

First-Ever Comprehensive Report on the Reality of Modern Diamond Mining Reveals its Impact on Local Communities, Challenges Stereotypes and Identifies Areas for Further Improvement

Trucost ESG Analysis, part of S&P Global, finds the world's large-scale diamond producers infuse billions of dollars in benefits into communities, provide higher than national average wages and are working to minimize environmental impact

NEW YORK (May 2, 2019)—The Diamond Producers Association (DPA), a global alliance of the leading diamond mining companies, which represents 75% of the world's diamond production, today released its first independent research report on Members' impact on local communities, employees and the environment. The report, authored by Trucost and titled ***The Socioeconomic and Environmental Impact of Large-Scale Diamond Mining***, is the world's first comprehensive analysis of the contributions of DPA Members, examining socioeconomic and environmental benefits and impacts.

Data from Trucost ESG Analysis, part of S&P Global, reveals that DPA Members generate more than US\$16 billion in net socioeconomic and environmental benefits through their diamond mining operations. The report finds that the vast majority of these benefits are infused into communities through local employment, sourcing of goods and services, taxes and royalties, social programs and infrastructure investment. The report also uncovers that DPA Members pay employees and contractors on average 66% above national average salaries and that companies focus extensively on employee training to ensure a highly-skilled workforce.

The report from Trucost also creates a baseline from which DPA Members will further build to demonstrate progress toward their emission reduction goals. Collectively, Members emitted the equivalent of 160 kg of carbon dioxide per polished carat produced. This is equivalent to the amount of carbon dioxide generated by driving 390 miles (628 kilometers) in an average passenger vehicle. Each Member has set goals to reduce these emissions, which constitute the majority of diamond mining's environmental footprint.

Despite significant progress toward responsible and transparent practices over the past 15 years, the current reality of the diamond mining sector remains largely unknown. This report provides access into a highly scrutinized, yet largely misunderstood sector.

"This report marks an industry first. Diamond producing companies representing three quarters of the world's production have come together to provide a window into the impacts and benefits of their activities on the communities and environments of the countries and regions in which they operate," said **Jean-Marc Lieberherr, Diamond Producers Association CEO**. "This independent research report breaks outdated stereotypes and misconceptions and identifies the next set of challenges that must be met to continue to evolve and improve as an industry. It also provides a baseline for industry participants and observers to track future progress."

The world's leading diamond producers are comprised of seven companies – ALROSA, De Beers Group, Dominion Diamond Mines, Lucara Diamond Corp., Murowa Diamonds, Petra Diamonds and Rio Tinto – and employ more than 77,000 individuals globally. DPA Members operate diamond mines in the following countries: Botswana, Russia, Canada, Namibia, South Africa, Lesotho, Australia, Zimbabwe and Tanzania.

"This report marks the first time Trucost has seen an industry come together to measure its environmental, social and economic benefits and impacts," said **Libby Bernick, Managing Director and Global Head of Trucost Corporate Business**. "This data provides a baseline for future progress on issues, including environmental impact. We are very excited to work with the Diamond Producers Association and its Member companies to release this research on the total value of their benefits and impacts, promoting greater transparency on environmental and social performance to the capital markets."

Trucost measured the total benefits and impacts of the diamond mining activities of the DPA Members across 21 key socioeconomic and environmental indicators based on data collected for over 150 different metrics from DPA sites representing 70% of the DPA Member's total rough diamond production. These data were verified by Trucost and then analyzed using Trucost's proprietary natural and social capital quantification and valuation methodologies, which have been employed in more than 100 studies over the past 15 years. More information on Trucost's methodologies can be found on the Trucost website.

The report's findings include:

Our People

DPA Members offer high-paying jobs, excellent job training and a safe work environment. DPA Members employ people from local communities and provide high-quality employment opportunities that often become long-term careers.

Key Findings:

- Salaries and wages paid by DPA Members created US\$3.9 billion in direct and indirect benefits.
- DPA Members employ 77,000 people in their operations worldwide. This is comparable to Fortune 500 companies such as The Coca-Cola Company, Hewlett Packard Enterprise, Alphabet, Nordstrom and Nike Inc.
- DPA Members' employees and contractors are highly trained; the average DPA Member employee or contractor is paid 66% more than the national average salary and receives nearly five times the living wage in his/her country.

All Members have made a commitment to zero harm in the workplace. The report shows that safety incidents at Member companies are a fraction of those observed in similar sectors. For example, on average there are 17x more lost time injuries in the construction industry than in DPA diamond mining.

Our Communities

Beyond employment, the diamond mining industry makes a vital contribution to the socioeconomic development of diamond producing countries and communities that goes beyond employment. Members purchase the bulk of the goods and services needed for their operations from local businesses, creating a significant, lasting impact on local economies. Moreover, they pay a large share of their revenues to diamond mining countries in the form of taxes, royalties and dividends. Entire countries, such as Botswana, have been transformed by diamond revenues over the past 50 years.

Key Findings:

- 60% of the total benefits from DPA Members are infused into local communities through sourcing of goods and services, taxes and royalties, social programs and infrastructure investment.
- DPA Members infused US\$6.8 billion in benefits into local communities through the purchase of local goods and services.
- Local communities receive US\$3.9 billion in positive benefits through employment and social programs (US\$292 million), such as health and education.
- DPA Members provided US\$3 billion in tax revenue, royalties and dividends which, in turn, fund local infrastructure and other civic improvements.
- Modern diamond mining is a long-term investment, and Members actively build long-term partnerships with the communities in which they work.

Our Environment

DPA and its Members recognize that environmental stewardship is one of the main obligations of the diamond mining industry, and every DPA Member works in close collaboration with local governments and communities to control their environmental impact. Today, controlling and continuing to reduce its environmental footprint is a clear priority for diamond mining companies. DPA Member companies are tackling this challenge through a range of initiatives, including increased access to renewable energies, energy reduction initiatives and carbon capture research programs.

Key Findings:

- The largest source of DPA Members' environmental footprint is its CO₂e emissions: 160 kg of CO₂e per polished carat.
 - The estimated CO₂e associated with energy use in laboratory-created diamond production is nearly three times greater than diamonds produced by DPA members in 2016.
- DPA Members collectively protected more than 260,000 hectares (1,000 square miles) of natural land in Russia, Botswana, South Africa, Tanzania, Australia and Canada. Members protect three times the land they use for mining globally.
- The environmental cost of producing a diamond is 37% of a single one-way airline ticket from New York City to Los Angeles.
- DPA Members currently implement long-term biodiversity conservation programs.

Each DPA Member produces sustainability reports, available on DPA's website, to measure and analyze initiatives and progress.

Commitments

The Diamond Producers Association has organized active collaboration and sharing of best practices amongst the Member companies around two absolute priority areas: energy conservation and CO₂e emissions, and employee health and safety. Moving forward, DPA will report on ongoing sustainability progress to share individual and collective progress made by DPA Members toward these objectives and, in general, toward achieving United Nations Sustainable Development Goals.

DPA Total Clarity Platform

Building on the Trucost report, DPA is launching its **Total Clarity** platform, designed as a transparent and reliable source of information on the socioeconomic and environmental impact of the diamond industry. Its first report can be accessed on www.Total-Clarity.com or via Instagram [@TotalClarityDiamonds](https://www.instagram.com/TotalClarityDiamonds). It builds on the Trucost findings to bring to life the reality of large-scale diamond mining through hard data and illustrated case studies.

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***[The Diamond Producers Association \(DPA\)](#)** is a global alliance of the world's leading diamond producing companies, united in their commitment to best-in-class ethical and sustainable operations and business practices. Together, DPA Members represent the majority of the world's diamond production.*