

JEWELRY

## DPA research aims to clear up diamond misconceptions

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*DPA is making a transparent move with research. Image courtesy of DPA*

By SARAH JONES

As consumers seek out more transparency in the brands they do business with, the Diamond Producers Association is looking to shed light on the positive effects of mining with a research project.

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DPA tapped Trucost to conduct an independent study that looks at the socio-economic and environmental impact of diamond production, which is accessible to consumers via a dedicated Instagram account and Web site. The trade organization's Total Clarity Report values DPA's net impact as \$16 billion, an amount that reflects the employment, community and ecological benefits of mining.

"Consumers are more socially-conscious and value-driven than ever before," said Kristina Buckley Kayel, managing director of North America for [Diamond Producers Association](#), New York. "They not only want to know the origins of their products, but they also seek to understand the impacts their purchases have on people, local communities and the environment.

"We want consumers to have access to this information, which is why the Diamond Producers Association was created in 2015 to increase public education about the reality of modern diamond mining and to encourage collaboration across the seven leading diamond producers – representing 75 percent of the world's diamond production – on best-in-class ethical and sustainable business operations.

"In order for the modern diamond mining industry to evolve transparently, it's critical we understand, and more importantly measure, the effects our industry has on the world. This allows DPA members to discover areas of improvements they must continue to build on. By outlining this information in public-facing reports, DPA members will be able to use this data as a benchmark to track progress over time."

### Diamond impact

DPA represents the seven leading diamond companies, including De Beers Group and Alrosa, which account for about three-quarters of total diamond production.

These companies collectively employ about 77,000 people, many of whom are locals in remote areas. DPA's

members are also said to focus on long-term relationships with communities, looking to grow their local workforce through career development and apprenticeships.

[View this post on Instagram](#)

The Diamond Producers Association (DPA) member companies employ over 77K employees worldwide. | Learn more about the impact of modern diamond mining by reading the Total Clarity Report (link in bio)

A post shared by Total Clarity (@totalclaritydiamonds) on Ma...

### *DPA's Total Clarity Instagram account*

For instance, Petra Diamond's Koffiefontein mine in South Africa has a program that trains employees in skills that go beyond their current role to help them advance or take on new opportunities.

DPA also works to advance a diverse workforce, with women often taking on roles traditionally held by men. In South Africa, De Beers Group's mines have a workforce that is 84 percent local, with many of the employees coming from groups that were historically disadvantaged.

Trucost also calculated that DPA's companies pay 66 percent more than the national average.

While there can be dangers with mining, DPA reports that it averages one injury for every 400,000 hours worked, compared to about six for retail and almost 18 in construction. The organization notes that there is still room for improvement, having had nine fatalities in 2016 due to accidents.

Trucost found that 60 percent of all of the benefits of mining goes back into the communities where DPA companies operate, as firms make investments in local businesses or back efforts to improve sports arenas or playgrounds.

Mining also supports local businesses through purchases, such as meals for employees or supplies.

DPA's members together spent \$3 billion in 2016 working on projects such as infrastructure and schools. For instance, in Botswana the companies support schools that educate about 452,000 students.

The firms also offer communities better access to healthcare, often through hospitals that they build.

Mining often revolves around long-term partnerships. For instance, De Beers is working to extend the life of one of the world's most valuable diamond mines, as part of its joint venture with the Government of the Republic of

Botswana ([see story](#)).



*De Beers group is part of the Debswana venture. Image credit: Debswana*

As natural diamonds face a threat from lab-grown stones, DPA points out that the manufacturing process for created diamonds emits three times the amount of greenhouse gas than mined diamonds.

Ninety-nine percent of the waste from diamond mining is rock, which is left on-site as part of the landscape.

While DPA members use about 325 square miles of land, they protect areas that together amount to more than 1,000 square miles. This land is conserved, with miners working to protect wildlife and plants.

"Perceptions about diamond mining revolve around outdated dramatizations and stereotypes on how the mine operates and how it specifically impacts its employees," Ms. Buckley Kayel said. "Our hope with this report, with data collected by Trucost ESG Analysis, an independent research company that is part of S&P Global, is to shed light on the realities of the industry today.

"DPA members are transforming local communities, infusing \$6.8 billion in benefits into communities through the purchase of local goods and services and \$3.9 billion in positive benefits through employment and social programs, such as health and education," she said. "Our members are also strongly committed to workplace safety, and the average DPA member employee and contractor are paid 66 percent more than the national average salaries in his or her country, as the result of being highly trained and skilled.

"However, we recognize there is still work to be done. This report demonstrates the evolution and transformation of our industry over the past 15 years, and more importantly, provides a baseline for DPA members to continue to build on this progress."

## Transparency

Countering consumers' worries about the origins of their diamonds, DPA's De Beers and Alrosa are using blockchain technology.

Both companies are piloting blockchain tools and plan to launch a diamond traceability platform to assign each jewel a unique Global Diamond ID that notes its carat, clarity and color. Through Tracr, they will be able to track diamonds from the mine to the retailer ([see story](#)).

Natural diamond companies are facing a threat from man-made stones.

Mined diamonds are facing increasing competition, as two-thirds of millennials who are shopping for an engagement ring are considering lab-grown stones.

While only 9 percent of consumers knew about lab-grown diamonds in 2010, today more than half of shoppers are aware of these alternatives. According to a report the International Grown Diamond Association commissioned from MVI Marketing, about a quarter of millennials are planning to buy lab-grown stones, looking to get more bang for their buck ([see story](#)).

Along with cost, many are looking into synthetic stones due to the ability to know the provenance of a diamond.

Through more transparency, DPA looks to assuage concerns about the sustainability of its own stones.

"Because this report can help consumers make responsible purchase decisions when it comes to diamonds, we've created the Total Clarity platform to bring these findings to life through infographics, videos, imagery, case studies and personal stories," Ms. Buckley Kayel said. "We believe this can serve as a reliable source of information on the

socioeconomic and environmental impacts of the diamond industry for consumers."

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