

# LAZARE KAPLAN INTERNATIONAL INC.

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To: Greg Regaignon  
Business & Human Rights Resource Centre

From: Damian L. Gagnon  
Lazare Kaplan International Inc. (LKI)

Re: Response to Raphael Marques' Report

Date: 12 September 2006

LKI operates in the Angolan artisanal diamond sector under a four year Technical Cooperation Agreement with SODIAM (Sociedade de Comercializacao de Diamantes de Angola, SARL, the Angolan government entity responsible for the marketing of diamonds produced in Angola) that was signed in April 2004. LKI's mission is skills transfer and training in valuation, purchasing and marketing to help create the conditions for Angolan alluvial diamond miners to sell their production at full world market prices. LKI, as a matter of necessity, uses the services of a local professional security company, under contract to SODIAM, only to protect its personnel and assets. The security personnel assigned to LKI are based at specific physical premises and have only limited contact with the public. LKI is unaware of any problems, or even claims of problems, at these premises.

The company stands behind its record of successful implementation of this contract, which is fully compliant with all local and applicable international laws and standards, including the Kimberley Process. LKI believes it is unique among companies operating in Angola in having appointed a full-time compliance officer locally whose job it is to ensure that these standards are continuously adhered to.

LKI views its major contribution to the project with USAID and FAS (Fundo de Apoio Social) to promote development and reconstruction in Lunda Norte Province -- a project that will be administered locally by CARE -- as an example of the type of constructive engagement between the private sector, local communities, and the NGO community, that Angola's many challenges call for (certainly not as "window dressing" or worse as Mr. Marques would have your readers believe), and we invite any organizations ready to contribute resources or expertise to participate in this pioneering initiative.

LKI is unaware of any attempt by Mr. Marques to contact us to discuss his allegations before publication of his report.

