organizations.	Dominion Diamond does not influence who from the communities should participate. We may recommend the specific participation of TK holders based on their experience, such as knowledge holders of caribou, vegetation, or wildlife.
Environment	It was recommended by community elders that all environment engagement activities should include local youth since "they are the ones walking in our footsteps and soon will be our leaders" (Diamond Mines Community Workshop 2010).	Since 2011, all the site-based environment community engagement programs have included youth participants. Through these programs, it has provided opportunities for elders to pass on their TK to their youth, for youth to provide support to their elders, and for the youth to be equal participants.
Enviro	A question was raised by a respected Tłįcho Elder, "How does the mine handle the melt water from the spring runoff at the mine site?"	In 2012, the mine engaged the IBA communities with a tour focusing on the mine's water management programs.
	Community participant observations on how caribou interact with mine infrastructure, roads without traffic, and roads with traffic.	Caribou road crossings built to make it easier for caribou to cross haul roads at the areas recommend by the Elders.
	Deter caribou from accessing haul roads.	Kugluktuk Elders recommended Inukhuks be built to deter caribou from haul roads. Inukhuks were built by Kugluktuk Elders and Youth.
	Deter caribou from open pits.	Fence was installed on the north side of the Beartooth Pit.
	Caribou Engagement Programs	The Ekati Mine invited local TK Holders to engage with our Environment Department on site-based caribou monitoring programs. This provided the opportunity for TK Holders to view caribou in their natural habitat, and to bring community information and TK about caribou in parallel with scientific monitoring.



Table 4.2-3 Additional Community Concerns and Dominion Diamond Responses

Indicator	Community Concern	Dominion Diamond Response
	Caribou Engagement Programs	Translated 2013 YKDFN Community Caribou Engagement Report into Dogrib.
Environment	To address and acknowledge local community concerns about the Ekati Mine's Air Quality Monitoring Program. Bring together local community representatives to demonstrate and provide hands-on- experience on how the mine conducts its day-to-day site based air quality monitoring programs.	The Ekati Air Quality Community Engagement Programs are to acknowledge, demonstrate and collect any recommendations, ideas or thoughts, and address any concerns from community participants on the Ekati Mine's current air quality monitoring programs.
Envi	A community vegetation workshop that will assist reclamation research and bring together holders of TK of local indigenous flora and fauna. The project shall be guided by the requirements and information needs in Ekati's Reclamation Research Plans.	Bring together the local Community Vegetation Advisors, TK Holders, Youth, Dominion Diamond reclamation planners, environment staff and vegetation consultants to the Ekati Mine to share TK and scientific information on local and site-based vegetation research projects, and to determine how this information may be incorporated into future reclamation research plans. Also, as a capacity building initiative, the Youth will be tasked with the documenting and identification of the local indigenous plants as identified by their TK Holders.

IBA = Impact Benefit Agreement; TK = Traditional Knowledge; YKDFN = Yellowknives Dene First Nation.

5 CLOSING

Dominion Diamond is committed to working with communities to identify barriers to employment, retention and Aboriginal advancement, as well as social issues faced by employees, and communities as a whole. Through collaborative development and implementation of programs and initiatives, Dominion Diamond hopes to remove these barriers, and to address social issues, wherever possible. Continued and future tracking of employment indicators and the social environment in which Dominion Diamond operates will be communicated with communities in an effort to continually evaluate the success of social and employment programs and initiatives. Dominion Diamond has begun the process of initiating changes to internal tracking of social and employment indicators to better understand the issues faced by employees, and communities, and is developing a Stakeholder Engagement Plan to enhance future engagement activities.

Jesse O'Brien, M.A. Socio-Economist

inda Davers

Linda Havers, M.A. Associate, Senior Social Scientist