



## GLOBAL COMPACT ANNUAL COMMUNICATION ON PROGRESS

<b>Company Name</b>	<b>Lazare Kaplan International Inc.</b>	<b>COP Date</b>	<b>March 14, 2019</b>
<b>Address</b>	Headquarters: 19 West 44 <sup>th</sup> Street New York, NY 10036	<b>Membership date</b>	May 1, 2001
<b>Country</b>	USA	<b>Number of employees</b>	23 in New York 129 total globally
<b>Contact Position</b>	Corporate Compliance and Social Responsibility Officer	<b>Sector</b>	Diamond Trading, Cutting, Polishing, and Marketing
<b>Contact Telephone</b>	+1-212-857-7600		
<b>Contact Name</b>	Damian Gagnon		

### Brief description / Nature of business:

Since its founding in 1903, Lazare Kaplan International Inc. (LKI) has been an acknowledged leader among the world's foremost diamond cutting and polishing companies. LKI was the first U.S. company specializing in diamond manufacturing to become publicly listed on a major U.S. stock exchange (AMEX). The firm abides by stringent financial accounting laws and regulations.

In addition, LKI has played a leadership role in developing and promoting self-regulatory industry protocols and procedures to promote ethical conduct.

Every Lazare Diamond® is cut to produce the optimal balance of brilliance, scintillation, and fire. Likewise, LKI has consistently set and adhered to the highest ethical and professional standards in the industry. This tradition of excellence gives every LKI stakeholder the confidence to trust that they share in one of the richest and most honorable diamond traditions anywhere.

\*\*\*\*\* LKI'S CORPORATE SOCIAL RESPONSIBILITY STATEMENT IS APPENDED TO THIS COP - [Attachment 1](#)

### Statement of support:

Lazare Kaplan International Inc. is proud to be a founding member of the United Nations Global Compact which was launched in 2000 to initiate a global compact of shared values and principles which will give a human face to the global market. LKI firmly supports the Ten Principles of the Global Compact and remains committed to upholding the standards and values of transparency, accountability, and good corporate citizenship in our global business development program. Furthermore, in keeping with the Compact's 10th Principle, our Company has established binding policies against corruption and bribery that require all of our directors, managers, and employees around the world to behave ethically and in conformity with the law and these corporate guidelines. Our commitment to these principles has been recognized by the Responsible Jewelry Council's independent, third party auditor, and we are proud to be a certified Responsible Jewellery Council member.\*

Maurice Tempelman  
Chairman of the Board

\*FROM THE CORPORATE SOCIAL RESPONSIBILITY SECTION OF THE COMPANY'S WEBSITE:

<http://lazarediamonds.com/AboutUs/CorporateSocialResponsibility>

PRINCIPLE 1: BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS

PRINCIPLE 2: BUSINESS SHOULD ENSURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES

**Our Commitment and Policies:**

*POLICY ON HUMAN RIGHTS*

*Human Rights is an overarching area of company policy that is linked to a number of separate but related policies including: equal opportunity, freedom of association, child labor, forced labor, non-discrimination, non-retaliation and working hours, (see specific policies within employee manual). LKI protects fundamental human rights expressed in the Universal Declaration of Human Rights, the UN Global Compact and in relevant International Labor Organization Conventions. Human Rights abuses seen or reported in connection with work will be reported by LKI to the relevant authorities and followed up as required. Suitable arrangements are in place to ensure the security of all workers and facilities.*

LKI is committed to the respect of human rights as the basis for its overall approach to business. All of LKI's entities world-wide have specific policies that address discrimination, harassment, ethical conduct, confidential complaints and non-retaliation, and fair employment practices, including prohibitions against the use of child labor and forced labor as well as prohibitions against violence and use of weapons.

LKI protects the fundamental human rights of employees and stakeholders in communities where we operate around the globe as expressed in the Universal Declaration of Human Rights, the UN Global Compact's Principles I and II and in relevant International Labor Organization conventions. In addition, before hiring staff, LKI checks to ensure that each candidate for employment has no previous involvement in human rights abuses.

**A brief description of our Processes or Systems:**

LKI will not tolerate the discrimination or harassment of employees or visitors to company premises. The company defines harassment as negative conduct focused on a person or group of persons including, but not limited to: physical or verbal abuse, unwelcome activity of a sexual nature, retaliation, and any behavior or action which interferes with an individual's ability to perform assignments or which creates a hostile or intimidating work environment.

LKI has procedures for reporting work-related human rights abuses and maintains formal channels to encourage communications among all levels of supervisors and employees without fear of reprisal on issues that impact working conditions. This open door policy entitles all employees to freely discuss with management all matters relating to their welfare, terms and conditions of employment, questions, complaints, grievances and recommendations.

LKI maintains safe and healthy working conditions. The company actively works to prevent and reduce the risk of accidents and ensures that it has dedicated appropriate resources to identify, avoid and respond to potential health and safety risks and to effectively deal with emergencies and accidents. LKI cooperates fully with employee health and safety representatives and appropriate authorities to monitor existing conditions and to contribute positively to ongoing health and safety improvements. Employees may leave work situations in which they may reasonably judge that there is serious and imminent danger to life or health, without fear of consequence, until the danger has been removed.

The Company's Chief Financial Officer has overall responsibility for implementation of health and safety policy. Individual employees are themselves responsible to remain vigilant within their own sphere of operations. Employees undergo training (in the case of first aid, there are nominated individuals) and awareness building with respect to the issues covered in this policy - fostering an awareness of shared responsibility and accountability.

**Measurable Results or Outcomes:**

LKI worked with a qualified third party human relations specialist to update our policies and to train staff on Equal Opportunity, Discrimination and Harassment in the workplace. We also engage the Responsible Jewellery Council’s London-based Manager for Member and Stakeholder Training to conduct regular review sessions for staff via video conference.

There have been no reports of failure to support and respect the protection of internationally proclaimed human rights and no instance of human rights abuse at Lazare Kaplan, and this has been certified by the DeBeers Diamond Assurance Program and by the Responsible Jewellery Council’s independent, third party auditor.

**PRINCIPLE 3: BUSINESS SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING**

**Our Commitment and Policy:**

*POLICY ON FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING*

*Freedom of association implies a respect for the right of all employers and all workers to freely and voluntarily establish and join organizations of their own choice. Each company employee has the right to associate, or not associate, with any legally sanctioned representative labor organization. LKI does not and will not issue threats, warnings or orders to any worker to refrain from engaging in activities that are enshrined in Article 20 of the Universal Declaration of Human Rights, elaborated under ILO Conventions 87 and 98, and protected under Section 8(a)(1) of the National Labor Relations Act of the United States.*

LKI is committed to the principle that all workers have the right to (a) form and join a trade union of their choice without fear of intimidation or reprisal, in accordance with national law, (b) expect non-discriminatory policies and procedures with respect to trade union organization, union membership and activity in areas such as applications for employment and decisions on advancement, dismissal or transfer, and (c) expect non-interference with the activities of worker representatives should they choose to carry out union functions in ways that are not disruptive to regular company operations.

**A brief description of our Processes or Systems:**

The Company’s Chief Financial Officer has overall responsibility for implementation of LKI’s Policy on Freedom of Association and Collective Bargaining. Through the Company’s HR department, LKI maintains formal channels of communications among all levels of supervisors and employees ó without fear of reprisal ó on issues that impact working conditions. This ‘open door policy’ entitles all employees to freely discuss with management all matters relating to the welfare, terms and conditions of employment, including questions, complaints, grievances and recommendations.

**Measurable Results or Outcomes**

The Company had no labor-related abuses in the past year. There have never been reported instances of interference with an employee’s right to collective bargaining, and this has been certified by the Responsible Jewelry Council’s independent, third party auditor.

**PRINCIPLE 4: BUSINESS SHOULD SUPPORT THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR**

**Our Commitment and Policy:**

*POLICY ON THE USE OF FORCED LABOR*

*LKI will not use or support the use of any type of forced or bonded labor, including slave labor, including from prisoners without pay or to complete their sentence, labor as a punishment for expressing political views, or labor demanded of workers because of their debt to the company. All workers are free to leave the workplace at the end of the working day.*

**A brief description of our Processes or Systems:**

There is no forced or compulsory labor in Lazare Kaplan. We do not retain any employee documents or money, and we do not use hidden bonds.

The Company's Chief Financial Officer has overall responsibility for implementation of LKI's Policy on the Use of Forced Labor. The Company's HR department is responsible for the day-to-day implementation of the policy and related processes. These include, but are not limited to: standard employment agreements where applicable, including agreed terms; working hours and conditions; standard regular wage payments made directly to the individual worker; prohibition against use or threat of violence or intimidating practice, including bullying, by any employee; provision of a mechanism to anonymously report instances of threats, violence or infringements of the policy.

**Measurable Results or Outcomes:**

There have been no reported instances of forced or compulsory labor in the history of Lazare Kaplan, and this has been regularly certified by the Responsible Jewelry Council's independent, third party auditor.

<p><b>PRINCIPLE 5: BUSINESS SHOULD SUPPORT THE EFFECTIVE ABOLITION OF CHILD LABOUR</b></p>
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**Our Commitment and Policy:**

*POLICY ON THE USE OF CHILD LABOR*

*LKI will not use or support the use of child labor as defined in the United Nations International Labor Organization Minimum Age Convention (138). Under no circumstances will LKI employ children below the age of sixteen (16).*

**A Brief Description of our Processes or Systems:**

The Company's Chief Financial Officer has overall responsibility for implementation of LKI's Policy on the Use of Child Labor. The Company's HR department is responsible for the day-to-day implementation of the policy and related processes. LKI complies with all relevant standards regarding employment of minors under the federal Fair Labor Standards Act. The company will not hire minors under the age of 18 except as permitted under FLSA and New York State law. There are no children in our labor force. Documents providing proof of age and eligibility to work are required of all new employees as a condition of employment, and these are recorded on the US Department of Homeland Security Employment Eligibility Verification Form I-9 for each employee. LKI management does not keep original identity papers provided by workers as part of the recruitment process.

**Measurable Results or Outcomes:**

There have been no incidents of child labor at Lazare Kaplan, and this has been certified by the De Beers Diamond Assurance Program and the Responsible Jewellery Council's independent, third party auditor.

<p><b>PRINCIPLE 6: BUSINESS SHOULD SUPPORT THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION</b></p>
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**Our Commitment and Policy:**

*EQUAL OPPORTUNITY EMPLOYMENT*

*LKI is an equal opportunity employer. We utilize available human resources to the fullest, regardless of race, color, religion, sex, age, national origin, physical or mental handicap, veteran's status, marital status or sexual orientation. Our policy governs all areas of employment, including recruiting, job assignment, promotions, demotions, discipline, termination, transfers, and rates of pay or other forms of compensation and benefits, and selection for training, including on-the-job training.*

*AMERICANS WITH DISABILITIES ACT*

*Lazare Kaplan fully abides by the Americans with Disabilities Act (ADA), the ADA Amendments Act (ADAAA) and applicable state and local laws and regulations ensuring equal opportunity in employment for qualified persons with disabilities, which prohibit discrimination in all employment practices, including job application procedures, hiring, firing, advancement, compensation, training, and other terms, conditions, and privileges of employment.*

*POLICY AGAINST ILLEGAL HARASSMENT*

*At Lazare Kaplan, harassment is defined as unfavorable conduct that is focused on a person or group of persons that may include, but is not limited to: physical or verbal abuse, unwelcome activity of a sexual*

*nature, and retaliation. In addition, any behavior or action which interferes with an individual's ability to perform assignments or which creates a hostile or intimidating work environment is considered harassment.*

**SEXUAL HARASSMENT POLICY**

*Sexual harassment is prohibited whether it occurs on the premises of the Company or in any off-premises work-related setting, such as during business trips, meetings, and business-related social events. Harassing conduct is considered unwelcome when it is uninvited and regarded by an individual as unwanted or offensive.*

**DISCRIMINATION/HARASSMENT COMPLAINT POLICY**

*Any employee who feels he or she is the victim of discrimination or harassment has a responsibility to immediately report the incident verbally and in writing to his/her direct supervisor and/or the Human Resource Director. A written complaint should include the specific nature of the incident, date and place of incident, names of all parties involved as well as a detailed report of all pertinent facts. Complaints of harassment will be promptly and carefully investigated. Investigations will include interviews with all relevant persons, including the accused and other potential witnesses.*

**NON-RETALIATION POLICY**

*Any employee, who, in good faith, files a complaint of harassment, will be free from any and all reprisal or retaliation as a result of filing the complaint. Investigators will make every effort to balance the parties' desires for privacy and the need to conduct a fair and effective investigation.*

**A brief description of our Processes or Systems:**

LKI will not tolerate discrimination against or harassment of employees and/or job applicants or visitors to the premises. Comments, conduct, innuendoes or off-color jokes that may be perceived to be offensive or harassing are strictly prohibited and will not be tolerated. In addition, LKI will not tolerate the harassment of LKI personnel by non- LKI personnel on LKI premises.

Proven incidents of harassment shall subject an employee to disciplinary action up to and including termination of employment. Likewise, there will be disciplinary measures if in fact it is determined that the incident and thus the accusation were fabricated.

**Progressive Discipline Policy:**

Disciplinary action may call for any of three steps ó oral warning, written warning, or termination of employment ó depending on the severity of the problem and the number of occurrences. There may be circumstances where one or more steps are bypassed. By using progressive discipline, we hope that most employee problems can be corrected at an early stage, benefitting both employees and the Company.

**Measurable Results or Outcomes:**

We apply these principles to our recruitment, advertising, tenure, layoff, leave, fringe benefits, and all other employment-related activities.

64% of LKI's global workforce is female, and 14 women are engaged at the supervisory or higher level. At our New York headquarters, the Vice President of Marketing and the manager of our polished diamonds department are female. In Japan, the public relations, accounting, quality control and polished diamond departments are headed by women. The regional director of LKI's Far East operations is a female based in Hong Kong, and her Marketing/Product Manager and Operations Manager are both female. At LKI's NamGem factory in Namibia, the General Manager is a female and four females hold supervisory positions, including two female supervisors, a middle manager, and a senior manager.

<p>PRINCIPLE 7: BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES</p>
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**PRINCIPLE 8: BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY**

**PRINCIPLE 9: BUSINESS SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES**

**Our Commitment or Policy:**

*ENVIRONMENTAL POLICY*

*LKI conducts its businesses in an environmentally responsible manner. We assess and address any adverse environmental impacts resulting from our business activities, as appropriate. We will seek to contribute to the preservation of the natural environment in which we operate, as appropriate.*

**A brief description of our Processes or Systems:**

Our facilities world-wide are fully compliant with local government environmental regulations including air pollution control, water pollution control, waste disposal, and product eco-responsibility ordinances, among others. LKI's environmental management policy, particularly as practiced at our Namibian polishing factory, NamGem Diamond Manufacturing Co (Pty) Ltd. (NamGemö), is guided by the principle of reuse, reduction and recycling of waste in order to minimize the impact of our operations on the environment. At NamGem, procedures for the reduction of emissions to air and water are stipulated. These stipulations cover all employees and contractors of NamGem who work with or within close proximity to hazardous substances. At all of LKI's facilities, procedures for the management of different waste streams encourage the separation of glass, plastics, metals and paper for recycling

**Measurable Results or Outcomes:**

There have been no environmental incidents in the past year and no incidents of non-compliance with environmentally friendly policies at Lazare Kaplan, and this has been certified by the De Beers Diamond Assurance Program and the Responsible Jewellery Council's independent, third party auditor. LKI's New York headquarters building is LEED certified. LEED, or Leadership in Energy and Environmental Design, is the most widely used green building rating system in the world. LEED provides a framework to create healthy, highly efficient and cost-saving green buildings. LEED certification is a globally recognized symbol of sustainability achievement.

**PRINCIPLE 10: BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY**

**Our Commitment and Policies:**

*ETHICS IN CONDUCT OF THE COMPANY'S BUSINESS*

*LKI's distinguished reputation has been earned through many years of observance of applicable law and adherence to ethical business standards. Each LKI employee is committed to these standards in the conduct of all aspects of our business. In view of widespread public concern about best business practices, the Board of Directors has adopted a formal company ethics policy to reaffirm for all concerned LKI's standards of conduct for its global business which include the following statements:*

**A brief description of our Processes or Systems:**

**Compliance with Laws – Zero Tolerance for Corruption**

LKI conducts its affairs in accordance with all applicable anti-bribery and facilitation payment laws and in adherence with the highest ethical business standards.

**Foreign Corrupt Practices Act**

The use of LKI's funds, services and assets for any unlawful or improper purpose is strictly prohibited. This prohibition covers, among other things, the purchase of privileges or special benefits through improper concessions or payments such as bribes or pay-offs. The policy is consistent with the requirements of the U.S. Foreign Corrupt Practices Act of 1977 and applies to all activities of any person acting for, or on behalf of, LKI, even if such activities may conform to the standards or customs of countries other than the United States in which such person may be doing business for the company.

### **Political Contributions**

LKI has not contributed and will not contribute to political parties or candidates for office. The prohibitions cover not only direct contributions but also indirect support of candidates or political parties including, but not limited to, the purchase of tickets for fund raising events, the loan of employees to political parties or committees, or the furnishing of transportation or other services. These prohibitions relate only to the use of corporate funds and facilities and are not in any way intended to discourage employees from making personal contributions to candidates or political parties of their choice. Employees must not, however, be influenced by LKI to do so, nor may they be reimbursed by LKI for such personal contributions.

### **Relationships with Public Officials**

LKI's relationships with politically exposed persons are, in all respects, to be of such a nature that neither the official's nor LKI's integrity or reputation would be impugned by public knowledge of the full details of the relationship.

### **Conflict Diamonds – Zero Tolerance Policy**

LKI has a "zero tolerance" policy regarding the trade in conflict diamonds. LKI requires that all employees undertake training to help prevent the trade in conflict diamonds and, as a condition of continued employment, be bound

- Not to buy any diamonds from firms that do not include the Statement of Warranty on their invoices (see World Diamond Council, below);
- Not to buy any diamonds from suspect or unknown sources of supply and/or that originate in countries that have not implemented the Kimberley Process Certification Scheme;
- Not to buy diamonds from any source that after legally binding due process has been found to have violated government regulations restricting the trade in conflict diamonds;
- Not to buy diamonds in or from any region that is subject to an advisory by a governmental authority that conflict diamonds are emanating from or available for sale in such region unless such diamonds have been exported from such region in compliance with Kimberley Process requirements;
- Not to knowingly buy or sell or assist others to buy or sell conflict diamonds.

### **Synthetic Diamonds – Zero Tolerance Policy**

The risk of undisclosed synthetic diamonds entering the natural diamond pipeline chain is an issue of growing concern to the international diamond community, a concern being addressed by the promulgation of new and evolving rules. Prominent among these is the World Federation of Diamond Bourses (WFDB) May 2, 2014 *Charter on the Disclosure of Synthetic, Treated Natural and Natural Diamonds* under which "each and every member of any accredited Member Bourse is obliged to act in the first instance, (by) providing a proper description and declaration on every issued invoice attesting to the nature of the diamonds sold, and reporting immediately through the appropriate Bourse, any activity that may be in contravention thereof." As a pioneer of full disclosure best practice, Lazare Kaplan International Inc. has always taken matters of disclosure and supply chain integrity very seriously. To be clear, in June of that year, LKI announced the following policy:

- All memos and invoices issued by any LKI Group Company MUST include the prescribed synthetic diamond warranty statement outlined in the WFDB section of this COP (below).
- All memos and invoices issued to any LKI Group Company from any rough or polished diamond vendor MUST include the prescribed warranty statement.
- No unauthorized modifications shall be made to company invoices and memos.
- No letters or warranty statements other than those prescribed by the WFDB shall be signed without approval.

Lazare Kaplan International Inc. fully supports the "**Diamond Terminology Guideline**" introduced by the world's leading diamond and jewelry organizations in January 2018 to encourage full, fair and effective use of a clear and accessible terminology for diamonds and synthetics diamonds by all sector bodies, organisations, traders and retailers.

<http://www.cibjo.org/wp-content/uploads/2018/01/Diamond-Terminology-Guideline.pdf>

### **Zimbabwe Diamonds – Zero Tolerance Policy**

Although the Kimberley Process Certification Scheme has approved exports of rough diamonds from Zimbabwe's Marange region, many western governments, including the United States, have imposed sanctions on the trade in these goods. Therefore, we wish to reaffirm **LKI's long-standing, zero tolerance policy for the trade in diamonds from Zimbabwe. Until further notice, LKI will continue to avoid the purchase of rough diamonds known to have originated in Zimbabwe and we will not buy or sell polished diamonds known to have been cut from Zimbabwe rough.**

### **Product Integrity**

LKI adheres to all applicable principles outlined in (a) US Federal Trade Commission *Jewelry Guides* (formerly "Guides for Jewelry, Precious Metals, and Pewter Industries" as published in April 2001 by the US Bureau of Consumer Protection and amended by the FTC in July 2018), (b) the De Beers Diamond Assurance Program's Requirements regarding full disclosure, and (c) the Responsible Jewelry Council's Guidance on product integrity. All relevant staff members are fully trained to effectively describe our products, and they do so prior to the completion of any sale. In addition, all our Bellataire division's stones which have undergone the HPHT process are accompanied by conspicuous and prominent disclosure statements including specific wording on promotional material, the product sales invoice, the GIA certificate and on the laser inscription on the outer perimeter of each individual stone. These policies are effectively communicated to relevant workers through training programs for all sales staff.

<http://www.bellatairediamonds.com/>

### ***POLICY REGARDING CONFIDENTIAL INTERNAL ACCOUNTING AND AUDITING COMPLAINTS***

*As part of our ongoing effort to ensure compliance with all lawful and ethical business practices consistent with securities reform legislation, LKI has adopted policies and procedures for reporting complaints and concerns regarding accounting, internal accounting controls and auditing matters. The Company encourages employees to promptly report all such complaints or concerns.*

### ***NON-RETALIATION POLICY:***

*While complaints and concerns regarding questionable accounting or auditing matters may be made on an anonymous basis, employees are encouraged to give their identity so that LKI can contact the employee in the event further information is needed to pursue an investigation. In any case, the identity of the employee making a report will be maintained in confidence in accordance with applicable legal requirements. LKI will not allow any form of harassment or retaliation to be made against any employee for any such reports made in good faith.*

### **Measurable Results or Outcomes:**

There have been no instances of corruption in all its forms, including extortion and bribery-related abuses at the Company in the past year.

## **SECTOR-SPECIFIC INITIATIVES LKI SUPPORTS, PARTICIPATES IN AND/OR COMPLIES WITH**

### **1. Kimberley Process Certification Scheme ("KPCS")**

Kimberly Process Protocols recognize that the trade in diamonds originating in areas controlled by forces or factions opposed to legitimate and internationally recognized governments (Conflict Diamonds) is a matter of serious international concern. These concerns are being addressed by governments, industry and civil society in the Kimberley Process. LKI is fully compliant with KPCS protocols and is committed to doing its part to prevent suspect diamonds from entering into legitimate diamond trading channels.

<http://www.kimberleyprocess.com>

### **2. World Diamond Council ("WDC")**

LKI is a member of the WDC whose primary objective is to represent the diamond industry in the development and implementation of regulatory and voluntary systems to control the trade in diamonds embargoed by the United Nations or covered by the Kimberley Process (KP) Certification Scheme. LKI's Compliance Officer is a member of the WDC's Kimberley Process Task Force and has been appointed to represent the WDC on the KP's Working Group on Alluvial and Artisanal Production, the Working Group on Diamond Experts and the KP's Central African Republic



Monitoring Team. He participated as a member of the WDC's observer mission to the Kimberley Process Intersessional and plenary meetings chaired by the United States (see below).

<http://www.worlddiamondcouncil.com/>

\*\*\*\*\*A COPY OF LKI's WDC MEMBER CORE VALUES PLEDGE IS APPENDED TO THIS COP . [Attachment 2](#)

### 3. WDC Industry System of Self Regulation

The Company has adopted the World Diamond Council's voluntary system of industry self-regulation to help prevent the trade of conflict diamonds. As a consequence, the Company will not purchase rough diamonds, polished diamonds, or diamond jewelry unless the supplier is able to credibly warrant those diamonds to be conflict free. Likewise, all Company invoices for sale of rough diamonds, polished diamonds, and jewelry containing diamonds must include our own warranty consistent with the World Diamond Council's Statement of Warranty ("SOW") (below). The Company requires that all employees undertake to help prevent the trade of conflict diamonds and, as a condition of continued employment, be bound not to buy any diamonds from firms that do not include the WDC's SOW on their invoices, and not to buy any diamonds from suspect or unknown sources of supply or that originate in countries that have not implemented the Kimberley Process Certification Scheme or that have not been exported in compliance with Kimberley Process requirements. See also Essential Guide to The Kimberley Process:

[http://media.wix.com/ugd/38caab\\_f3ed6d4022f2497680472688bbd52b54.pdf](http://media.wix.com/ugd/38caab_f3ed6d4022f2497680472688bbd52b54.pdf)

#### Statement of Warranty

*To the best of seller's knowledge, the diamonds herein invoiced have been purchased from legitimate sources not involved in funding conflict and in compliance with United Nations resolutions. Accordingly, seller hereby guarantees that to the best of its knowledge these diamonds are conflict free. With respect to diamonds herein invoiced, which were acquired by seller after December 31, 2002, seller guarantees them to be conflict free based on personal knowledge and/or written guarantees provided by the supplier of these diamonds.*

### 4. WFDB Synthetic Diamonds Protocols

The World Federation of Diamond Bourses ("WFDB"), an association of the world's accredited diamond bourses, with legal authority for enforcing agreed rules relating to the disclosure of natural, synthetic and treated natural diamonds, has noted with concern the growing tendency of undisclosed synthetic diamonds to enter the market. While the WFDB acknowledges that synthetic diamonds have a place in the market, they must not be confused with or marketed as natural diamonds. Therefore, the WFDB has been mandated to protect sales practices for natural diamonds from any unlawful or fraudulent activity relating to disclosure and in particular the infiltration of undisclosed synthetic and treated natural diamonds into the market for natural diamonds. The WFDB's *Charter on the Disclosure of Synthetic, Treated Natural and Natural Diamonds* states "each and every member of any accredited Member Bourse is obliged to act in the first instance, (by) providing a proper description and declaration on every issued invoice attesting to the nature of the diamonds sold, and reporting immediately through the appropriate Bourse, any activity that may be in contravention thereof."

- a. Specifically, the WFDB requires every member to state on every invoice issued for polished diamonds the following declaration: **"The diamonds herein invoiced are exclusively of natural origin and untreated based on personal knowledge and/or written guarantees provided by the supplier of these diamonds."**
- b. And on every memo, every member shall state: **"The diamonds herein on memo are exclusively of natural origin and untreated based on personal knowledge and/or written guarantees provided by the supplier of these diamonds."**
- c. The WFDB goes on: "In instances where the client or vendor insists on every stone being tested and demands a supporting statement, the WFDB offers the following warranty: **On behalf of [Supplier Name], and with its full authority, I declare by way of this written assurance that the diamonds [invoiced/sent by memo] and contained herein are exclusively natural diamonds meaning that the referenced [parcel/box] contains no synthetic diamonds or diamonds that have been treated."**

As a bourse member in good standing, LKI abides strictly by these mandates.

## 5. USA PATRIOT Act

Under Financial Crimes Enforcement Network (FinCEN) of the United States Treasury Department rules, diamond dealers are required to establish Anti-Money Laundering (AML) programs under the USA PATRIOT Act. The regulations ensure that relevant AML provisions of the Bank Secrecy Act are vigorously applied to the diamond industry.

At a minimum, the AML program must include the following elements:

- Written policies, procedures and internal controls, based on the dealer's assessment of the money laundering and terrorist financing risk associated with its business;
- Appointment of a compliance officer who is responsible for ensuring that the program is implemented effectively
- Provision for ongoing training of relevant persons concerning their responsibilities under the program
- Independent testing to monitor and maintain an adequate program

LKI is defined as a dealer under these rules and has implemented all relevant USA PATRIOT Act provisions as required under the law.

## 6. Diamond Assurance Program Best Practice Principles ("BPP"s)

LKI has been a client of DeBeers since 1946. DeBeers Global Sightholder Sales is the rough diamond sales and distribution arm of the De Beers group and is the world's largest supplier of rough diamonds, handling approximately 35% of the world's rough diamonds by value. As a DeBeers client, LKI is required to abide by a strict ethical code of conduct known as the De Beers Best Practice Principles and to use our best endeavors to ensure that our customers and suppliers adhere to these principles.

The BPPs define standards of conduct for Sightholders and Accredited Buyers in three critical areas:

- Best Business Practices require clients to prove that every one of their operational facilities world-wide, and every one of their employees, abides by the highest ethical and legal compliance standards in overall business relationships, including sourcing of diamonds, supply chain management, sales transactions and general management practices.
- Best Social Practices require clients to develop practices and policies to provide value to their employees and the communities where they do business.
- Best Environmental Principles require clients to ensure sustainability by operating under the highest standards required by law to minimize their impact on the natural environment.

The Best Practice Principles are supported by the Diamond Assurance Programme to assess compliance with the BPPs. In the first instance, the client's self-assessment is reported in the form of a workbook submission to the De Beers independent third party verifier, UK-based multinational SGS, on an annual basis. Compliance is verified by the auditor through monitoring and annual onsite verification visits to one or more of the client's world-wide operating locations. Compliance is measured, instances of breach are noted, and a compliance report submitted by the verifier to DeBeers. Infringements must be immediately corrected in order for a client to remain in good standing, and material breaches of the Principles may lead to termination of the client relationship. LKI has been found to be compliant with the BPPs every year since their inception in 2005.

<http://www.debeersgroup.com/Sustainability/ethics/Best-practice-principles/>

## 7. Responsible Jewelry Council ("RJC")

In January 2011, Lazare Kaplan International Inc. joined the RJC, a not-for-profit membership organization founded to advance responsible ethical, social and environmental practices throughout the diamond and gold jewelry supply chain, from mine to retail. The RJC's Principles and Code of Practices, developed through multi-stakeholder consultations, were first promulgated in May 2006. The Code of Practices, directly aligned with the Principles, provides objective and verifiable standards against which RJC member performance is measured. While companies must be certified compliant by independent, third party audit within two years of becoming members, LKI was certified within nine months of joining the Council and was recertified for a third, three year term

in February 2018. [http://www.responsiblejewellery.com/files/Certification\\_Information1\\_-\\_Lazare\\_Kaplan\\_International.pdf](http://www.responsiblejewellery.com/files/Certification_Information1_-_Lazare_Kaplan_International.pdf)

#### **8. Jewelers Vigilance Committee (“JVC”)**

The Jewelers Vigilance Committee was formed in 1912 to provide education and self-regulation to the jewelry industry. Members operate under the highest standards of business practice after pledging to comply with all laws applicable to the jewelry industry and make accurate representations about the products they sell. Lazare Kaplan International Inc. was a long time member of the JVC. LKI’s Marketing Director, Ms. Marcee Feinberg, has served as a member of the Committee’s Board of Directors.

<http://www.jvclegal.org/>

#### **9. United States Jewelry Council (USJC)**

The United States Jewelry Council comprises the leadership of the foremost jewelry trading organizations in the United States. The Council’s purpose is to promote and represent the interests of its member associations that together represent the United States jewelry business, both in the United States and internationally, and to maintain and enhance consumer confidence in the United States in the integrity and origins of jewelry. <http://www.jewelrycouncil.org/new-page/>

In September 2016, at the USJC-hosted Annual General Meeting of the World Diamond Council in New York, Lazare Kaplan’s Board Chairman, Maurice Tempelman, delivered the Keynote Address to more than 100 representatives from the international diamond industry, governments, civil society, and the media in attendance. Mr. Tempelman praised the progress the diamond industry continues to make and its ability to collaborate across diverse groups while calling on industry to maintain a sense of direction through strategic dialogue with governments and nongovernmental organizations.

\*\*\*\*\*THE WDC PRESS RELEASE & LAZARE KAPLAN ANNOUNCEMENT REGARDING THE MEETING IS APPENDED TO THIS COP . [Attachment 3](#)

Lazare Kaplan’s Diamond Compliance Officer attended the Industry-Wide Discussion on Undisclosed Lab-Grown Diamonds organized by the United States Jewelry Council (USJC) at the Waldorf Astoria Hotel in New York City in November 2016. Top industry leaders from around the world presented on the topic of “Undisclosed Lab-Grown Diamonds: Detection and Disclosure”. The summit provided an opportunity for the jewelry industry to openly discuss and address this important topic. Attendees also had the opportunity to participate during sessions consisting of a series of moderated discussions.

#### **10. Diamond Manufacturers and Importers Association of America (“DMIA”)**

The Diamond Manufacturers and Importers Association of America, established in 1931, is the leading organization of America's premier diamond manufacturers, importers, dealers and companies servicing the diamond trade such as banks, shippers, insurers, and grading laboratories. The DMIA is dedicated to advancing and ensuring consumer confidence in diamonds and diamond jewelry by promoting the highest standards of ethics, integrity and professionalism in the American marketplace. The DMIA stands together with other industry organizations, governmental bodies, and the diamond consuming public to address domestic and world diamond industry issues. Two of LKI’s senior staff members serve on the DMIA Board of Directors.

<http://www.dmia.net/>

#### **11. Diamond Dealers Club of New York (“DDC”)**

The mission of the Diamond Dealers Club of New York is to foster the interests of the diamond, colored stone and jewelry industry by, *inter alia*: fostering just and equitable principles in trade; establishing and promoting industry-wide standards of disclosure; disseminating accurate and reliable information; and cooperating with governmental agencies, corporations, persons and partnerships to the betterment of ethical and economic conditions. LKI’s Vice President, Preferred Diamonds Division is a long-time member of the DDC.

<http://www.nyddc.com/>

## **12. United Nations Global Compact (UNGC)**

Lazare Kaplan is proud to be an early supporter of the UNGC, having joined in May 2001 as the 78<sup>th</sup> private sector company to do so.

### **A brief description of our Processes and/or Systems (continued):**

#### **COMPLIANCE OFFICER**

LKI has appointed a diamond compliance officer, Mr. Damian Gagnon, as per applicable provisions of the USA Patriot Act, who reports directly to the Chairman and Vice Chairman of the Board of Directors and has access to the Audit Committee of the Board. In addition to ensuring group compliance with the AML / CFT provisions of the USA PATRIOT Act and Kimberley Process protocols, Mr. Gagnon is responsible for securing third party assessment and verification of LKI group compliance with the sector-specific initiatives outlined in the previous section of this report, including the DeBeers Diamond Assurance Program's Best Practice Principles and the Responsible Jewelry Council's Principles and Code of Practices. Each of LKI's regional entities has compliance officers on staff who report to Mr. Gagnon.

#### **KNOW YOUR CUSTOMER/KNOW YOUR SUPPLIER**

The company runs a complete identification and credit check on all suppliers and customers before establishing new business relationships and again before significantly expanding the relationship or before recommencing business after a 24 month period without activity on the account. No diamond business transaction can be conducted before the Corporate Credit Department gives its approval to the transaction. A file is kept on each business partner, and we demand a Statement of Warranty guaranteeing conflict-free origin of every diamond purchased.

### **Further actions implemented in past years / planned for next year:**

#### **MONITORING CASH TRANSACTIONS**

As a general rule, LKI discourages cash transactions. All personnel involved in buying, selling and accounting for diamond transactions are trained to recognize suspicious transactions, and in the event that a cash transaction is proposed by a prospective client and ultimately approved by the Compliance Officer, LKI sales staff know how to complete IRS Form 8300 for reporting cash transactions and to submit the completed form to the Corporate Credit Department for onward transmission to the IRS. There have been no cash transactions conducted during the reporting period.

#### **TESTING FOR SYNTHETIC AND/OR LAB GROWN DIAMONDS**

LKI has conducted a pipeline risk assessment, including a diagrammed pipeline map, to identify areas that could be at risk for undisclosed synthetic diamonds to enter our pipeline, and we have provided policies, procedures and training of relevant staff to address any such risk. Every polished diamond of 0.30 carats and above in size that enters LKI's pipeline, without exception, has either (a) originated in our own factory, which has stringent synthetics testing procedures in place, or (b) been purchased with a GIA certificate attesting to the natural origin of the stone. All diamonds 0.29 carat and smaller entering the LKI pipeline are tested by staff according to **De Beers' *Guidance on Testing*** formulas.

#### **TRAINING OF RELEVANT EMPLOYEES**

The rules of the Kimberley Process Certification Scheme, the US Foreign Corrupt Practices Act, and the USA PATRIOT Act are effectively communicated to all relevant personnel on an on-going and recurrent basis. All new employees destined to be involved in the buying, selling, shipping, receiving and or accounting for diamond transactions are trained in these matters before they are permitted to take up their responsibilities. The Company's Compliance Officer periodically organizes retraining all relevant staff members in Corporate Responsibility, including, but not limited to, the AML and CFT provisions of the USA PATRIOT Act. New employees are likewise trained before they take up their duties.

#### **ANNUAL REPORTING AND COMPLIANCE AUDITS BY THIRD PARTY ASSESSOR**

In the spring of 2019, as in every year since inception of the De Beers BPPs in 2005, LKI will complete self-assessment workbooks covering all business, social and environmental practices at its New York headquarters and at all company entities throughout our global organization. The scope of the self-assessment incorporates the aligned DeBeers Diamond Assurance Program and Responsible Jewellery Council best practice standards. These systems measure compliance with all Ten Principles of the Global Compact, including human and labor rights, environmental practice, and ant-corruption policies, among

others. The self-assessment workbooks are submitted to the independent, third-party auditor, SGS, which conducts group assessments in the second half of each calendar year.

#### **REPORTING ROUGH DIAMOND ACTIVITY TO US KIMBERLEY PROCESS AUTHORITY**

Annually, since the promulgation of the US Treasury Department's Office of Foreign Assets Control (OFAC) Rough Diamonds Control Regulations that amended the Clean Diamond Trade Act in 2008, LKI has filed reports with the Special Advisor for Conflict Diamonds at the US State Department. These reports, due by April 1 and covering the preceding calendar year, must include: (1) contact information on the rough diamond importing and/or exporting company; (2) total import and/or export activity for each classification of rough diamond to include (a) total carats, (b) total value, and (c) total of all import and export shipments; and (3) information on rough diamond stocks held unsold (including carat weight and approximate dollar value) on December 31 of the previous calendar year. In this manner, LKI assists the US Government in the gathering of important statistical data relating to United States import and export of rough diamonds.

#### **ANTI-MONEY LAUNDERING (AML) / COUNTER-FINANCING OF TERRORISM (CFT)**

Lazare Kaplan International Inc. is fully compliant with the AML/CFT provisions of the USA PATRIOT Act. LKI has comprehensive, written Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) policies that were approved by the Board of Directors in compliance with relevant provisions of the USA Patriot Act. These policies contain procedures for addressing and dealing with suspicious transactions. All LKI employees have certified that they have received a copy and read these policies and procedures, and each employee involved in the buying, selling and/or accounting for diamonds and diamond jewelry transactions is trained and periodically (at least once/year) retrained in these AML and CFT policies and procedures. Under the rules, LKI is required, on an annual basis, to provide for independent testing to monitor and maintain an adequate program.

\*\*\*\*\*COPY OF THE INTERNAL AML/CFT AUDIT REPORT for 2018 IS APPENDED TO THIS COP - [Attachment 4](#)

#### **FINANCIAL ACTION TASK FORCE (FATF)**

"The Financial Action Task Force (FATF) is an inter-governmental body established in 1989 by the Finance Ministers of its Member jurisdictions. The objectives of the FATF are to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system. The FATF is therefore a policy-making body which works to generate the necessary political will to bring about national legislative and regulatory reforms in these areas." From <http://www.fatf-gafi.org/about/> The FATF has promulgated 40 Recommendations to combat money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction. What sets the FATF apart as an international body is its peer review process.

The United States is a member of FATF - and thus subject to periodic evaluative peer review by a team composed of other members of FATF. On February 27, 2016, Damian Gagnon, LKI's compliance officer, was invited by the President of the Jewelers Vigilance Committee to represent the US diamond industry in a meeting with a team from FATF's Evaluative Unit that had been assigned to speak to representatives of businesses regulated under US AML law in order to evaluate US compliance with FATF recommendations. The team had asked JVC to invite representative of "dealers in precious metals, stones and jewels" to meet with the team and JVC invited Mr. Gagnon. The meeting took place at the New York Federal Reserve Bank located at 33 Liberty Street in New York City on February 27, 2016.

#### **SOCIAL ACCOUNTABILITY**

On July 7, 2005 Lazare Kaplan International Inc.'s Puerto Rico Factory became the First Diamond Factory Worldwide to be certified to the Highest International Workplace Standards by Social Accountability International. LKI's former diamond cutting and polishing facility in Caguas, Puerto Rico, the largest diamond cutting and polishing factory in the Americas at the time, was the first such factory in the world to be certified by Social Accountability International (SAI), for compliance with the highest standard of workplace norms as measured by SAI's internationally recognized social accountability measuring system (SA 8000). The SA 8000 standard and verification system provides a credible, comprehensive and efficient measure of humane workplace practices and public responsibility.

<http://www.sa-intl.org>



\*\*\*\*\*COPIES OF LKI'S SA 8000 CERTIFICATE AND PRESS RELEASE ARE APPENDED - [Attachments 5 & 6](#)

### **RESPONSIBLE JEWELRY COUNCIL (RJC) PRINCIPLES AND CODE OF PRACTICES**

In keeping with the RJC Code of Practices requirements for members to develop and adopt policies in support of the Code of Practices, and to make the policy publicly available, Lazare Kaplan has adopted a written policy expressing a commitment to abide by the RJC Code of Practices. The policy is implicitly endorsed by senior management, has been communicated to relevant members of staff, and is available to the public as a part of this COP.

\*\*\*\*\*COPIES OF LKI'S RJC POLICY AND THE RJC PRINCIPLES ARE APPENDED - [Attachments 7 & 8](#)

Lazare Kaplan is proud to be among the first diamond companies to have been certified compliant by the RJC. In its first *Member Report & Certification Recommendation Statement* for LKI dated September 5, 2011, the RJC's independent auditor, SGS, wrote:

LKI has been proactive in facilitating the audit process across its audited facilities in 2011. The auditors received full cooperation from the senior management of the company who strongly believe in implementation of management systems to ensure compliance rather than quick fixes. The Company and all its subsidiaries have made a commitment to uphold the principles of the RJC since the company's very inception and strive to implement them systematically in all their efforts to achieve further compliance. No critical breach or major non-conformance has been identified.

In February, 2018, LKI received its third three year certification from the RJC for the entirety of its global operations. <http://www.responsiblejewellery.com/member/lazare-kaplan-international-inc/>

\*\*\*\*\*COPIES OF LKI'S Recertification Press Release, Statement of Certification Scope, and Three Year Member Certificate are attached TO THIS COP . [Attachments 9, 10 & 11](#)

### **DE BEERS BEST PRACTICE PRINCIPLES (BPPS)**

#### **Lazare Kaplan International Inc. is Compliant with Best Practice Principles**

For the 2018-2019 reporting period, LKI will submit BPP self-assessments on all of its global entities and facilities in the spring. SGS, the independent BPP verifier, monitors the assessments and conducts onsite verification visits at LKI's world headquarters in New York, at Lazare Kaplan Belgium, Lazare Kaplan Hong Kong, Lazare Kaplan Japan, and at LKI's diamond cutting factory, NamGem in Namibia.

In its BPP Assurance Program *Statement of De Beers Best Practice Principles Compliance Status* dated 9 March 2018, SGS, the independent verifier wrote:

LKI has been actively involved in the De Beers Best Practice Principles since the initial cycle in 2005. As part of each cycle the Sightholders are required to submit self-assessment workbooks for all the owned facilities and for contractors with whom they represent 75% or more of their output. These workbooks are reviewed by SGS for completeness, and evidence is tested in relation to the compliance starts declared. Further, a sample of facilities is visited to conduct a full on-site verification.

In the 2017 cycle, a sample from the Sightholder's submission of self-assessment workbooks was selected for a more in-depth review. In addition, the Group's RJC recertification was due at the end of February 2018 and as a result, three onsite visits were undertaken to cover the BPP 3<sup>rd</sup> party verification and the RJC recertification. No material breaches, major or minor infringements have been found through these processes and the Group is therefore compliant with requirements of the BPP and a further three years' certification has been achieved.

\*\*\*\*\*FULL LETTER FROM SGS, THE INDEPENDENT BPP VERIFIER, APPENDED TO THIS COP - [Attachment 12](#)

### **WORLD DIAMOND COUNCIL INDUSTRY SYSTEM OF SELF REGULATION**

#### **Lazare Kaplan is 100% Compliant with the Industry System of Self-Regulation**

All relevant staff (those staff members who are involved in buying, selling or accounting for rough diamond transactions) are trained to ensure that no exports or imports of rough diamonds are made without an accompanying KP Certificate, and all imports of rough diamonds are reported to the KP authority in the exporting country and to the US Bureau of the Census within 15 days of receipt. All

documents related to rough diamond imports and exports, including the original KP Certificate, are kept together on file for a period of five years as per KP protocols. The Company is audited on an annual basis by an independent third party for compliance with KP and WDC guidelines. Last year's audit revealed no abnormalities.

\*\*\*\*A COPY OF THE INDEPENDENT AUDITOR'S LETTER IS APPENDED TO THIS COP - [Attachment 13](#)

#### **JEWELERS VIGILANCE COMMITTEE – STANDARDS & COMPLIANCE PRACTICES**

To become a member of the JVC, a company must commit in writing to abide by the Council's Membership Standards and Compliance Practices. This affirmation of our commitment to comply with the JVC's high standards and practices is our stakeholders' assurance of our promise to uphold the ethics and integrity of the jewelry industry through our own business practices.

\*\*\*\*A COPY OF LKI'S WRITTEN COMMITMENT TO COMPLY WITH JVC STANDARDS AND MEMBERSHIP REQUIREMENTS IS APPENDED TO THIS COP - [Attachment 14](#)

#### **ACTIVE PARTICIPANT IN THE UN GLOBAL COMPACT'S FULL RANGE OF ACTIVITIES**

LKI has fully supported the UNGC at the highest level of our organization and has participated in a number of the Global Compact's initiatives.

- Reports its Communication on Progress at the *Advanced* level
- Participates in the UNGC Academy webinars
- Participates in the U.S. Network's meetings as frequently as practicable.
- LKI's Chairman participated in Leader's Summit, *Architects of a Better World* September 2013.
- LKI's Chairman participated in the UNGC's Private Sector Forum, *Africa* in September 2013
- Attended the 10<sup>th</sup> Principle anniversary event on 12/10/2014 in New York.
- Participated in the UNGC 15th anniversary impact assessment teleconference in March 2015.
- Participated in Global Compact +15 June 2015 meeting in New York.
- Participated in Network USA Symposium in New York in June 2018.

#### **LAZARE® WING OF HOPE CHARITY PROGRAM 2018**

##### **In Malaysia:**

LAZARE Diamonds® and DeGem Malaysia collaborated with the Breast Cancer Foundation of Malaysia launched the CSR campaign between 5th September and 31st December, 2018. The goal of the CSR campaign was to raise funds for the establishment of the Breast Cancer Foundation Resource Center by the first quarter of 2019. The Resource Center will provide needed services as follows:

- 1) Patient care & Counselling provision for patients and their families before, during and after treatment as well as to educate and empower patients to manage their disease;
- 2) Research & Coordination of the Malaysian Breast Cancer Survivorship Programme, breast cancer clinical registry, breast cancer generic study (MyBRCA) and other related studies; and
- 3) Activities & Conduct regular events to allow patients to socialise and share experiences in an effort to promote life after cancer.

DeGem pledged to contribute RM50 to the CSR campaign for every RM5,000 purchase of any LAZARE® jewelry. This noble campaign raised a total of RM45,000 for Breast Cancer Foundation of Malaysia.

\*\*\*\*A COPY OF THE WING OF HOPE ANNOUNCEMENT IS APPENDED TO THIS COP . [Attachment 15](#)

#### **THE HARVARD AIDS INITIATIVE (HAI)**

##### **The Botswana Harvard Partnership (BHP):**

The Harvard AIDS Initiative established the Botswana Harvard Partnership in 1997. LKI's Chairman, Maurice Tempelman, co-founder and co-chairman of HAI's International Advisory Council, first introduced scientists from Harvard University to Botswana in the mid-1990s. The Botswana-Harvard AIDS Institute HIV Reference Laboratory was established by the Government of Botswana and Harvard in Gaborone, Botswana. LKI's Chairman was instrumental in attracting HAI to establish this state-of-the-art medical research facility that is of a caliber and scale unmatched in Africa. January 2017 marked the 20th anniversary of the BHP. In remarks delivered by his representative, Mr. Tempelman said, %Idealism and ideas come relatively easily%implementation is hard. BHP has distinguished itself precisely in implementation, not only in turning the trajectory of Botswana's history away from what was a genuine mortal threat to the nation, not only in saving countless thousands of lives, but also becoming a global

center of excellence for the study and combatting infectious disease.¶

<https://www.botswanaharvardpartnership.org/>

### **The Botswana Combination Prevention Project (BCPP)**

BCCP is a collaboration between the U.S. Centers for Disease Control and BHP, was launched in 2003 to evaluate whether a combination of proven HIV-prevention measures introduced into a community can significantly reduce the incidence of new HIV infections. US Ambassador Michelle Gavin said, ¶f this combination prevention strategy is shown to be effective and affordable, Botswana will be a global leader in providing scientific evidence needed to turn the tide on this epidemic.~

<https://aids.harvard.edu/tag/botswana-combination-prevention-project/>

<b>HOW DO YOU INTEND TO MAKE THIS COP AVAILABLE TO YOUR STAKEHOLDERS?</b>
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Elements of this COP will be referenced on the LKI Web Site and in social media outlets. The COP was referenced in our combined DeBeers Best Practice Principles Diamond Assurance Programme / Responsible Jewellery Council compliance workbooks. A hyperlink to the full COP report at the UN Global Compact website ([www.tinyurl.com/ethicalglobalsincere](http://www.tinyurl.com/ethicalglobalsincere) ) was included in LKI¶s ¶Our Responsibility¶ brochure distributed to our customers.

\*\*\*\*\*A COPY OF ¶OUR RESPONSIBILITY+BROCHURE IS APPENDED TO THIS COP - **Attachment 18**



## ATTACHMENTS

Attachment 1	Social Responsibility Statement
Attachment 2	WDC Membership Core Values Pledge
Attachment 3	WDC Annual General Meeting, Maurice Tempelsman Keynote Address
Attachment 4	AML Compliance Testing Results Letter ó internal auditor
Attachment 5	Social Accountability International - SA 8000 Certificate
Attachment 6	SA 8000 Certification Press Release
Attachment 7	LKI's Responsible Jewellery Council (RJC) Policy
Attachment 8	RJC Principles
Attachment 9	RJC Press Release ó LKI Receives Three Year Certification
Attachment 10	RJC Certification Scope
Attachment 11	RJC Certificate
Attachment 12	Statement of BPP Compliance ó third party auditor SGS
Attachment 13	Kimberley Process Audit Results Letter ó external auditor BDO
Attachment 14	Jewelers Vigilance Committee ó LKI Commitment to Compliance with Membership Standards and Compliance Practices
Attachment 15	<i>The Wing of Hope</i> Announcements
Attachment 16	LKI's "OUR RESPONSIBILITY" Brochure



## LAZARE KAPLAN INTERNATIONAL INC.

### CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Since its founding in 1903, Lazare Kaplan International Inc. (LKI) has become an acknowledged leader among the world's diamond cutting and polishing companies. Every Lazare Diamond® is cut to produce the optimal balance of brilliance, scintillation, and fire. Likewise, LKI has consistently set and adhered to the highest ethical and professional standards in the industry. This tradition of excellence gives every LKI stakeholder the confidence that they share in one of the richest and most honorable diamond traditions anywhere. LKI has, in addition, taken a leading role in developing self-regulatory industry protocols and procedures to promote ethical conduct. LKI has been a committed partner of the people in those countries on five continents where it does business, pursuing policies and projects that yield tangible local benefits. The consistency of the company's commitment to local communities reflects LKI's operating philosophy of long-term dedication to its partners, within and without the industry. LKI is proud of its record of leadership in promoting ethical, social, and environmental accountability in today's global diamond market place.

### GOOD CORPORATE GOVERNANCE

**Fair Trade and Practice Laws** – An increasing body of U.S. legislation regulates the conduct of American corporations vis-à-vis other stakeholders such as employees, consumers and local communities. LKI fully supports, complies with, and routinely exceeds the standards set by legislation in all these areas.

**Ethical Standards in All Commercial Relationships** – A number of multinationals have faced intense public scrutiny in recent years because of sub-par standards in some of their offshore operations. By contrast, LKI's close involvement with its own operations outside America ensures that the highest ethical standards are maintained in all its commercial relationships, irrespective of where located.

**Code of Ethics** – LKI's Board has adopted and enforced a Code of Ethics for senior company officers, mandating adherence to a rigorous set of substantive and procedural safeguards.

**Compliance With Laws** As a concerned leader of the global diamond industry, LKI has helped develop and fully supports policies which prohibit corruption and bribery, outlaw the trade in conflict diamonds, prevent money laundering, combat the financing of terrorism, and promote transparency, fair dealing and disclosure throughout the diamond pipeline. It is LKI's strict policy to clearly identify its prospective suppliers and its customers before entering into any business transaction.

**Zero Tolerance for Corruption** - LKI shall conduct its affairs in accordance with all applicable laws and in adherence to the highest ethical business standards.

**USA PATRIOT Act** -- Under Financial Crimes Enforcement Network (FinCEN) of the United States Treasury Department rules, diamond dealers are required to establish Anti-

Money Laundering (AML) programs under the USA PATRIOT Act. The regulations ensure that relevant provisions of the Bank Secrecy Act are applied appropriately to the diamond industry. LKI is defined as a dealer under these rules and has implemented all relevant USA PATRIOT Act provisions as required under the law.

**Zero Tolerance for Zimbabwe Diamonds** – Until further notice, LKI rough diamond traders are specifically precluded from trading rough diamonds known to have originated in Zimbabwe or polished diamonds known to have been cut from Zimbabwe rough diamonds.

**Zero Tolerance For Conflict Diamonds** -- LKI rough diamond traders are trained to recognize conflict diamonds as defined by UN Resolution 55/56 of 2001. The LKI system of controls was instituted even before the existence of this UN Resolution, and received special commendation from the UN for its contribution to stemming the flow of conflict diamonds. All of LKI's rough diamond buyers are required to sign and abide by a written code of ethical diamond trading conduct as a condition of continued employment.

**Kimberley Process Certification Scheme (KPCS)** – As a concerned leader of the international diamond industry, Lazare Kaplan fully supports policies that prohibit the trade in conflict diamonds, prevent money laundering, and combat the financing of terrorism. LKI actively participated in the inaugural meeting of diamond industry stakeholders in Kimberley, South Africa in May 2000 and participated in all subsequent deliberations that led to the January 2003 adoption of the KPCS and its system of controls over rough diamond trading. With over 81 participating countries, the KPCS has proved to be a significant tool for combating the trade in conflict diamonds, contributing to peace and security, and protecting the legitimate diamond industry. LKI will not import or export rough diamonds without an accompanying Kimberley Process Certificate of origin. The Company complies with clean diamond trading and anti-money laundering legislation adopted by the United States Government, such as the Clean Diamond Trade Act, and supports relevant resolutions by concerned governments and the United Nations.

Lazare Kaplan will continue to join diamond industry and trade associations in condemning and combating the trade in illicit diamonds and to comply fully with World Diamond Congress (WDC) resolutions for industry self-regulation in respect of the Kimberley Process Certification Scheme, including the implementation of the WDC's prescribed System of Warranties.

**The Clean Diamond Trade Act of April 2003** – The Act enabled the United States to implement Kimberley Process regulations to eliminate the international trade in “conflict diamonds”.

**World Diamond Council (WDC) Industry Self-Regulation** – Established in conjunction with the KPCS, the WDC has established a system of buyer-seller warranties to extend the reach and effectiveness of the KPCS throughout the entire diamond pipeline. LKI trades only with companies that provide such warranty statements, guaranteeing the conflict-free origin of all diamonds on their invoices. All sales and consignments of LKI diamonds are themselves accompanied by LKI's own warranty statement. This flow of warranties in and warranties out is audited and reconciled on an annual basis by LKI's financial auditors.

**Leadership in Disclosure** – Just as LKI has been an industry leader in technological breakthroughs relating to diamond enhancement; it has been the first to insist on full disclosure of all such treatments.

**Zero Tolerance for Undisclosed Synthetic Diamonds** – As the pioneer of full disclosure best practice, Lazare Kaplan International Inc. has always taken matters of disclosure and supply chain integrity very seriously. Unless acquired from the Company's own manufacturing affiliate, all polished diamonds are acquired with a certificate from a reputable gemological institute attesting to the natural nature of the diamond and/or sample tested to prove the natural nature of the diamond. Our commitment continues in support of World Federation of Diamond Bourses (WFDB) efforts, and the WFDB's synthetic warranty language requirement is applied to all invoices and memos for polished diamonds to customers of all LKI Group Companies. Furthermore, the warranty statement is required of all vendors on invoices and memos for rough and polished diamonds. No invoice or memo lacking the proper synthetic warranty statement will be accepted or processed for settlement.

**WFDB Charter on the Disclosure of Synthetic, Treated Natural and Natural Diamonds, May 2, 2014** – The issue of undisclosed synthetic diamonds entering the natural diamond supply chain is an issue of growing concern to the international diamond community. These concerns have been addressed by the promulgation of new and evolving rules. Prominent among these is the WFDB's May 2, 2014 *Charter on the Disclosure of Synthetic, Treated Natural and Natural Diamonds* under which "each and every member of any accredited Member Bourse is obliged to act...in the first instance, (by) providing a proper description and declaration on every issued invoice attesting to the nature of the diamonds sold, and reporting immediately through the appropriate Bourse, any activity that may be in contravention thereof."

**Corporate Compliance Officer** - LKI has appointed a senior executive with full-time oversight responsibility in the areas of corporate social responsibility and KPCS/WDC/AML compliance. Under this executive's oversight, each of the company's employees engaged in buying, selling and/or accounting for diamonds and precious minerals has been trained, among other things, to recognize, prevent and report any attempt by prospective business partners to use LKI to further or engage in criminal activity, including illicit diamond trading.

**PROMOTION OF DIAMOND INDUSTRY BEST PRACTICE**

**Trade Association Membership** – LKI and its officers are members of a wide variety of diamond and jewelry industry associations including, but not limited to, the American Gem Society, the Gemological Institute of America, the Jewelers Vigilance Committee, the Jewelers Board of Trade, the Diamond Manufacturers and Importers Association, the Jewelers Credit Interchange Group, the Jewelers Security Alliance, the New York Diamond Dealers Club, and the Council for Responsible Jewelry Practices, and the World Diamond Council.

**Best Practice Principles Assurance Program** - LKI fully subscribes to and is compliant with the DTC's BPP Assurance Program developed to demonstrate to supply chain partners, consumers and other interested stakeholders that the exploration, extraction, sorting, cutting and polishing of diamonds, and the manufacture and sale of diamond jewelry is undertaken in a professionally, ethically, socially and environmentally friendly and accountable way.

**Responsible Jewelry Council Membership** - LKI is a Certified member of the Responsible Jewelry Council (RJC), a standards-setting organization established to reinforce consumer confidence in the jewelry industry by promoting responsible ethical, human rights, social and environmental practices throughout the jewelry supply chain. The RJC has developed a platform of standards for verifying responsible business practices through third party auditing. We commit to operating our business according to the RJC Principles and Code of Practices.

#### **GOOD CORPORATE CITIZENSHIP**

LKI is committed to embracing, supporting and implementing, within the scope of its influence, a set of core values in the areas of human rights, development, labor standards and environmental sustainability.

**The UN Global Compact** - In 1999, UN Secretary-General Kofi Annan challenged business leaders to join an international initiative – the Global Compact – that would bring companies together with UN agencies, labor and civil society to support universal ethical, social, human rights and environmental principles. In 2001, LKI became a founding member of the Global Compact, which by 2014 had grown to more than 12,500 participants, including over 8,000 businesses in 145 countries. LKI is proud to report its annual Communication on Progress at the “advanced” level. <http://www.unglobalcompact.org/COPs/detail/66721>

**Leadership on Africa** – LKI pioneered diamond beneficiation outside of apartheid South Africa, and apart from investing heavily in the continent the company and its principal shareholders have over the past half-century played a leading role in launching and sustaining numerous organizations and initiatives that have built bridges between Africa and the US, to Africa's developmental benefit. Prominent examples include

- **The Corporate Council on Africa**, on which LKI's Chairman served two terms as Chairman and member of the Executive Committee of this leading organization dedicated to enhancing United States investment in Africa;
- **The Business Council for International Understanding (BCIU)**, which LKI's longstanding support (LKI's Chairman has served on BCIU's board since the 1960s) has helped become a principal forum for public-private partnership initiatives, particularly focused on Africa;
- **The Africa-America Institute (AAI)**, which over the years has promoted and financed higher education programs for more than 20,000 African students and of



which LKI was a leading supporter, as symbolized by the five decades that LKI's Chairman served on AAI's Board of Trustees;

- **The National Democratic Institute (NDI)**, which works to strengthen and expand democracy around the globe and has acquired a special legitimacy in Africa due to its effective investments in peace and stability on the continent, with LKI's Chairman having served as Chair of NDI's Africa Subcommittee for over 20 years;
- **The Harvard AIDS Initiative (HAI)** established the **Botswana Harvard Partnership (BHP)** in 1997. LKI's Chairman, Maurice Tempelsman, was a founder and is Co-Chairman of the HAI.
- **The Botswana-Harvard AIDS Institute HIV Reference Laboratory**, was established by the Government of Botswana and Harvard in Gaborone, Botswana. LKI's Chairman was instrumental in attracting HAI to establish this state-of-the-art medical research facility of a caliber and scale unmatched in Africa. January 2017 marked the 20<sup>th</sup> anniversary of the BHP. In heartfelt remarks delivered by his representative, Mr. Tempelsman said, "Idealism and ideas come relatively easily – implementation is hard. BHP has distinguished itself precisely in implementation, not only in turning the trajectory of Botswana's history away from what was a genuine mortal threat to the nation, not only in saving countless thousands of lives, but also becoming a global center of excellence for the study and combatting infectious disease."
- **The Botswana Combination Prevention Project (BCPP)** was launched in 2003 by the Botswana-Harvard Partnership to evaluate whether a combination of proven HIV-prevention measures introduced into a community can significantly reduce the incidence of new HIV infections. US Ambassador Michelle Gavin said, "If this combination prevention strategy is shown to be effective and affordable, Botswana will be a global leader in providing scientific evidence needed to turn the tide on this epidemic."
- **Namibia – Lazare Ongoma Initiative and Jewelers For Children Fund** Ongoma is a Namibian word meaning "a drum that is used to make sound", and the Lazare Ongoma Initiative was designed to make a sound – to raise awareness for education and to promote a number of important causes in Namibia where LKI is a 50/50 partner with the Government in the country's flagship diamond cutting and polishing company, NamGem Diamond Manufacturing Company (Pty) Ltd. The Five Rand Primary School in Okahandja, the home of NamGem, has been the beneficiary of our efforts for several years. The Lazare Ongoma Initiative goes hand in hand with The Lazare Diamond incentive program in the United States, which rewards retailers who sell and register Lazare Diamonds. LKI makes a matching donation to The Five Rand Primary School in the name of each sales associate for every registered Lazare Diamond sold. Through this initiative, Lazare Diamond retailers in the United States and their associates contribute to support the school, while LKI employees participate through direct donations. Contributions have exceeded N\$100,000 which is roughly twice the per capita income in Namibia.



**World Diamond Council  
Membership Core Values Pledge**

Members of the WDC are guided by certain core values. By becoming a WDC member, you agree to the values detailed below.

**Core Values**

- Implementation of all elements of the WDC System of Warranties
- Ensuring that you and your business partners understand and implement the KPCS and the WDC System of Warranties
- Support of the mission of the WDC through engagement in its programs and by paying all required membership fees
- Education of yourself and staff on the requirements of compliance with all elements of the Kimberley Process Certification Scheme (KPCS) applicable to your business

**Additionally, WDC members undertake to:**

- Communicate to all business partners throughout the pipeline a commitment to WDC policies, the KPCS and System of Warranties
- Pledge to make the following affirmative statement on all invoices:

"The diamonds herein invoiced have been purchased from legitimate sources not involved in funding conflict and in compliance with United Nations resolutions. The seller hereby guarantees that these diamonds are conflict free, based on personal knowledge and/or written guarantees provided by the supplier of these diamonds."

**Membership Pledge**

I have read this membership document carefully. By this signature, I accept these core values and practices and pledge to implement them in my business life.

Name: DAMIAN GAGNON

Company Name: Lazare Kaplan International Inc.

Date: March 1, 2018

## NEWS RELEASE

Contact: WDC Communications  
 communications@worlddiamondcouncil.org  
 +1-760-525-9393



## US Jewelry Council Hosts World Diamond Council 2016 Annual General Meeting in New York City

*WDC Discusses Importance of the November Kimberley Process Plenary*

*Proposes Increases in Industry Self-regulation*

*Representatives from the Diamond Industry, United Nations, and U.S. State Department Praise the Industry's Efforts to Help Strengthen the Kimberley Process*

**NEW YORK, NY, September 12, 2016** — World Diamond Council (WDC) members from across the globe gathered in New York City last Thursday for the organization's 12th Annual General Meeting (AGM). Hosted by the United States Jewelry Council (USJC) and generously supported by Signet Jewelers, ABN Amro Bank, De Beers Group, Brinks, UL and JCK, more than 100 representatives from the diamond industry, government, civil society and media came together to study new proposals for current industry self-regulation procedures, as well as proposals for the Kimberley Process (KP) review process to be engaged in 2017.

Representing every sector of the diamond supply chain, the WDC's AGM focused on its proposed new Strategic Plan, which will guide the organization's work through 2020 as it continues to serve as the industry voice in the KP. "The WDC has been tasked with maintaining stability in the diamond world, building upon the successful eradication of 99% of the world's conflict diamonds," stated Andrey Polyakov, president of the WDC and vice president of ALROSA. "This success is being realized through active participation, transparency and continued dialogue."

The AGM's keynote address was delivered by Mr. Maurice Tempelsman, Chairman of the board of directors of Lazare Kaplan International Inc., who praised the progress the diamond industry continues to make and its ability to collaborate across diverse groups. "It is vital to maintain a sense of direction and the WDC is a rarity in that its mandate requires strategic dialogue with governments as well as nongovernmental organizations," said Mr. Tempelsman.

Other speakers included government representatives who complimented the work of the WDC and discussed international efforts to strengthen the KP. Expressing the United Nations'

[www.worlddiamondcouncil.org](http://www.worlddiamondcouncil.org)  
[www.diamondfacts.org](http://www.diamondfacts.org)



perspective, H.E. Ambassador Vitaly Churkin, Permanent Representative of the Russian Federation to the United Nations, noted, "The WDC is the strongest lobbyist for the diamond industry within the Kimberley Process and a perfect example of an organization coming together to accomplish goals through compromise during a time of continuous global instability."

Mr. Andrew Keller, Deputy Assistant Secretary for Counter Threat Finance and Sanctions in the Bureau of Economic and Business Affairs at the U.S. Department of State, echoed this theme and further complimented the WDC's success over the past 15 years. "I'd like to personally recognize the WDC's support of the KP review system," said Mr. Keller. "We must keep tackling the issues facing us to ensure the integrity of the world's diamond supply chain from mine to market."

WDC members also heard from Mr. Robert Owen-Jones, Assistant Secretary of the Australian Department of Foreign Affairs and Trade, who will become the next KP Chair in 2017. During his speech Mr. Owen-Jones applauded the relationship between the WDC and the KP pointing out, "It is something you don't see a lot of in other intergovernmental processes. It is not just an open forum but a true lasting partnership."

Andrew Bone, Executive Director of the Responsible Jewellery Council (RJC), and Fred Waelter, Global Business Lead for UL's Responsible Sourcing division, also made valuable presentations on RJC industry certification and UL supply chain verification, respectively.

The AGM provided a platform for WDC members to discuss industry issues, share educational information and hold the organization's board of directors and business meetings. Since the formation of the Kimberley Process Certification Scheme in 2003, the establishment of best practices and voluntary guidelines like the WDC's System of Warranties have transformed the diamond industry.

The WDC concluded the AGM eager to build upon the progress made at this year's meeting, looking ahead to the KP Plenary Session taking place November of this year in Dubai, United Arab Emirates.

**About the World Diamond Council**  
*Established in 2000, the primary objective of the WDC is to represent the diamond industry in the development and implementation of the regulatory and voluntary systems to control the trade in diamonds embargoed by the United Nations or covered by the Kimberley Process Certification Scheme. Visit <http://www.worlddiamondcouncil.org> to learn more.*

[www.worlddiamondcouncil.org](http://www.worlddiamondcouncil.org)  
[www.diamondfacts.org](http://www.diamondfacts.org)

# LAZARE<sup>®</sup>

THE WORLD'S MOST BEAUTIFUL DIAMOND<sup>®</sup>



Attached please find the speech, Maurice Tempelsman, Chairman, Lazare Kaplan International Inc. gave as the keynote speaker at the World Diamond Council Annual Meeting.

The speech was given on Thursday, September 8<sup>th</sup> at the Waldorf Astoria Hotel

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Responsible  
Jewelry  
Council

LAZARE KAPLAN INTERNATIONAL INC.

January 31, 2019

Damian Gagnon  
Compliance officer  
Lazare Kaplan International, Inc.  
19 West 44<sup>th</sup> Street  
New York, New York 10036

Re: Results Letter- AML Compliance Testing

Dear Mr. Gagnon:

Lazare Kaplan International Inc. has established procedures to address applicable provisions of the USA PATRIOT Act which imposed a number of Anti-Money Laundering and Financing of Terrorism Program ("AML") obligations, which include but are not limited to:

- Customer and vendor identification programs
- Monitoring, detecting, and filing reports of suspicious activity
- Due diligence on transactions involving foreign and private correspondent banks

The following comprises an outline of procedures established by the Company, and the evaluation of those procedures which included interviewing employees of the Company and examination of critical applicable documents and reports as of January 31, 2017.

**1. The Company has appointed a Compliance Officer:**

- a. Approved by senior management board
- b. Has requisite knowledge and authority
- c. Has access to necessary information and personnel
- d. Performs the necessary documentation as follows:
  - i. CO authority approved by senior management
  - ii. Records of duties and responsibilities maintained



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## LAZARE KAPLAN INTERNATIONAL INC.

- Records maintained of risk assessment performed
  - Records maintained of employee training
  - Letter to customers and suppliers asserting AML compliance by LKI copies maintained
  - Written communications regarding AML compliance of customers and suppliers - copies maintained
- iii. Computer system incorporates customers and suppliers identification procedures, including tax identification numbers
- iv. For instances of suspicious activity, it is the policy of LKI to document the action taken-no such instances have occurred in the period tested.

### Notes:

The Compliance Officer has prepared training materials to educate all relevant employees to ensure all employees are aware of the Company's obligations and to transaction situations which require due diligence. It was noted that the CO maintains records of educational seminars and employee attendance. Files were reviewed which demonstrated the Company's efforts in verifying potential customer and vendor AML compliance.

### **2. Customer and supplier identification program**

- a. Computer system incorporates customer and supplier identification information and procedures, including tax identification numbers.
- b. The required identification information has been acquired.
- c. All required identification information incorporated in required credit application for customers and suppliers - information must be complete before any transaction.
- d. Written responses to LKI solicitation of identification information is maintained in paper form and on the computer system.
- e. If information not acquired, no transactions made.
- f. Identification information has been verified (including all third parties) - any internal inconsistency is noted and resolved, and all information is updated as necessary.
- g. If the customer or supplier has failed to provide the required information, the policy is to continue due diligence. Appropriate action is decided, including but not limited to, refusal to engage in transaction.
- h. Identification records for customers and suppliers (including check of JBT report and bank reference) have been maintained via records, computer data system, and internal credit information.
- i. In instances where no business has been conducted for a period of 24 months, customer and supplier accounts are deactivated on the system.



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## LAZARE KAPLAN INTERNATIONAL INC.

### Notes:

The Company maintains manual files on customers and suppliers. Customer and vendor files were selected, subjectively, on a test basis for inspection of completeness. No exceptions were noted.

In addition, customer and vendor identification information is entered and maintained in the Company's operating system. The Company has established as an additional control, an exception reporting mechanism to identify suppliers and customers where there is missing corporate identity numbers (corporate registration and/or tax identification numbers). The exception report identifies customers where no corporate identification number was found. This report is used to monitor and ensure that critical information is obtained, entered and maintained in the operating system. One customer was identified on the exception report without a tax identification number. A review of the manual file revealed that the identification number was obtained but not put into the system.

### **3. Transaction monitoring**

- a. Process in place to identify red flag transactions on both receivable and payable transactions. Red flags are reported to the Compliance officer, along with actions taken and resolutions.
- b. Red flag transactions are investigated and resolved in a timely manner, including but not limited to inquiries to banks and customers.
- c. All third parties to transactions are subject to reasonable inquiries including but not limited to identification and reasons for involvement in the transaction.
- d. All invoices are matched to purchases routinely.
- e. Cash receipts are discouraged. In instances where cash transactions are proposed, they are reported to the Compliance Officer for approval. LKI's AML policies and procedures require the filing IRS Form 8300 for all cash transactions should they occur. No cash transactions were proposed during the reporting period.
- f. Red flag wire transfers include payments to/from LKI to a third party corporation. These transactions are subject to additional due diligence whereby the third party is subject to the same identification procedures as a customer or supplier.
- g. Consideration of filing Suspicious Activity Reports ("SAR") is undertaken when appropriate.



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## LAZARE KAPLAN INTERNATIONAL INC.

### **6. Documentation and Recordkeeping**

- a. Record retention policies are in place.
- b. Files readily available upon request.
- c. Specific person or department (LKI Credit Department) has been assigned document retention responsibility.

### **Conclusion:**

Based upon the review of procedures described above, the Company believes it is in compliance with relevant provisions of the USA Patriot Act with reference to the Anti-Money Laundering and Financing of Terrorism Program.



Ned Cochrane

**VP Finance**



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**SA 8000 CERTIFICATE**



**Certificate of Registration**

Certificate No.: LA-3/2008-13519

**LAZARE KAPLAN PUERTO RICO**  
(A DIVISION OF LAZARE KAPLAN INTERNATIONAL INC)

The Social Accountability System of the above Company has been assessed and is verified to be in compliance with:

**SA8000: 2001**

The Social Accountability System of the above Company is applicable to:  
**Diamond cutting and polishing**

Initial Certificate Date: 23 April 2008

Certificate Renewal Date: 24 April 2011

**Authorized Signature**

**Title**

**SA80000 GLOBAL DIRECTOR**

**Date**

**23 April 2008**

**Intertek Central Office**



Accredited by Social  
Accountability Accreditation  
Services

The approval is valid for three years from the initial certificate date to the certificate renewal date and subject to the organization maintaining their system in accordance with Intertek Testing Services' rules and regulations for certification.

**SA 8000 PRESS RELEASE**

**CONTACT: LKI**

**Marcee Feinberg  
212-857-7610**

**Lazare Kaplan International Inc.'s Puerto Rico Factory is the First Diamond Factory Worldwide to be Certified to the Highest International Workplace Standards by Social Accountability International.**

New York ó July 7, 2005 - Lazare Kaplan International Inc. (AMEX:LKI) announced today that its state of the art diamond cutting and polishing facility in Caguas, Puerto Rico has been certified by Social Accountability International (SAI) to be compliant with the highest international workplace standards.

SAI's first social accountability system, SA8000, offers retailers, brand companies, suppliers and other organizations an internationally recognized means to measure and maintain just and decent working conditions throughout the supply chain. The SA8000 standard and verification system is a credible, comprehensive and efficient tool for assuring humane workplaces and public reporting. SA8000 certified facilities are posted on the Social Accountability International (SAI) Web site.

Leon Tempelsman, Vice-Chairman of LKI, said, "Certification of our Puerto Rico factory to the highest standard of international workplace norms demonstrates the company's commitment to putting our values into action. SA 8000 is based on International Labor Organization conventions, the UN's Universal Declaration of Human Rights and Convention on Rights of the Child. This is in line with LKI's long standing leadership position in the diamond industry. It offers further assurance to our customers of LKI's commitment to implementing the very best workplace practices at a time when transparency and best practices play a welcome and increasingly important part in the transformation of the industry. We congratulate our management and workforce in Puerto Rico and share their pride in this achievement."

Lazare Kaplan International Inc. sells its diamonds and jewelry products through a worldwide distribution network. The Company is noted for its ideal cut diamonds which it markets internationally under the brand name, Lazare Diamonds®.



LAZARE KAPLAN INTERNATIONAL INC.

March 1, 2018

Responsible Jewellery Council Policy

Founded in 1903, Lazare Kaplan International Inc. is an acknowledged leader among the world's diamond cutting and polishing companies, consistently setting the standard for technical excellence while adhering to the highest ethical and professional standards in the industry. With locations in the Americas, Africa, Europe, Japan, and the Pacific Rim, LKI is a committed partner of the people in those countries where we do business, pursuing policies and projects that yield tangible local benefits. The consistency of the company's commitment to local communities reflects LKI's operating philosophy of long-term dedication to its partners, within and outside the industry.

LKI is a Certified Member of the Responsible Jewellery Council (RJC). The RJC is a standards-setting organization that was established to reinforce consumer confidence in the jewelry industry by promoting responsible ethical, human rights, social and environmental practices throughout the jewellery supply chain.

The RJC has developed a common platform of standards for the jewellery supply chain and credible mechanisms for verifying responsible business practices through third party auditing.

LKI is committed to operating our business according to the RJC Principles and Code of Practices which can be accessed at: [http://www.responsiblejewellery.com/files/RJC\\_Code\\_of\\_Practices\\_2013\\_eng.pdf](http://www.responsiblejewellery.com/files/RJC_Code_of_Practices_2013_eng.pdf)

Signed / endorsed by:



Damian Gagnon  
Corporate Compliance and Social Responsibility Officer, LKI  
Member, Accreditation and Certification Committee, RJC

# Responsible Jewelry Council Principles

As Members of the Responsible Jewelry Council, we seek economic, social and environmental benefits from our business activities so that we contribute to Sustainable Development.

## 1 Business Ethics

1. We are committed to conducting our businesses to a high ethical standard, and to ensuring integrity, transparency and conformance with Applicable Law.
2. We will not engage in Bribery and/or corruption.
3. We will not tolerate Money Laundering and/or financing of terrorism.
4. We will adhere to the Kimberley Process Certification System and the World Diamond Council voluntary System of Warranties.
5. We will fully and accurately disclose the material characteristics of the products that we sell.
6. We will take reasonable measures to ensure the physical integrity and security of product shipments.
7. We will respect commercial confidentiality and data privacy.

## 2 Human Rights and Social Performance

1. We believe in and will respect the fundamental human rights and the dignity of the individual, according to the United Nations Universal Declaration of Human Rights.
2. We will not tolerate the use of Child Labour.
3. We will not use any forced, bonded, indentured or prison labour, nor restrict the freedom of movement of Employees and dependents.
4. We are committed to high standards of Health and Safety in our operations.
5. We will not prevent workers from associating freely. Where laws prohibit these freedoms, we will support parallel means of dialogue.
6. We will not discriminate based on race, ethnicity, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, marital status, physical appearance, age, or any other applicable prohibited basis in the workplace, such that all individuals who are "Fit for Work" are accorded equal opportunities and are not discriminated against on the basis of factors unrelated to their ability to perform their job.
7. We will not use corporal punishment under any circumstances and will prohibit the use of degrading treatment, harassment, abuse, coercion or intimidation in any form.
8. We will adhere to working hours and remuneration legislation, or, where no such legal requirements have been established by law, the prevailing industry standards.
9. We will support the development of communities where we operate, contributing to their social and economic welfare.
10. We will recognise and respect the rights of indigenous peoples and the value of their traditional, cultural and social heritage.
11. We will engage with artisanal and small scale miners who operate in our vicinity, and participate in multistakeholder initiatives to promote responsible and legal mining practices.

## 3 Environmental Performance

1. We will conduct our business in an environmentally responsible manner.
2. We will manage our environmental footprint by eliminating or minimising negative environmental impacts.
3. We will ensure the efficiency of our business operations by managing our use of resources and energy.
4. We will adopt practices to enhance Biodiversity and reduce negative impacts on Biodiversity.

## 4 Management Systems

1. We will comply with Applicable Laws and publicly state our commitment to the RJC Code of Practices.
2. We will assess our risks, including risks to our business from our business partners, and establish systems that manage and improve ethical, human rights, social and environmental business practices.

<sup>1</sup> The Council bases its understanding of Sustainable Development on the 1987 World Commission on Environment and Development (the Brundtland Commission) definition: "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."



**LAZARE KAPLAN INTERNATIONAL INC.  
RE-CERTIFIED BY THE RESPONSIBLE JEWELLERY COUNCIL**

NY, NY February 15, 2018 - Lazare Kaplan International Inc. (LKI), a New York-based diamond manufacturing company specializing in ideal cut diamonds, announced today that they have achieved re-certification by meeting the highest ethical, social and environmental standards established by the Responsible Jewellery Council (RJC).

"The Responsible Jewellery Council is pleased to announce that Lazare Kaplan International Inc. has been certified against the 2013 Code of Practices for a further three-year period. The 2013 COP provisions address important issues for our members and their supply chains. We are delighted to see members achieve re-certification against the standard and warmly congratulate Lazare Kaplan International Inc. on achieving re-certification for a third time," says Andrew Bone, the RJC's Executive Director.

The successful verification assessment was conducted by Greg Kolbeck from SGS United Kingdom Limited, one of the independent third-party auditing firms accredited by the RJC.

"LKI has consistently set and adhered to the highest ethical and professional standards in the industry. We are proud of our record of leadership in promoting ethical, social, and environmental accountability in today's global diamond market place." says Leon Tempelman, President, Lazare Kaplan International Inc.

"The RJC's public confirmation of LKI's commitment to the highest standards of business, social, and environmental best practice is truly gratifying. I congratulate my colleagues at our facilities worldwide for their dedication and continued commitment to a transparent, accountable, and responsible approach to business," says Damian Gagnon, Corporate Compliance and Social Responsibility Officer, Lazare Kaplan International Inc.

For further information please contact:

Damian Gagnon, Corporate Compliance and Social Responsibility Officer, Lazare Kaplan International Inc.  
Telephone 212-857-7508, [dgagnon@idealcut.com](mailto:dgagnon@idealcut.com)

About LKI Founded in 1903, LKI has always had a commitment to excellence and being a leader in industry innovation. It was the first to brand a diamond and is dedicated to cutting each and every Lazare Diamond as beautifully as possible while maintaining the highest standards in the diamond industry. Lazare Kaplan International Inc. sells its diamonds and jewelry products through a worldwide distribution network. The company is noted for its ideal cut diamonds, which it markets internationally under the brand name, The Lazare Diamond®. More information on [www.lazarediamonds.com](http://www.lazarediamonds.com)

The Responsible Jewellery Council is an international not-for-profit standards and certification organisation. It has more than 1,000 member companies that span the jewellery supply chain from mine to retail. RJC members commit to and are independently audited against the RJC Code of Practices – an international standard on responsible business practices for diamonds, gold and platinum group metals. The Code of Practices addresses human rights, labour rights, environmental impact, mining practices, product disclosure and many more important topics in the jewellery supply chain. RJC also works with multi-stakeholder initiatives on responsible sourcing and supply chain due diligence. The RJC's Chain-of-Custody Certification for precious metals supports these initiatives and can be used as a tool to deliver broader Member and stakeholder benefit.

The RJC is a [Full Member of the ISEAL Alliance](#) – the global association for sustainability standards. For more information on RJC Members, Certification, and Standards please visit [www.responsiblejewellery.com](http://www.responsiblejewellery.com)

# RJC CERTIFICATION INFORMATION – CODE OF PRACTICES *Summary*



<i>Certified Member</i>	Lazare Kaplan International Inc.
<i>Members hip Forum</i>	Diamond Trader and/or Cutter and Polisher
<i>Certification Number for this Certification</i>	0000 1216
<i>Certification Period</i>	04 February 2018 – 04 February 2021
<i>Audit Date</i>	3-4 October, 15, 28 November 2017
<i>Audit Type</i>	Re-Certification
<i>Previous Certifications</i>	2
<i>Applicable Standard</i>	Code of Practices 2013
<i>Accredited Auditor</i>	SGS United Kingdom Limited Lead Auditor: Greg Kolbeck Beyond Gem: Sabrina Lane
<i>Certification Scope</i>	Lazare Kaplan International Inc., New York, USA - Wholesale and trading facility; Lazare Kaplan Belgium, NV, Antwerp, Belgium - Wholesale and trading facility; NamGem, Okahandja, Namibia - Cutting and polishing facility; Lazare Kaplan Japan Inc., Tokyo, Japan - trading facility; Tranquility Services Hong Kong Ltd., Central, Hong Kong - Trading facility.

*Applicable Provisions*

- 1. General Requirements:** 1-4, except 3.2
- 2. Responsible Supply Chains and Human Rights:** 5-12, except 6.2, 7.1, 9.3, 11.3-4 and 12
- 3. Labour Rights and Working Conditions:** 13-20, except 17.3 and 19.3
- 4. Health, Safety and Environment:** 21-25
- 5. Diamonds, Gold and Platinum Group Metals Products:** 26-28, except 28
- 6. Responsible Mining Sector:** Not applicable

*Provenance Claims*

Not applicable.

*Auditor Statement of Conformance*

Based on the scope and findings of the Audit, the sites visited and the available information provided by the Member:

- The Member has demonstrated a conformance level consistent with a 3 year Certification Period.
- The Member has demonstrated a conformance level consistent with the transitional 1 year Certification Period for 1 year.
- The Member is not eligible for RJC Certification due to having four consecutive 1 year Certification outcomes.
- Critical breaches have been identified and the RJC Management Team should initiate disciplinary procedures.

*Mid-Term Review*

Based on the scope and findings of the Certification Audit/Re-Certification Audit, the sites visited and the available information provided by the Member:

- A. The Member will not require a Mid-Term Review because:**
- No anticipated changes to the Certification Scope during the Certification Period.
- Member has < 25 full time equivalent personnel.
- Low risks of changes to current conformance levels and strong management controls.
  
- B. The Member will require a desktop Mid-Term Review during the 3 year Certification Period to review progress on corrective action against non-conformances within 12-24 months, but a site visit is not required because:**
- The actions can be verified remotely; or
- No risk to Critical Provisions; or
- There are parallel audit programs for equivalent recognised schemes (e.g. De Beers BPP, SA8000, OHSAS 18001, ISO14001)



- C. The Member will require a Mid-Term Review during the 3 year Certification Period that will include the need for site visits because:**
- Known and anticipated changes to Certification Scope during the Certification Period
  - Certification Audit identified >2 Minor NCs for Critical Provisions; or > 4 Minor NCs in total
  - New systems and controls for Critical Provisions that could not be tested at the Certification Audit
  - Facilities with risk of non-conformances against Critical Provisions
  - Other compelling reason presented by the Lead Auditor.

*Confirmation*

**The Auditors confirm that:**

- The information provided by the Member is true and accurate to the best knowledge of the Auditor(s) preparing this report.
- The findings are based on verified Objective Evidence relevant to the time period for the assessment, traceable and unambiguous.
- The scope of the assessment and the method used are sufficient to establish confidence that the findings are indicative of the performance of the Member's defined Certification Scope.
- The Auditor(s) have acted in a manner deemed ethical, truthful, accurate professional, independent and objective.

*Auditor Signature*

On file

*Code of Practices Certification Scope*

RJC Members must achieve Certification against the Code of Practices within two years of joining the RJC. The Certification Scope must include those Entities, Facilities and Business Activities under the Member's Control that activity contribute to the Diamond, Gold and/or Platinum Group Metals Jewellery supply chain. This includes the following sectors, where applicable:

- Exploration and Mining
- Diamond Trading, Cutting and Polishing
- Precious Metals Refining, Trading and Hedging
- Jewellery Manufacturing and Wholesaling
- Jewellery Retailing
- Service Industries, including grading, assaying, appraising, secure transport providers and others.



BY THE AUTHORITY OF THE COUNCIL

# *Lazare Kaplan International Inc.*

IS A CERTIFIED MEMBER OF THE  
*Responsible Jewellery Council*

CERTIFIED MEMBER: 0000 126  
CERTIFICATION PERIOD: 04 FEBRUARY 2018 - 04 FEBRUARY 2021

Handwritten signature of Wilfried Hoerner in black ink.

WILFRIED HOERNER

*Chairman  
Responsible Jewellery Council*

Handwritten signature of Andrew Bone in black ink.

ANDREW BONE

*Executive Director  
Responsible Jewellery Council*

*Certification Scope:*

*Lazare Kaplan International Inc., New York, USA - Wholesale and trading facility; Lazare Kaplan Belgium, NV Antwerp, Belgium - Wholesale and trading facility; NamGem, Okavangoja, Namibia - Cutting and polishing facility; Lazare Kaplan Japan Inc., Tokyo, Japan - trading facility; Tranquility Services Hong Kong Ltd., Central, Hong Kong - Trading facility.*



**Statement of De Beers Best Practise Principles  
Sightholder Compliance Status**

**Sightholder:** Lazare Kaplan International Inc

**Address:** 19 West 44<sup>th</sup> Street  
16<sup>th</sup> Floor  
New York  
NY 10036  
USA

**Date:** 9 March 2018

The above Group has been actively involved in the De Beers Best Practise Principles (BPP's) since the initial cycle in 2005.

As part of each cycle the Sightholders are required to submit self-assessment workbooks for all owned facilities and for contractors for whom they represent 75% or more of their output.

These workbooks are reviewed by SGS for completeness and evidence is tested in relation to the compliance status declared. Further, a sample of facilities is visited to conduct a full on-site verification.

In the 2017 cycle a sample from the Sightholders submission of self-assessment workbooks was selected for a more in-depth review. In addition, the Group's RJC recertification was due at the end of February 2018 and as a result three onsite visits were undertaken to cover the BPP 3rd party verification and the RJC requirements.

No material breaches, major or minor infringements have been found through these processes and the Group is therefore compliant with the requirements of the BPP and a further three years' certification has been achieved.

A list of active entities in the BPP programme is given on the attached schedule.

Signed:

A handwritten signature in black ink, appearing to read 'Effie Marinos'.

**Effie Marinos**

Consumer and Retail  
Global Technical Governance Manager,  
Supply chain Assessment & Solutions





**SCHEDULE OF ACTIVE ENTITIES FOR BPPS  
LAZARE KAPLAN INTERNATIONAL INC**

Entity Name	City	Country
Bellataire BVBA	Antwerp	BELGIUM
Bellataire Domestic LLC	New York	UNITED STATES
Bellataire Inc.	New York	UNITED STATES
Bellataire International LLC	New York	UNITED STATES
Bellataire LLC	New York	UNITED STATES
Botswana Finance LLC	New York	UNITED STATES
Lazare Kaplan Africa Inc.	New York	UNITED STATES
Lazare Kaplan Belgium NV	Antwerp	BELGIUM
Lazare Kaplan Diamonds (Namibia) (Proprietary) Ltd	Windhoek	NAMIBIA
Lazare Kaplan Europe Inc.	New York	UNITED STATES
Lazare Kaplan Hong Kong	Hong Kong	HONG KONG
Lazare Kaplan International Inc.	New York	UNITED STATES
Lazare Kaplan Japan Inc.	Tokyo	JAPAN
LK Mining (Pty) Ltd	Windhoek	NAMIBIA
LKI Bahamas Ltd.	New York	UNITED STATES
LKI NamGem Holding Limited	HAMILTON	BERMUDA
NamGem Diamond Manufacturing Co. (Pty) Ltd.	Okahandja	NAMIBIA
NamGem Trading (Bermuda) LTD.	HAMILTON	BERMUDA
Pinnacle Ltd.	New York	UNITED STATES
Preferred Diamonds	New York	UNITED STATES
RCS Inc.	New York	UNITED STATES
Tranquility Services Hong Kong Ltd.	Hong Kong	HONG KONG


\*\*\*\*\*END OF REPORT\*\*\*\*\*



Lazare Kaplan International Inc.

# AUDIT WRAP UP

May 31, 2018



The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., Board of Directors and Audit Committee) and, if appropriate, management of the Company and is not intended and should not be used by anyone other than these specified parties.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.





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622 Third Avenue, Suite 3100  
New York, NY 10017

August 28, 2018

Richard A. Berenson, Chairman of the Audit Committee  
Lazare Kaplan International Inc.

Professional standards require us to communicate with you regarding matters related to the audit, that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. We have previously presented an overview of our plan for the audit of the consolidated financial statements of Lazare Kaplan International Inc. (the Company) as of and for the year ended May 31, 2018, including a summary of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the Company's accounting practices and policies, management's judgments and estimates, financial statement disclosures, and other required matters.

We are pleased to be of service to the Company and look forward to discussing with you on August 29, 2018 to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

*BDO USA, LLP*

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BDO is the brand name for the BDO network and for each of the BDO Member Firms.



**COMMITMENT TO COMPLIANCE**

As a member of the JEWELERS VIGILANCE COMMITTEE, we pledge that our company and its employees are committed to full compliance with all of the laws and regulations that pertain to the manufacture, sale, and advertising of jewelry and jewelry products.

We are committed not only to compliance but to making efforts to educate ourselves and our staff in the latest changes in the law and communicating our commitment to compliance in all our transactions with our suppliers and customers.

We make this pledge in the interests of upholding the ethics and integrity of the jewelry industry.

**LAZARE KAPLAN INTERNATIONAL INC**  
MEMBER 2018

*Dan Kaplan*  
SIGNATURE

*January 15, 2018*  
DATE

## MEMBERSHIP REQUIREMENTS

### STANDARDS FOR MEMBERSHIP

As a member of the JVC, you commit to:

- 5.1. make reasonable efforts to educate self and staff about applicable current legal requirements;
- 5.2. comply with all laws and regulations applicable to the jewelry industry;
- 5.3. make accurate representations about the products you buy and sell;
- 5.4. communicate to business partners your commitment to compliance with the law;
- 5.5. resolve all customer complaints promptly and fairly.

### COMPLIANCE PRACTICES

The JVC recommends:

- P. 1. each member organization maintain each of the JVC compliance publications at each of its business locations, readily accessible to all management and sales personnel;
- P. 2. management personnel make reasonable efforts to educate staff using the JVC compliance publications and that each employee has committed to compliance with the law;
- P. 3. each member organization conducts periodic training sessions on compliance requirements pertinent to its business functions and products with emphasis on current or common problems and with regular emphasis on accurate and fair representation and disclosures;
- P. 4. each member organization makes reasonable efforts to remain current on changes in the law that pertain to their business, and make reasonable efforts to ensure that the most current information is communicated to all appropriate staff;
- P. 5. each member organization's commitment to compliance be fully communicated to business partners, with a particular emphasis on requiring a similar declared commitment to compliance.

### AGREEMENT CONCERNING USE OF THE JVC LOGO

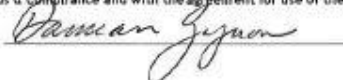
1. We grant you the limited right to use the JVC logo as shown above to indicate your membership in the JVC.
2. You may use the logo only so long as you are in full compliance with the JVC Membership Standards and Compliance Practices ("Standards and Practices") which you sign annually to maintain your JVC membership.
3. The logo may only be used in advertising or on your letterhead. It may be used only in a non-prominent manner compared to other matter in the advertising or letterhead, and set apart from any other trademarks, service marks or other logos used on advertising or letterhead.
4. Your use of the logo must be in a manner so as not to confuse the purchasing public into thinking we sponsor your organization that we endorse or sell your products. All such use will be sent to us for approval before being published. We will also review your use once a year to confirm that it is in conformity with this agreement.
5. You agree to immediately cease all use of the logo if we instruct you to do so because of objectionable use or non-compliance by you with the Standards and Practices.
6. The logo may only be used exactly as set forth herein.
7. You agree to indemnify and hold JVC harmless from all claims, suits, damages, demands, monies, attorney's fees and similar subject matter including but not limited to product liability matters.
8. You shall have no right or license in the logo except as explicitly stated herein.
9. We shall have the right to sue infringers of the logo and at our option to assume all defense costs if you are sued for infringement of the logo.
10. We make no warranties or representations with respect to the logo or your use thereof.
11. This agreement is to be construed in the state of New York in accordance with New York state law and represents the complete understanding of the parties concerning the subject matter hereof.

### MEMBERSHIP PLEDGE

I have read this membership document carefully. To accept membership in the JVC, I have signed below where indicated. By this signature, I accept these legal standards and practices and pledge to implement them in my business life.

I affirm to comply with the JVC membership Standards & Compliance and with the agreement for use of the JVC Logo

Authorized Signature: \_\_\_\_\_



Our Sites



[\(https://www.star2.com/\)](https://www.star2.com/)



Laura Chow, Charles C. Rosario, and Stephen Choong together with the models.

## A night of appreciation for loyal customers of Lazare Diamonds and DeGem

📅 DECEMBER 18, 2018

👉 LIFE INSPIRED ([HTTPS://WWW.STAR2.COM/LIFE-INSPIRED/](https://www.star2.com/life-inspired/)), STYLE ([HTTPS://WWW.STAR2.COM/STYLE/](https://www.star2.com/style/)), WOMEN ([HTTPS://WWW.STAR2.COM/STYLE/WOMEN/](https://www.star2.com/style/women/))

BY NASA MARIA ENTABAN

Lazare Diamonds and DeGem hosted a gala dinner in appreciation of its loyal patrons, at the Sentral Ballroom, Hilton Kuala Lumpur.

<https://www.star2.com/style/2018/12/18/lazare-diamonds-degem-appreciation-night/>

12/18/2018



Offering a special tribute to the "Women of Lazare", the event was attended by over 80 guests, most of whom have been loyal patrons of Lazare Diamonds in Malaysia for over 10 years.

Gracing the event with their presence were Lazare Kaplan International, New York senior vice president Charles C. Rosario and Lazare Kaplan, Hong Kong regional director and vice president Laura Chow.

During the jewellery showcase, guests feasted their eyes on the latest Lazare signature collections showcased by the models.

In conjunction with Lazare's "Wing of Hope" CSR Campaign in support of Breast Cancer Foundation Malaysia, Puan Seri Datuk Azrene Abdullah, executive chairman of the foundation, thanked both Lazare Kaplan and DeGem for collaborating together to raise funds for the set-up of the foundation's research centre in 2019.

DeGem pledges to donate RM50 to the Breast Cancer Foundation for every RM5,000 purchase of Lazare Diamonds in all its boutiques nationwide until Dec 31, 2018.



Datin Wan Mahani, Datin Ana,  
Datin Norly Aziz and Aziz from  
DeGem

DeGem Senior Marketing Manager,  
Leow Mei Fuji with Puan Sri Datuk  
Azrene Abdullah and Puan Azuwa  
Abdullah,

June Chin, Ruth Leong and Joanne  
Wong

TAGS [DEGEM \(HTTPS://WWW.STAR2.COM/TAG/DEGEM/\)](https://www.star2.com/tag/degem/)

[LAZARE DIAMOND \(HTTPS://WWW.STAR2.COM/TAG/LAZARE-DIAMOND/\)](https://www.star2.com/tag/lazare-diamond/)



You know your diamond's future,  
now discover its highly respected origin.



**OUR VALUES**

LAZARE Jewel International Inc. (LJI) believes in a personal relationship with the highest quality diamonds of the world. It is the company's core values that drive its commitment to its customers, its employees and the world. It is a commitment to excellence, quality, integrity, innovation, and respect for the environment. It is a commitment to the highest standards of ethical practices in the world.

**OUR ENVIRONMENTAL RESPONSIBILITY**

- Reduce, Reuse and Recycle: LJI is committed to reducing its carbon footprint.
- Energy Efficiency: LJI is committed to reducing its energy consumption.
- Water Conservation: LJI is committed to reducing its water consumption.
- Waste Management: LJI is committed to reducing its waste.

**OUR PEOPLE**

LAZARE Jewel International Inc. (LJI) is committed to providing a safe and healthy work environment for its employees. LJI is committed to providing a safe and healthy work environment for its employees. LJI is committed to providing a safe and healthy work environment for its employees.

**ETHICAL RESPONSIBILITY**  
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**OUR LEADERSHIP & LAZARE'S LONG TERM OBJECTIVE**

As a member of the global diamond industry, LJI is committed to providing a safe and healthy work environment for its employees. LJI is committed to providing a safe and healthy work environment for its employees.

LJI was the first U.S. company specializing in diamond manufacturing to become a publicly traded corporation, subject to full oversight by U.S. regulators.

LJI is a founding member of the RJC's (Responsible Jewellery Council) and is committed to providing a safe and healthy work environment for its employees.

LJI has been a leading sponsor of the Africa America Institute (AAI) and has provided grants to support education and training for African students in the United States.

LJI's goal is to use its resources to promote transparency, fair dealing, and disclosure throughout the diamond and gemstone jewelry supply chain.

**LAZARE GIVES BACK**

**Lazare Ongema Initiative—"Ongema"** is a Namibian word meaning "to drum that is used to make sound". The Lazare Ongema Initiative was designed to make sound — to raise awareness for a number of important causes we support in Namibia—one of the world's largest gem diamond producing nations. The The Rose Primary School in Otjandja, Namibia was the beneficiary of one of our most recent efforts. Cash donations are made to the Ongema Initiative in the name of the LJI's Associate from Lazare's retail partners for every Lazare diamond sold.

**A "FOR CHARITABLE CAUSES"**

LJI FREQUENTLY SUPPORTS THESE ORGANIZATIONS DEDICATED TO AFRICAN DEVELOPMENT:

**ARCHBISHOP HOOPER FOUNDATION**  
Scholarships for underprivileged students

**LADY DIANA CHARITY FUND**  
Proceeds are donated to deserving charities and charitable projects

**BAYLOR FOUNDATION**  
Scholarships for underprivileged students

**LJI FOUNDATION**  
Scholarships for deserving students at the University of Namibia

**DORIS WILSON**  
A school was established to provide the culture, traditions and language of the Herero people

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