

# LAZARE KAPLAN INTERNATIONAL INC.

## **Annual Communication**

Lazare Kaplan International Inc. (“LKI”) fully supports the Responsible Jewellery Council’s Code of Practices in support of a responsible world-wide supply chain that promotes trust in the global jewelry and watch industry.

To that end, LKI performs ongoing reviews of its policies, associations and opportunities in order to promote sustainability in the Industry. LKI has a long history of supporting Corporate Social Responsibility and continues to do so through membership associations, including the Council for Responsible Jewelry and 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;. LKI’s commitment in this area is further detailed and can be found in the “Lazare Cares” section of this website.

The Company has established employment practices and policies that support our commitment to respect the dignity and human rights of all people. We also expect our business partners to respect and uphold our commitment to human rights. We have established mechanisms for employees, suppliers and other third parties to report suspected human rights violations within our operations and those of our business partners.

## **Report on supply chain due diligence**

The Company has adopted the Organization for Economic Co-operation and Development (OECD) framework as a management process for risk-based due diligence for responsible supply chains of minerals from conflict-affected and high-risk areas. Its objective is to help companies respect human rights and avoid contributing to conflict through their sourcing practices.

The framework includes the establishment of a public supply chain policy that supports due diligence and transparency, increases supplier engagement and encourages risk-awareness with grievance reporting mechanisms.

The Company made a risk based assessment of suppliers which included a review of Know Your Counterparty standards, formal and informal inquiries to assess known operating locations, relevant certifications, associations and memberships, and Anti-Money Laundering criteria.

The Company has historically and prospectively taken a zero tolerance policy as relates to conflict affected areas and disengages with stakeholders where a reasonable risk of direct or indirect support of conflict and human rights violations exists. The Company did not identify any issues in the supply chain that required disengagement with a stakeholder and there have been no grievances reported.

Signed: *Leon Tempelsman*  
**Leon Tempelsman**  
**President and CEO**  
**Lazare Kaplan International Inc.**

**Dated: May 12, 2021**