

A Survey on the Awareness of
Japanese Consumers and
Diamond Retail Companies
on the Issues of Diamonds

October 2018
Diamonds for Peace

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Acknowledgement

The Survey team would like to express its sincere gratitude to everyone involved in the survey especially to those who answered the questionnaires, namely, from diamond retail companies staff and shops, consumers in Japan, and university students in Japan.

Inquiries

Please email questions to info@diamondsforpeace.org

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The Purpose of the Survey

Diamonds for Peace is a not for profit organization based in Japan working towards a world in which diamonds are mined, cut and processed with humanitarian and environmental considerations.

We conducted this survey to discover the level of understanding of the issues surrounding diamond mining by Japanese consumers and diamond retail companies. Our goal is to use the information collected to improve the awareness raising activities we implement.

Diamonds for Peace will conduct this kind of informational survey periodically to observe the level of the awareness by consumers and companies/brands in the diamond industry.

Methodology

We conducted this survey by several methods described below.

1. The consumer survey:

We conducted the questionnaire survey through an online research company.

2. The survey targeting diamond retail companies:

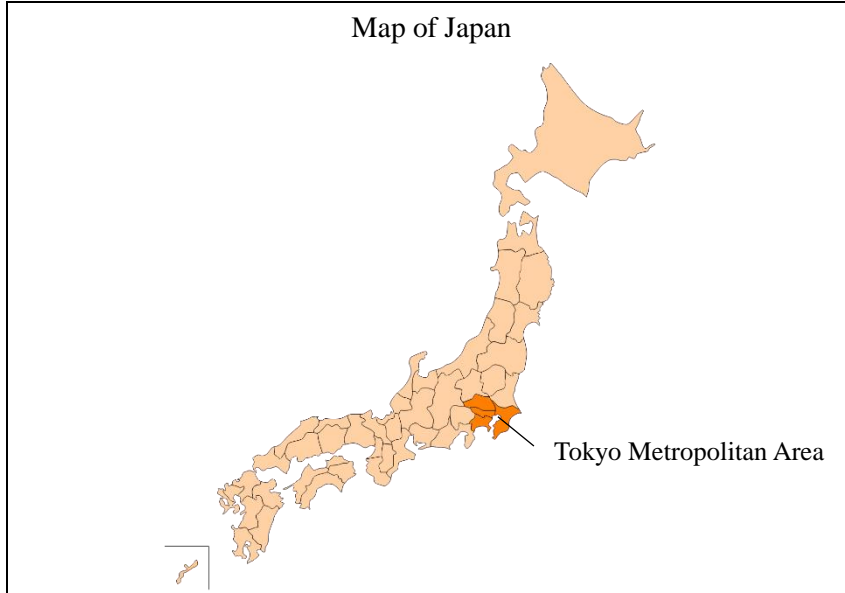
- 1) Questionnaire survey; and
- 2) Mystery shopping survey at the diamond jewelry shops

Please refer to the chapters with results where methodologies are also explained in detail.

1. Consumer Survey Results:

1.1 Target Population

The respondents are in the age group of 20-69 years old, 558 residents in Tokyo metropolitan area (Tokyo, Chiba, Saitama, and Kanagawa prefectures) and 544 residents outside of Tokyo metropolitan area.



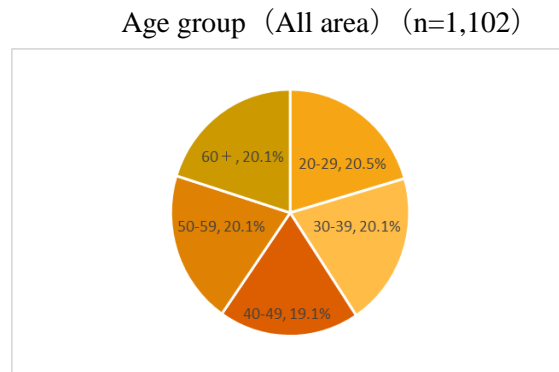
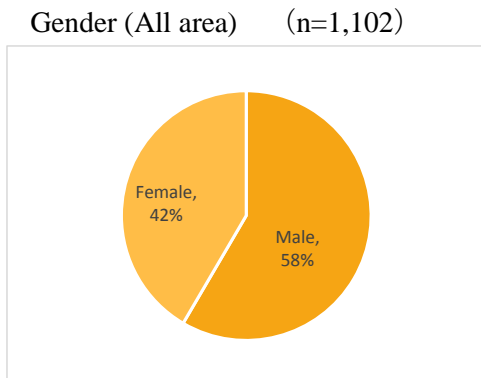
1.2 Survey Methodology

The anonymous self-administered questionnaire survey was conducted from November 22nd, 2017 through November 29th, 2017 by an online research company.

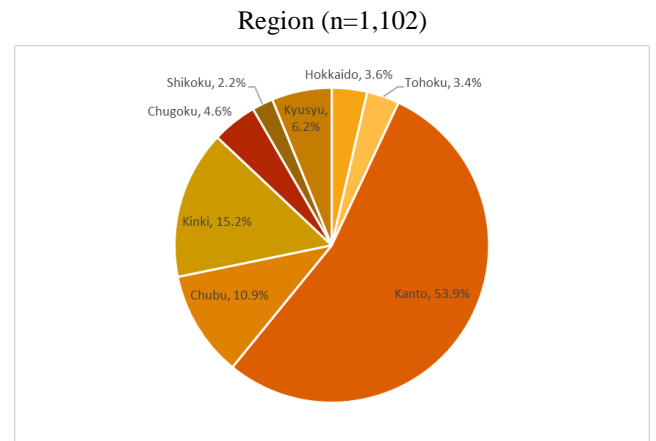
1.3 Socio-demographic Characteristics

58% of the respondents are male and 42% of them are female.

The survey was conducted to distribute the age group of the respondents equally, 21% of them are in their 20s, 20% of them are in their 30s, 19% of them are in their 40s, 20% of them are in their 50s, and 20% of them are in their 60s.

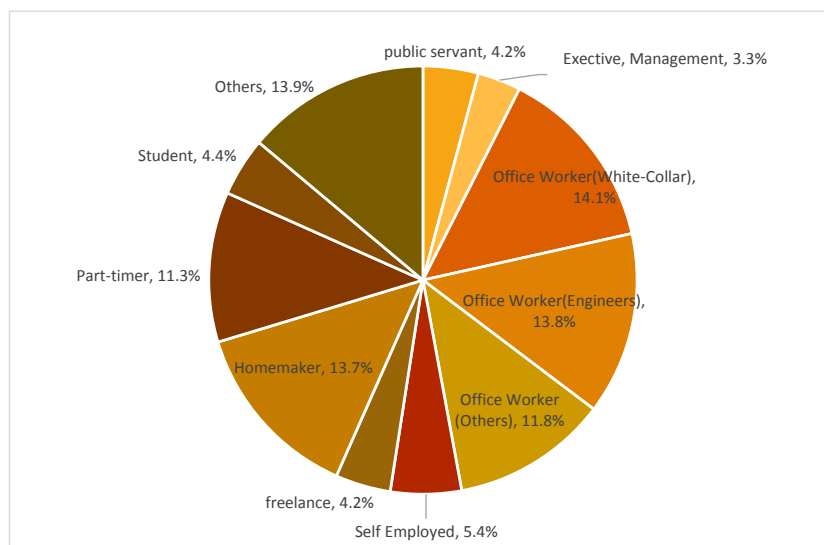


Half of the respondents are the residents of Kanto¹ region as the survey was set to obtain half responses from the residents of Tokyo metropolitan area (Tokyo, Chiba, Saitama, and Kanagawa) and another half from the residents outside of Tokyo metropolitan area (other prefectures mentioned above). The second largest group of respondents is about 15% from Kinki² region, and the third largest group is about 11% from Chubu³ region.



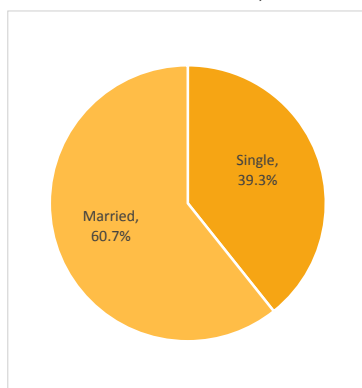
Approximately 40 % of the respondents are office workers, (combined 14% of white-collar, 14% of engineering, and others). 14% of them are homemakers, others (14%) and part-timers (11%).

Occupation (n=1,102)

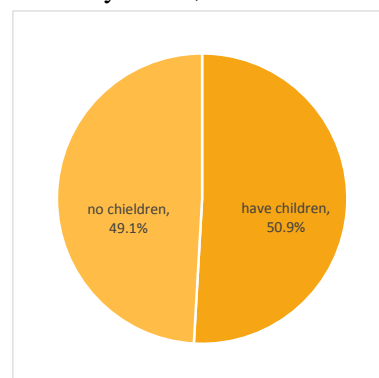


Approximately 60% of the respondents are married and 40% are single. Half of them have a child/children.

Married (n=1,102)



Family (n=1,102)



¹ Kanto region consists of Tokyo, Chiba, Saitama, Kanagawa, Ibaraki, Gunma, and Tochigi prefectures.

² Kinki region consists of Osaka, Kyoto, Hyogo, Nara, Wakayama, Mie, and Shiga prefectures.

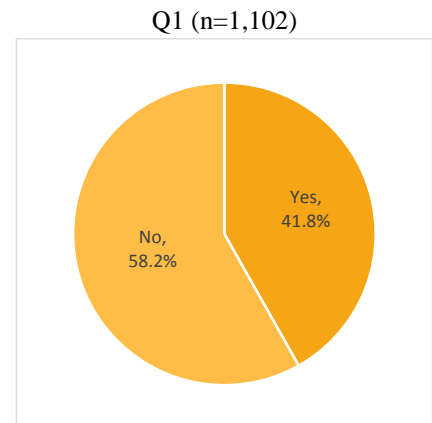
³ Chubu region consists of Aichi, Nagano, Yamanashi, Niigata, Toyama, Ishikawa, Fukui, Shizuoka and Gifu prefectures.

1.4 Results:

There was no significant difference between the answers from people in the Tokyo metropolitan area and those from other areas, therefore the answers are combined in the data shown below.

Q1 : Do you think there are any humanitarian or environmental issues with diamonds?

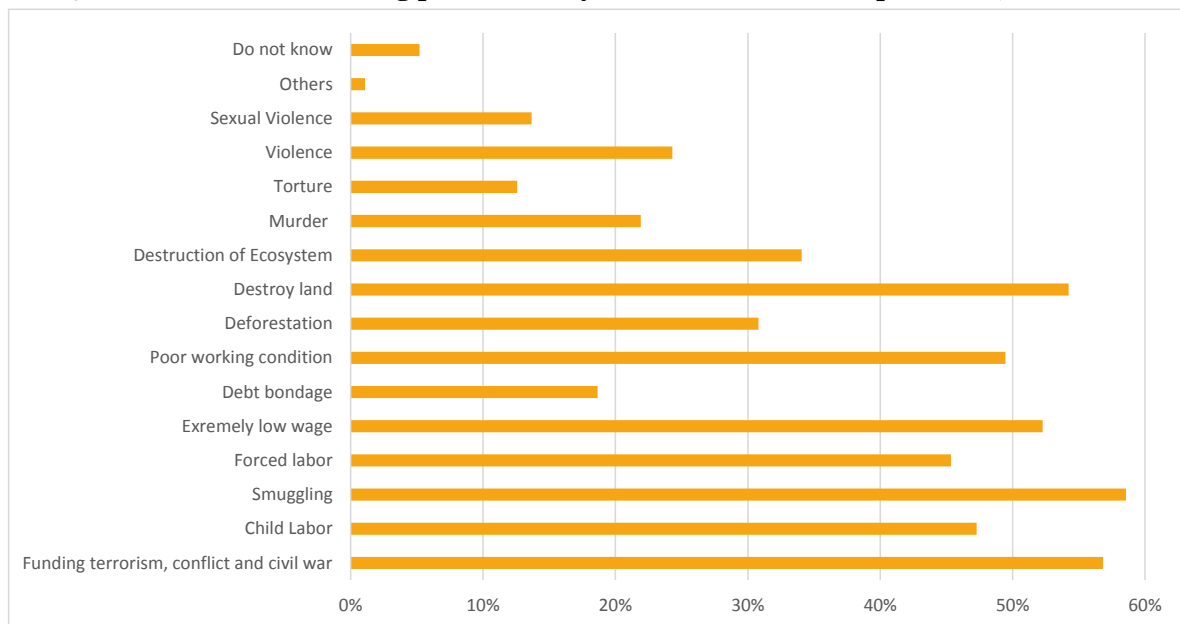
41.8% of the respondents believe there are some issues with diamonds and 58.2% think there are no issues.



Among the respondents who answered yes in Q1, almost 60% of them think those issues are “Funding terrorism, conflict and civil war” and “Smuggling”, 56.8% and 58.6% respectively, followed by “Destroy land (54.2%), and “Extremely low wage” (52.3%), both of them are over 50%. (multiple answers allowed.)

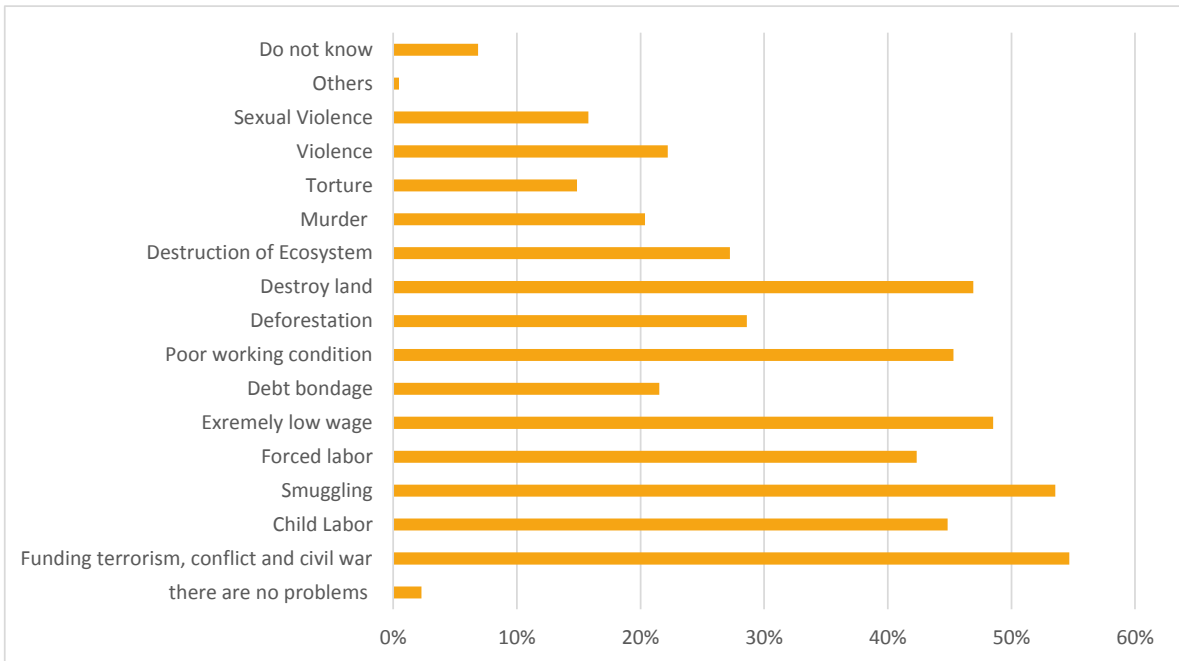
If “Yes” on Q1

→Q2 : Which of the following problems do you think exist? (multiple choice, n=461)



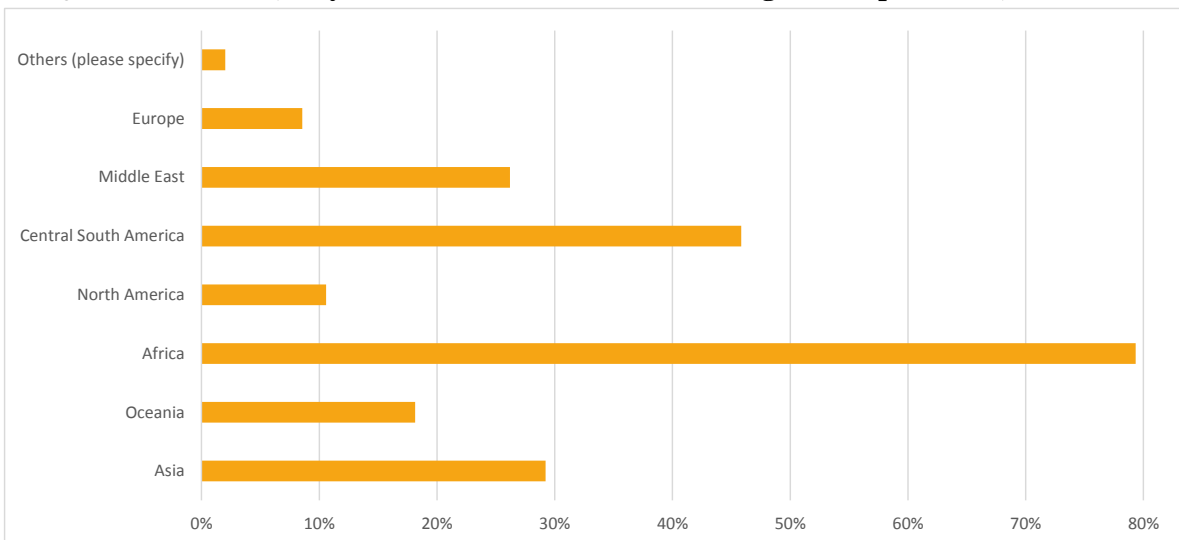
Following Q1, to the respondents who responded that there are humanitarian or environmental issues with diamonds, we asked which problems they think are occurring **now**. 54.7% of them selected “Funding terrorism, conflict and civil war”, 53.5% for “Smuggling”, followed by “Extremely low wage” (48.5%), “Destroy land” (46.9%) “Poor working condition” (45.3%), “Child labor” (44.9%), and “Forced labor” (42.3%).

If “Yes” to Q1,
 →Q3: Which of the following problems do you think it is occurring now.
 (multiple choice, n=437)



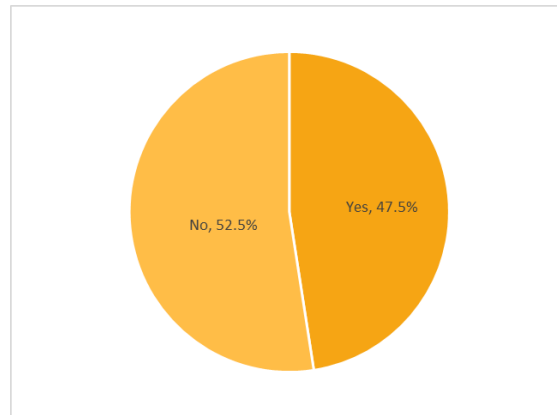
The respondents answered that humanitarian or environmental problems with diamonds are occurring in Africa (79.3%), followed by South and Central America (45.2%), Asia (29.2%) and Middle East (26.2%).

If “Yes” to Q1,
 →Q4: In which area, do you think these issues are occurring? (Multiple choice, n=397)



We asked if the respondents have ever purchased any diamonds. 47.5% of the respondents answered “yes” and 52.5% answered “no.”

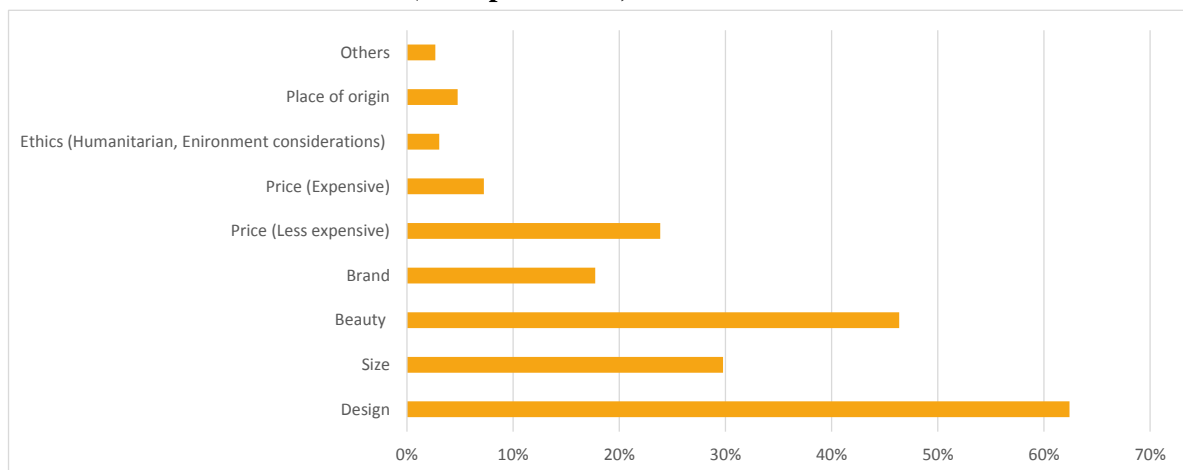
Q5: Have you every purchased any diamonds? (n=1,102)



The respondents who have purchased some diamonds made their decision based on its “design” (62.4%). 46.4% of them made a decision based on the “beauty of diamond”, followed by its “size” (29.8%), “price” (23.9%). On the other hand, only 3.1% looked for Humanitarian, Environment considerations and only 4.8% questioned the “place of origin”. Others answered that they purchased diamonds because “it was within budget”, “watching TV commercials”, “recommended by a dealer”, or “did not know the detail, but as an engagement ring”.

If “Yes” to Q5,

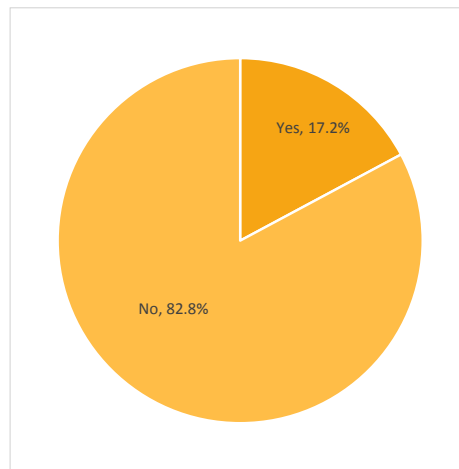
**→Q6: What features did you look for when you purchased diamonds?
(Multiple Choice, n=524)**



82.8% of the respondents did not ask the salesperson at the store about the origin of the diamond or any humanitarian and environmental issues in the mining process when they purchased the diamond. Only 17.2 % did.

If “Yes” to Q5,

→Q7: Did you ask a clerk about the origin of a diamond or any humanitarian and environmental issues in the mining process when you purchased the diamond? (n=524)

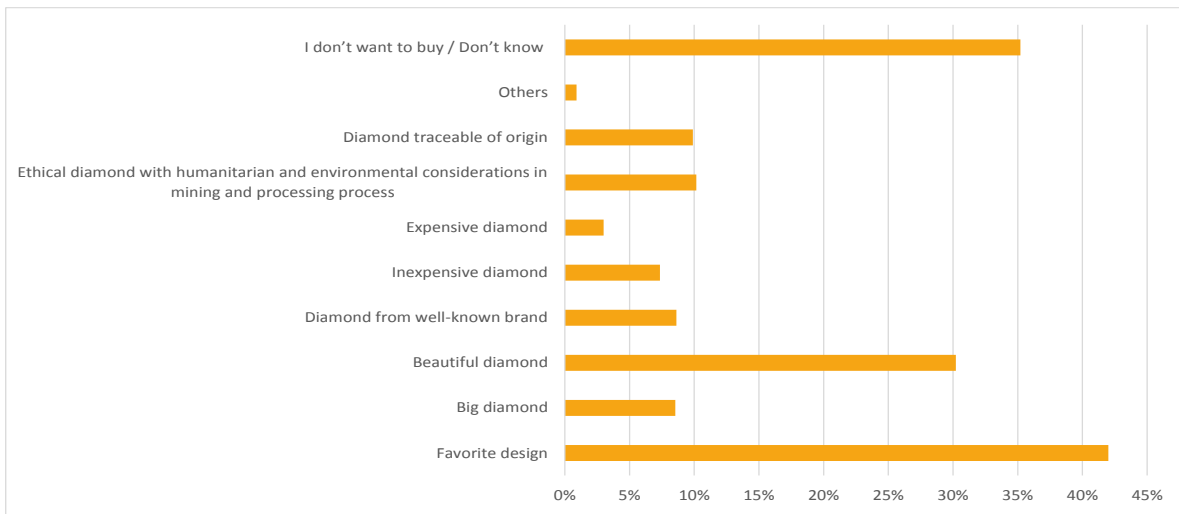


We asked 29 respondents who answered “Yes” to Q7 what they asked the salesperson and what answers they received.

- “I asked about the place of the origin and diamond mine.”
- “I asked about the working conditions at the place of the origin, however, I could not get detailed answer.”
- “I asked how a diamond was produced, they answered that it was mined and processed locally.”
- “I asked if it is illegally traded, and they said “No” and showed me a certificate”.
- “I asked why exploitation happens, but the answer was “I don’t know”.
- “How was it produced”
- “Background of the product”
- “They (clerks at the shop) said HIV is scary.”
- “There is no ethical issue.”
- “I don’t remember what I asked”

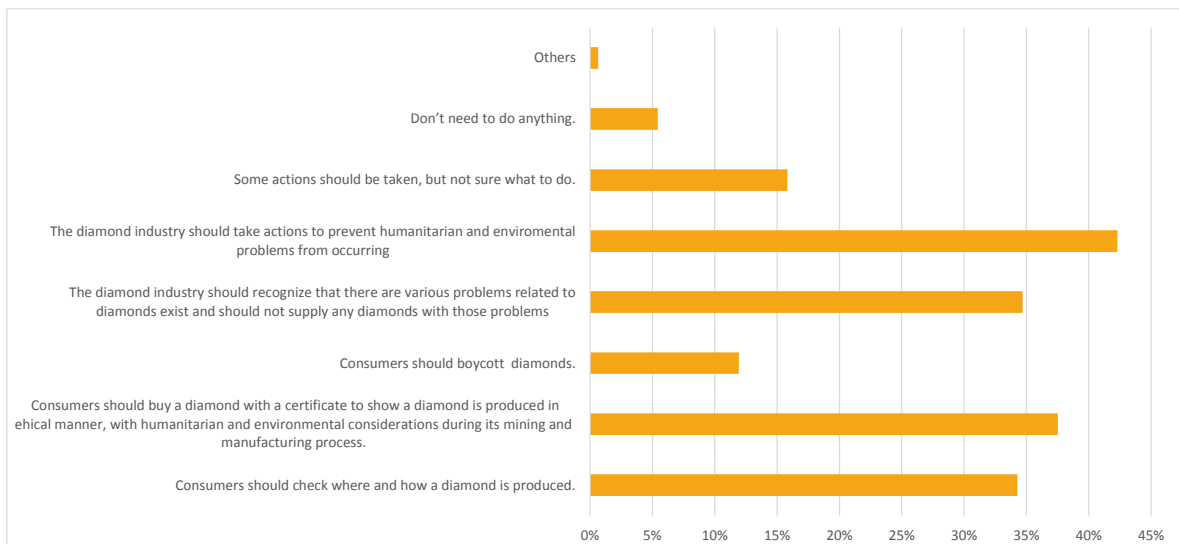
We asked what kind of diamond they would buy if they bought a diamond, 42% of them answered “favorite design. On the other hand, 35.2% of respondents answered “don’t want to buy / don’t know.” 30.2% of them said “beautiful diamond”, followed by “Ethical diamond with humanitarian and environmental considerations in mining and processing process” (10.2%), and “Diamond traceable of origin” (9.9%). “Others” said “raw stone”, “high quality diamond” “diamond within my budget” and “diamond for investment.”

Q9: If you buy a diamond, what kind of diamond would you buy?
(Multiple Choice, n=1,102)



We asked what do you think we should do about the issues that were pointed out in Q.2 or Q3 ? 42.3% of the respondents answered the diamond industry should take actions so that humanitarian and environmental problems will not occur, 37.5% of the respondents think “Consumers should buy a diamond with a certificate to show a diamond is produced in ethical manner, with humanitarian and environmental considerations during its mining and manufacturing process, followed by “The diamond industry should recognize that there are various problems related to diamonds exist and should not supply any diamonds with those problems” (34.7%) and “Consumers should check where and how a diamond is produced.” (34.3%) and “Some actions should be taken, but not sure what to do” (15.8%), “Consumers should boycott diamonds.” (11.9%), and “don’t need to do anything.” (5.4%). Among “Others” (0.7%), one said “no actions will be effective if the current supply-and-demand balancing remains the same.”

Q10: What do you think we should do, if these humanitarian and environmental problems such as Q.2 and Q.3 exist? (Multiple Choice, n=461)



1. Questionnaire Survey for the Diamond Jewelry Retailers

2.1. Target of the survey

The target of the survey was 117 diamond jewelry retailers in Japan. The diamond jewelry they sell includes engagement rings, marriage rings, and necklaces made with diamonds.

2.2. Survey Period and Methodology

1) The self-administered and anonymous questionnaires with reply-paid envelopes were sent to the public relations officers in 110 diamond jewelry retailers, which were identified by a survey cooperator who is well informed about the diamond jewelry industry. The duration of the survey was set initially from 26th April to 31st May 2016.

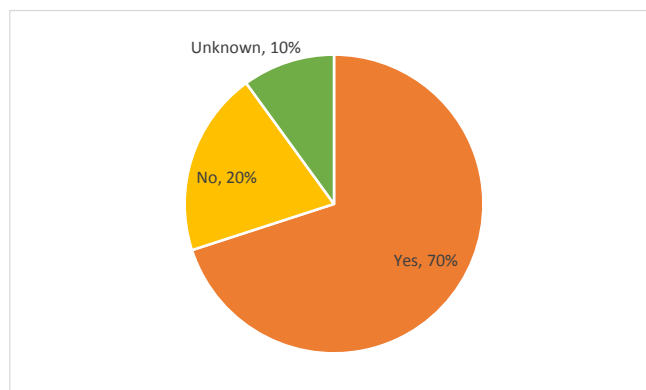
2) Since only 5 retailers sent back answers to the questionnaires within the survey period initially set, the survey period was extended up to 15th August 2016. Once again, the same questionnaires with reply-paid envelopes were sent to those unanswered retailers in addition to seven newly selected retailers. In total, the questionnaires were sent to 117 retailers.

2.3 Results of the Survey

Among the 117 targeted retailers of the survey, 10 companies responded to the questionnaires (collection rate was 8%). One of the retailer's address was invalid. The following is the results of the survey.

With regard to the question on the existence of humanitarian or environmental issues related to diamonds, 70% respondents answered 'Yes' and 20% answered 'No'.

Q1: Do you think humanitarian or environmental issues on diamonds exist? (n=10)

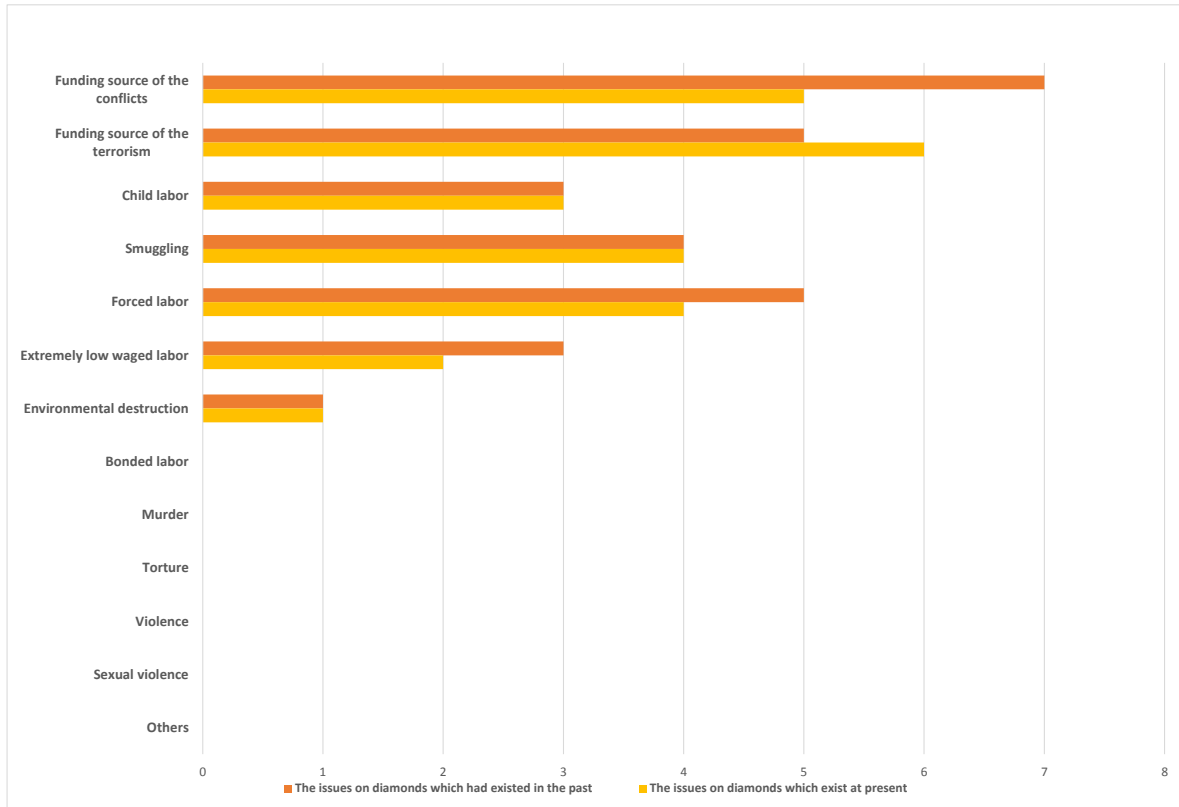


The respondents who replied 'Yes' in Q1 answered they thought the following specific issues on diamonds had existed in the past (multiple answers). The most common answer was 'funding source of conflicts', followed by 'funding source of terrorism', 'forced labor', 'smuggling', 'child labor', 'extremely low waged labor' and 'environmental problems'. On the other hand, there were no responses to options 'violence' and 'murders'.

Regarding the question on what issues which exist at present, the answers were almost the same as the aforementioned. In ‘others’, ‘the artificial diamonds’ was indicated.

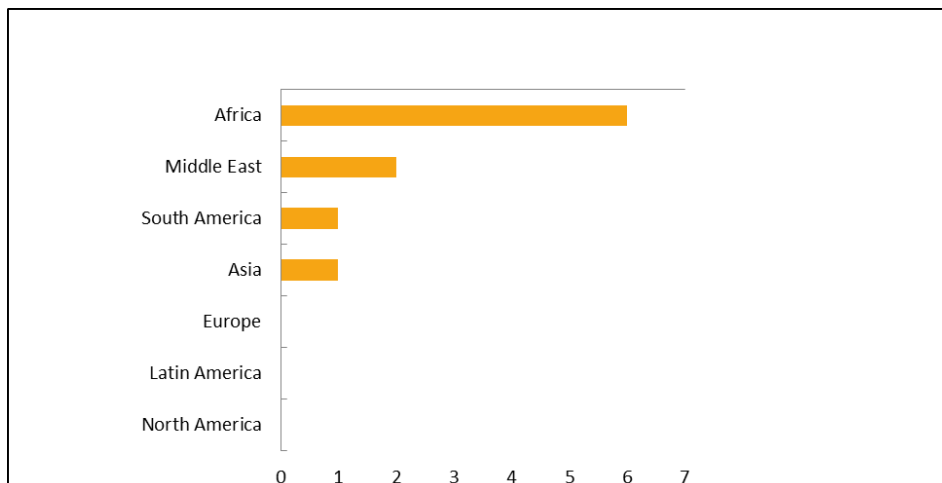
Q2: The issues on diamonds they think which had existed in the past (n=7)

Q3: The issues on diamonds they think which exist at present (n=7)



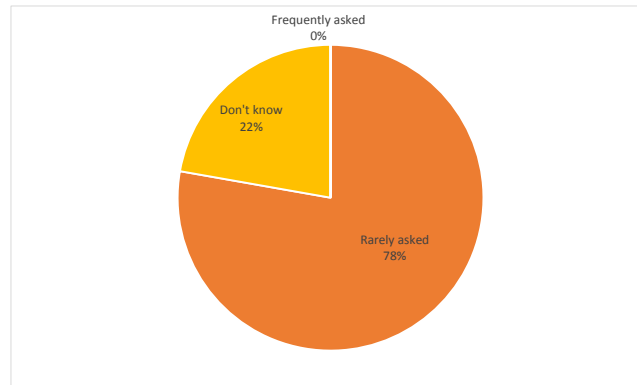
With regard to the question on what areas and which countries do issues on diamonds exist at present (multiple answers), the most common answer was “Africa” followed by “Middle East.” As for the specific countries, one respondent answered ‘Russia’.

Q4: Areas of the issues on diamonds which exist at present (n=7)



We asked if respondents receive inquiries from customers in a store and/or through phone/email about the traceability and the ethics of diamond mining, 78% answered “Rarely asked,” 22% answered “Unknown.” No one answered ‘Frequently asked’.

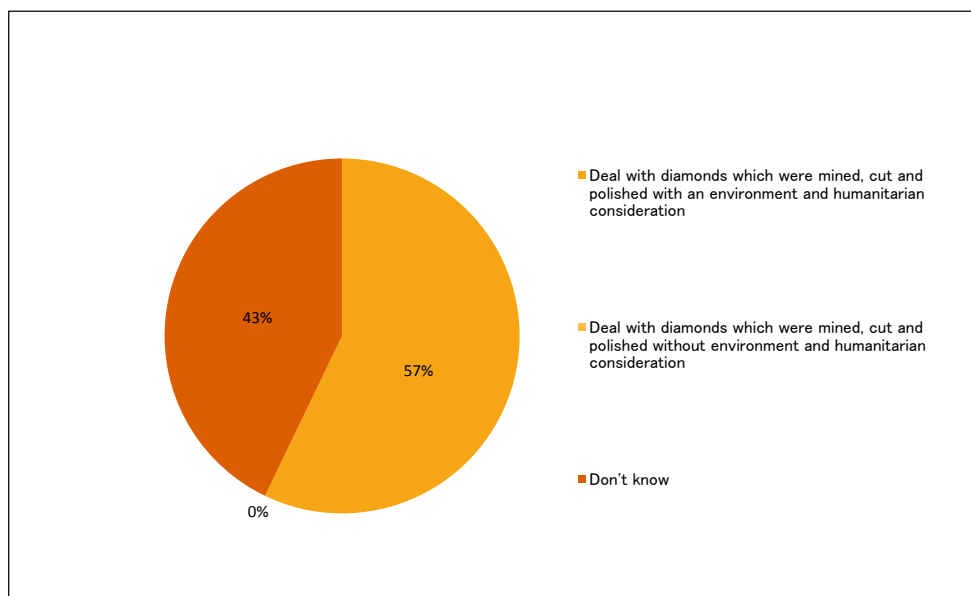
Q5: Do you receive inquiries from customers in a store and/or through phone/email about the traceability and/or the ethic of diamonds? (n=9)



We asked a question about the most applicable humanitarian and environmental situation of the diamonds that the respondents deal with, 57% of them answered ‘Deal with diamonds which were mined, cut and polished with an environment and humanitarian consideration’, on the other hand, 43% answered ‘Don’t know’. No respondent answered that they ‘Deal with diamonds which were mined, cut and polished **without** environment and humanitarian consideration’.

* Since this is a single choice question, the two choices that two respondents provided are not included in the graph below. Those two respondents selected the choices ‘Deal with diamonds which were mined, cut and polished with an environment and humanitarian consideration’ and ‘Don’t know’.

Q6: Humanitarian and environmental situation of the diamonds which were dealt by the target companies (n=7)



With regard to the applicable rational of their answers to the above question, the answers were as follows:

Q7: The rational of the answer to the humanitarian and environmental situation of the diamonds which were dealt by the target companies (n=6)

The reasons that the responding company is dealing in diamonds which were mined, cut and polished with environment and humanitarian consideration were:

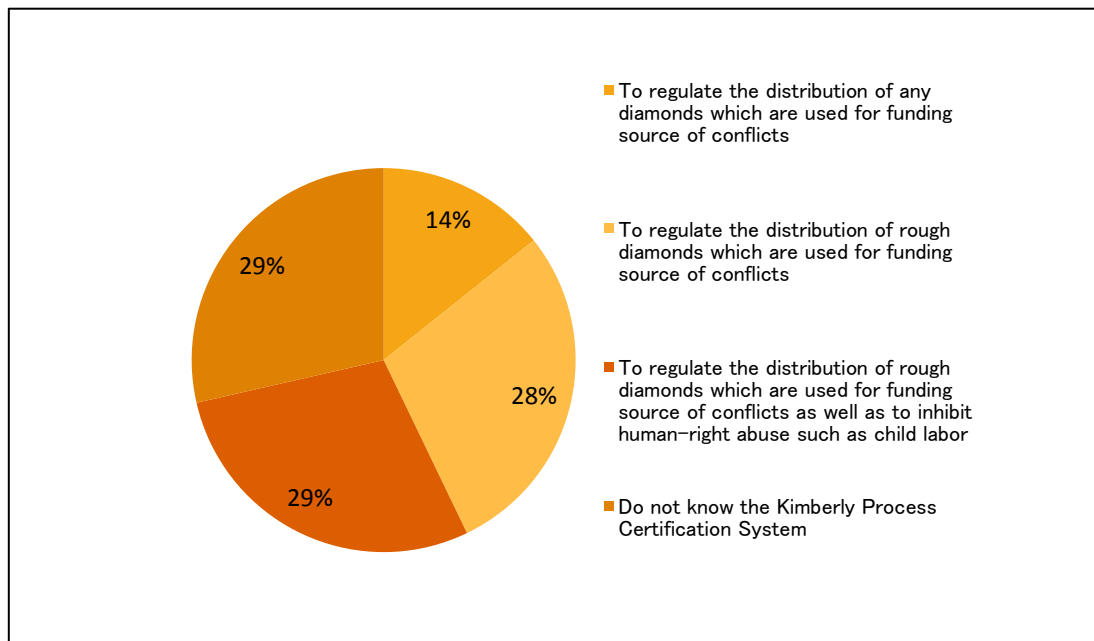
- Dealing in Kimberley Process certified diamonds (No. of answer: 2)
- Dealing in the diamonds with the country of origin certified (No. of answer: 1)
- Suppliers told the responding company that their diamonds are not conflict diamonds (No. of answer: 1)
- Directly dealing with the diamond cut and polish factory (It is based on the trust relationship but is not 100% sure) (No. of answer: 1)

The reasons that the responding company is not sure whether they are dealing in diamonds which were cut and polished with environment and humanitarian consideration were:

- I don't know the country of origin of the diamonds (No. of answer: 2)
- I don't know the place where the diamonds were cut and polished (No. of answer: 2)

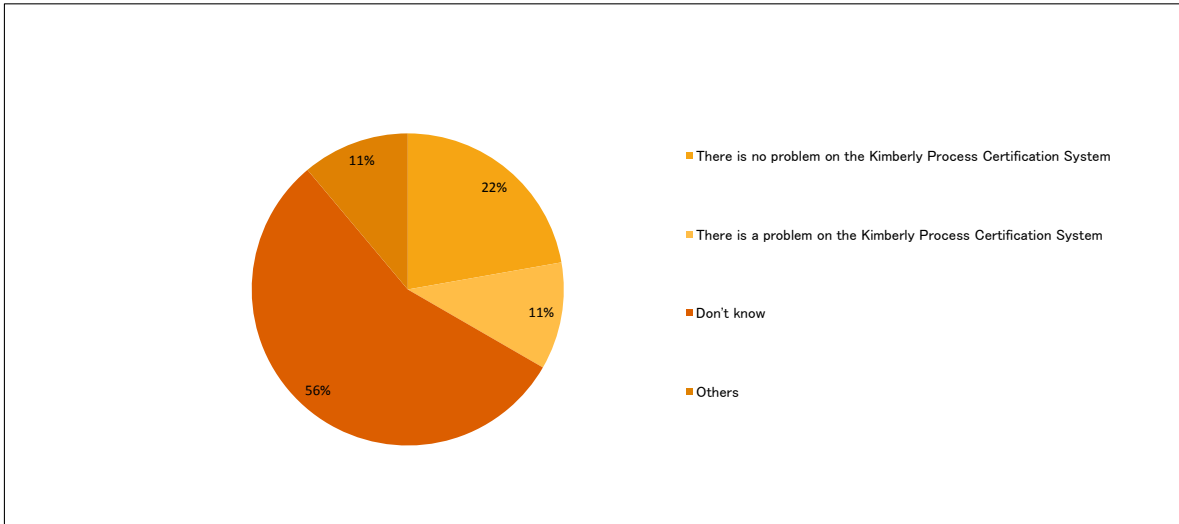
We asked respondents to select the correct explanation of the Kimberley Process Certification Scheme. Approximately 30% chose the correct answer that 'To regulate the distribution of rough diamonds which are used for funding source of conflicts', 70% chose the wrong answer or 'Don't know'.

Q8: Correct explanation of the Kimberly Process Certification System (n=8)



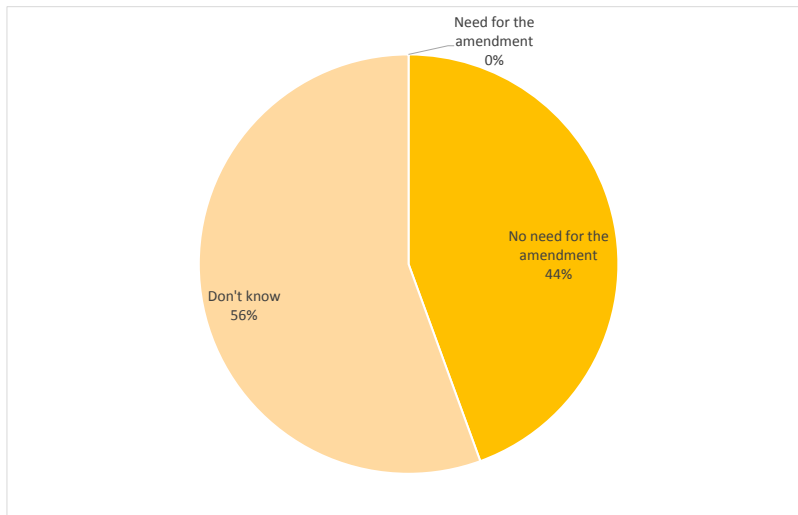
We asked the respondents if the Kimberley Process Certification Scheme has any problems and if it needs some amending. 22% answered ‘There is no problem on the Kimberley Process Certification Scheme’, 11% answered ‘There is a problem on the Kimberley Process Certification Scheme’, and 56% answered ‘Don’t know’.

Q9 (1): Is there any problem on Kimberley Process Certification Scheme (n=9)



Regarding the necessity of the amendment of Kimberley Process Certification Scheme, 44% answered ‘No need for the amendment’, 56% answered ‘Don’t know’.

Q9 (2): Necessity of the amendment of Kimberley Process Certification Scheme (n=9)

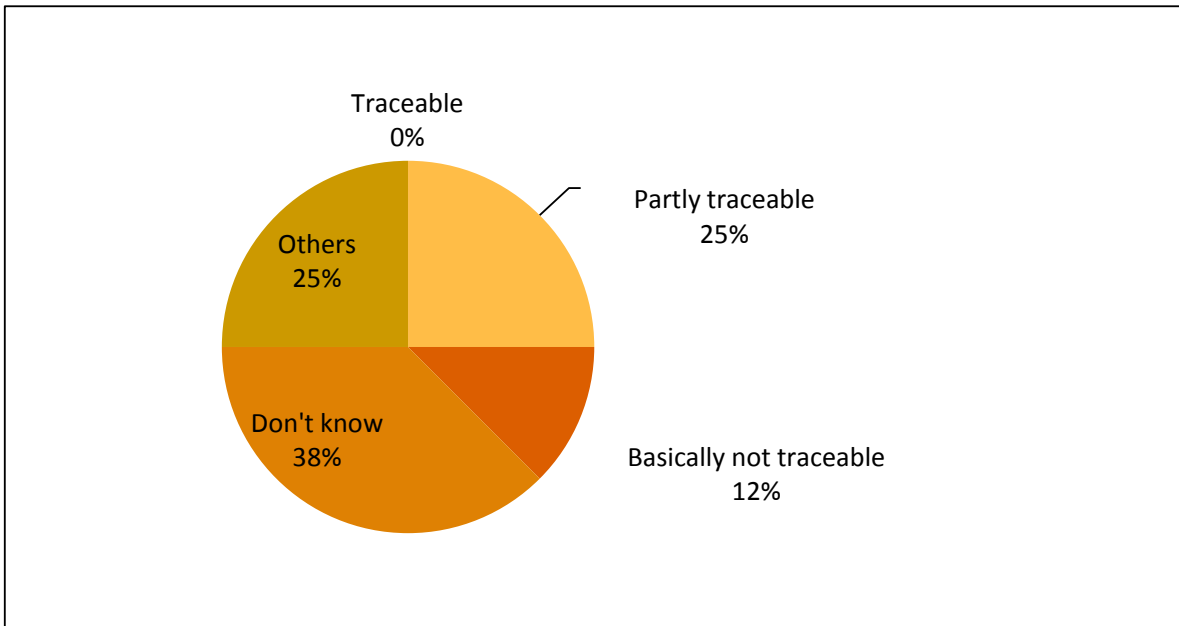


We asked the respondents about the traceability of the diamonds they deal in, 34% answered ‘Partly traceable’, 11% answered ‘Basically not traceable’, 33% answered ‘Don’t know’. There was no answer that ‘All the diamonds they are dealing with are traceable’. As for the answers in “others”, there were ‘All the diamonds are controlled in the head office in Italy’ and ‘Possible to trace if there is a special reason. With the existing technology, it is impossible to identify the mines of origin. The cutting and polishing factories can be traced, because the Kimberley Process

Certification is attached with the diamonds. However, for the finished diamond jewelry, it is unable to trace the diamond mines of origin. There are no dealer/retailer dealing with diamonds from a single mine.

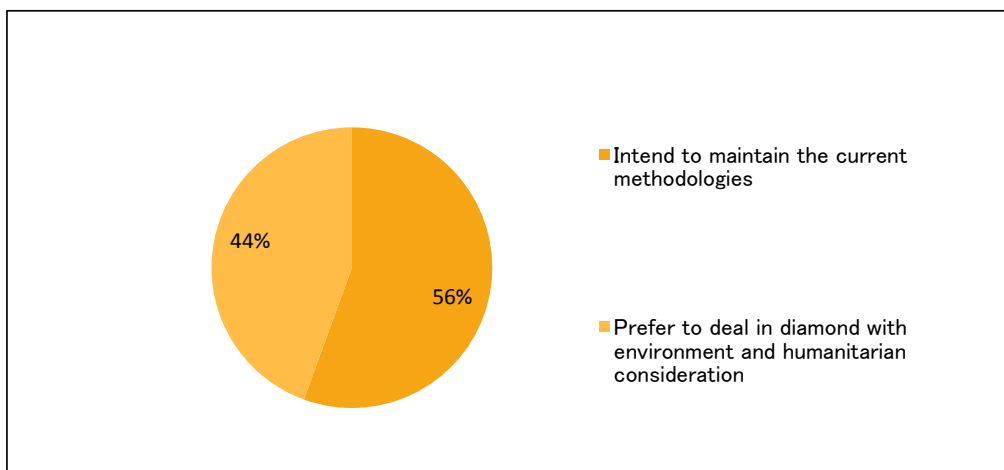
As for the question on the ratio of the traceable diamonds to those who answered 'partly traceable', the ratio ranged from 1% to 50%.

Q10: Traceability of the diamonds dealt by the responding companies



Regarding the responding companies' intentions on their use of diamonds with environmental and humanitarian consideration, 56% answered 'Intend to maintain the current methodologies'. On the other hand, 44% chose 'Prefer to deal in diamond with environmental and humanitarian consideration'.

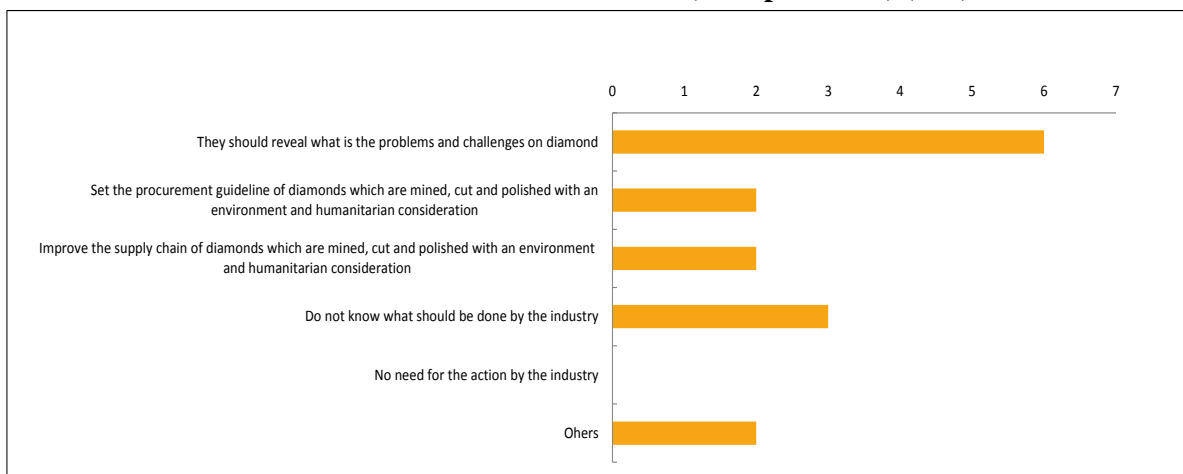
Q11: Target companies' intention on their brand for environment and humanitarian consideration on diamonds (n=9)



Q12: We asked an additional question to those who answered ‘Prefer to deal in diamond with environment and humanitarian consideration’ in Q11, one respondent answered that they ‘would like to deal in more traceable diamonds while keeping the current suppliers’

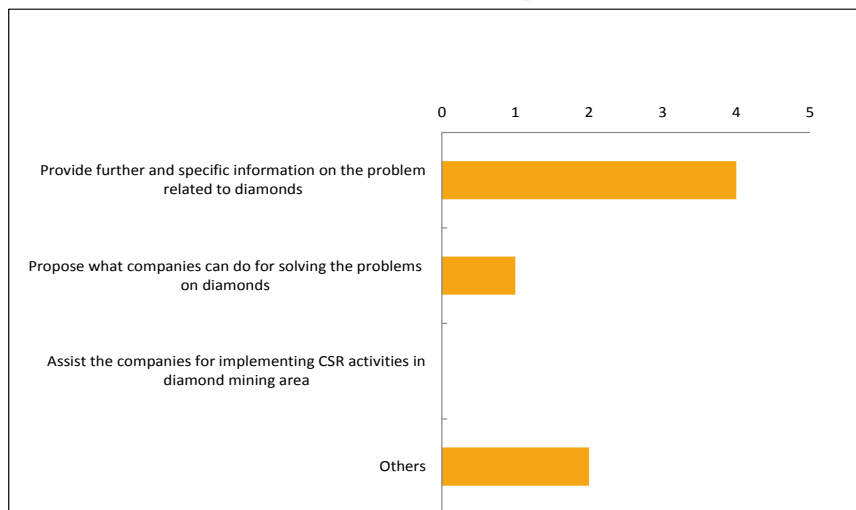
We asked a question on what the diamond industry should do for environment and humanitarian consideration on diamonds (multiple choice), the most common answer given was ‘They should reveal what the problems and challenges are on diamond’. Other answers given were ‘each company should independently deal with the issue’ and ‘Don’t know’.

Q13: What do you think the diamond industry should do for environment and humanitarian consideration on diamonds (multiple choice) (n=9)



Regarding the questionnaire on expectations from target companies to Diamonds for Peace (multiple choice), the most common answer was ‘Provide further and specific information on the problems related to diamonds’. Other answers were ‘Eradication of the distribution of artificial diamonds’ and ‘Nothing in particular’.

Q14: Expectations from the responding companies to Diamonds for Peace (multiple choice) (n=6)



Apart from previously raised answers, there is a comment that 'Understanding that the conflict diamonds is the major problem, however, if the regulations become too strict, it will be difficult to keep running the business itself.'

2. Mystery shopping survey conducted at retail diamond jewelry shops

3.1 Target of the Survey

The targets of the mystery shopping survey (hereinafter refer to as the “survey”) were 22 diamond jewelry brand companies (manufacturing and retail sales) in Japan and overseas: 16 companies in Tokyo, Japan, 5 companies in London, United Kingdom, 1 company in San Diego, United States of America (USA).

3.2 Survey Period and Methodology

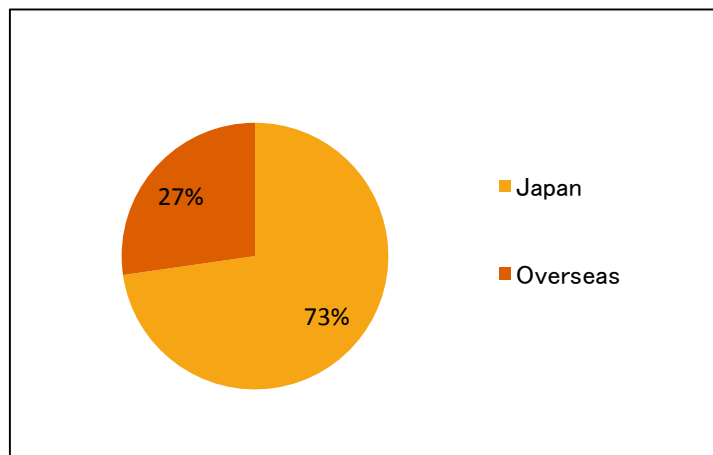
The survey period was from 1st December 2016 to 1st February 2017. In total five mystery shoppers consisting of Diamonds for Peace board members and volunteers visited the targeted retail stores as customers and conducted interviews in line with the survey implementation guideline prepared by Diamonds for Peace. To be more precise, in order to find out how much knowledge did the respondents have in regards to the general information, traceability as well as ethics of diamonds, it was targeted one of the outstanding and expensive items displayed in the showcase that the store would like to sell most (hereinafter refer to as the “target products”).

3.3 Characteristics of the Respondents

The ratio of respondents was as follows:

73% (16 companies) were diamond jewelry retailers in Tokyo, Japan, 27% (6 retailers) were diamond jewelry retailers in overseas: five in London, United Kingdom and one in San Diego, United States of America.

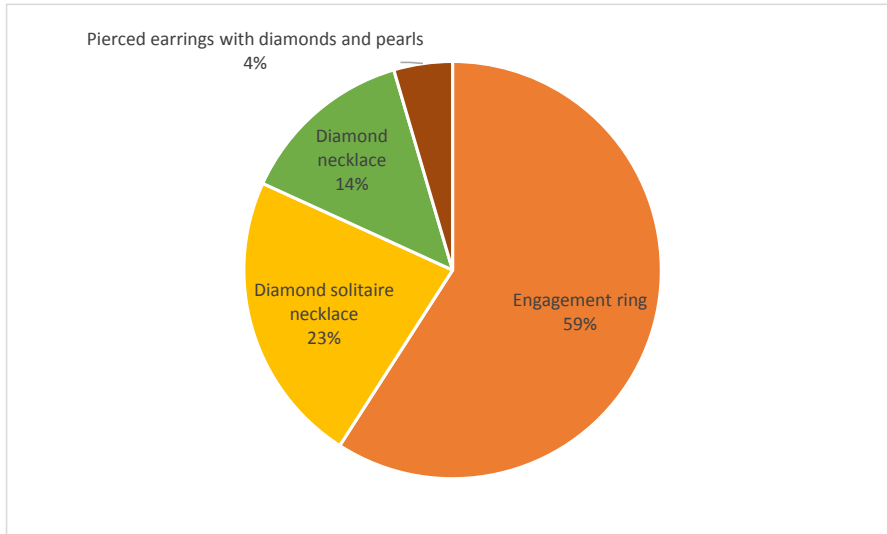
Location of the respondents (n=22)



3.4 Result of the survey

The ratio and types of targeted products chosen by the surveyors were as follows: 59% were an ‘engagement ring’, 23% were a ‘diamond solitaire (one piece of diamond) necklace’, 14% were a ‘diamond necklace’, and 4% were ‘pierced earrings with diamonds and pearls’.

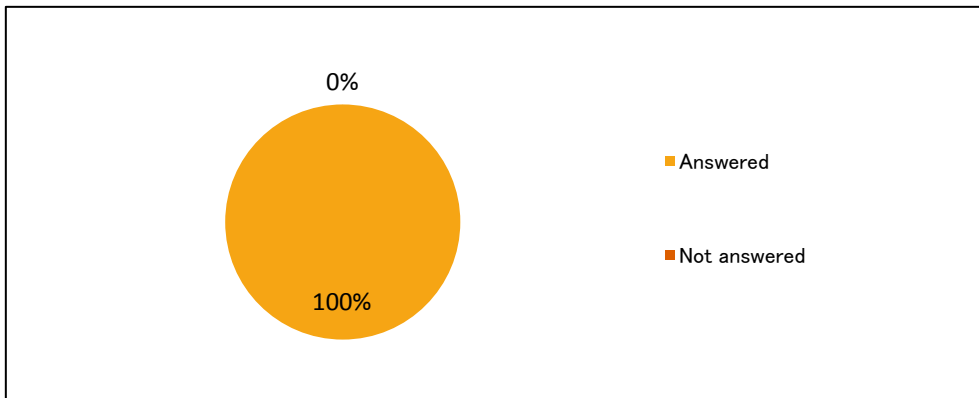
The ratio and types of targeted products (n=22)



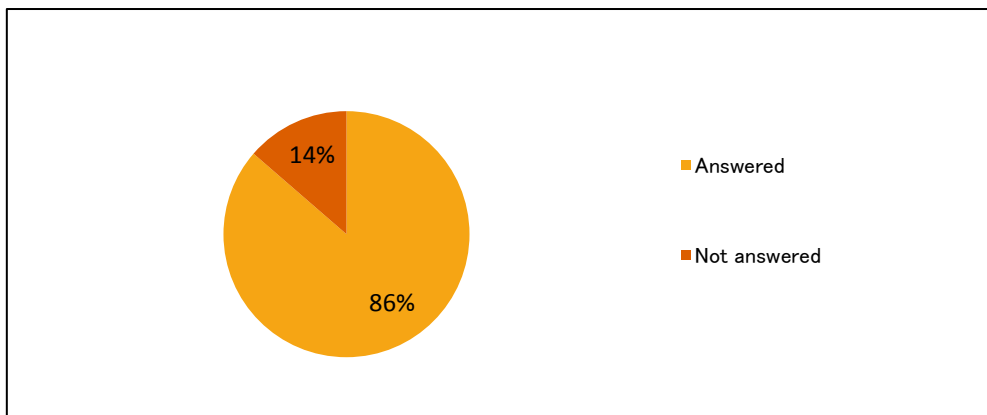
1) Country of origin for diamonds

With regard to the question on the diamonds' 4Cs⁴ (Carat, Color, Clarity and Cut) grade for the targeted products, all the answers were given on Carat, Color and Clarity, however, as for Cut grade, 14% answered 'unknown'.

Q1 (1): Grade of diamonds for targeted products (Carat, Color, Clarity) (n=22)



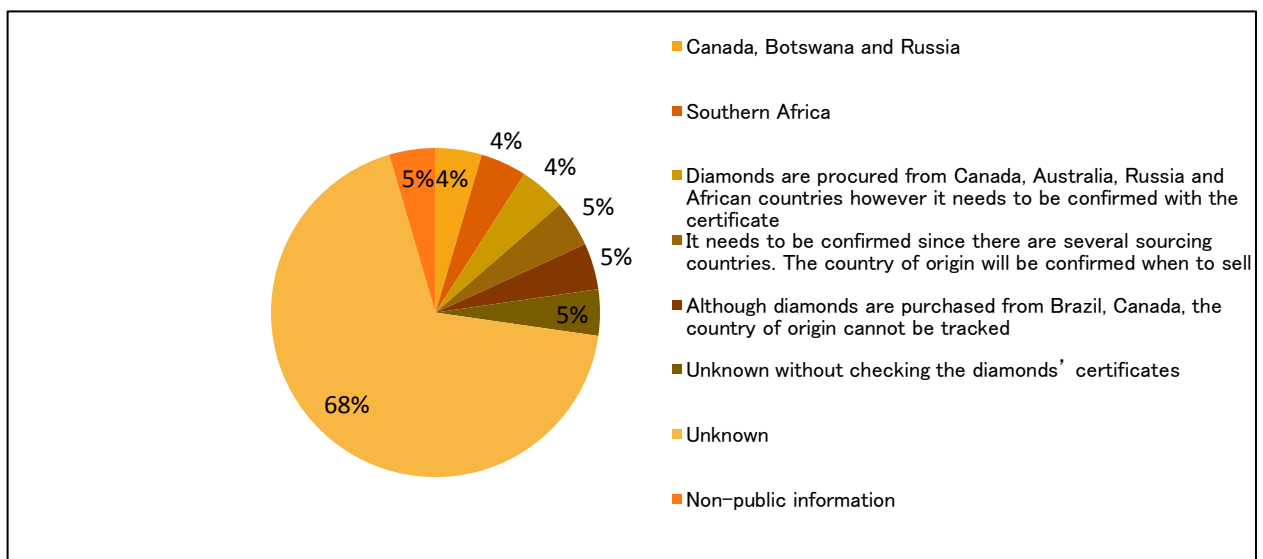
Q1 (2): Grade of diamonds for targeted products (Cut) (n=22)



⁴ 4Cs are the standard indicators for evaluating diamonds which consist of Carat (weight), Color, Clarity and Cut.

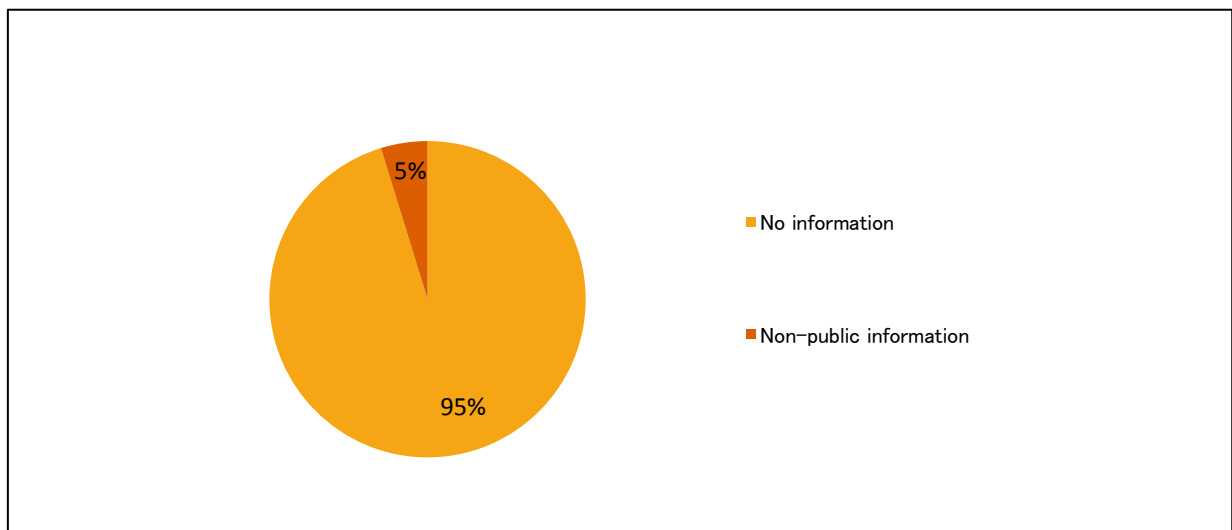
We asked about the country of origin for the diamonds for targeted products, 68% respondents answered 'Unknown', 4% answered 'Canada, Botswana and Russia', 4% answered 'Southern Africa', 4% answered 'Diamonds are procured from Canada, Australia, Russia and African countries however it needs to be confirmed with the certificate', 5% answered 'It needs to be confirmed since there are several sourcing countries. The country of origin will be confirmed when selling', 5% answered 'Although diamonds are purchased from Brazil, Canada, the country of origin cannot be traced', 5% were 'Unknown without checking the diamonds' certificates', 5% were 'Non-public information'. Among the respondents, only one answered the specific country of origin.

Q2: Country of origin for the diamonds for the targeted products (n=22)



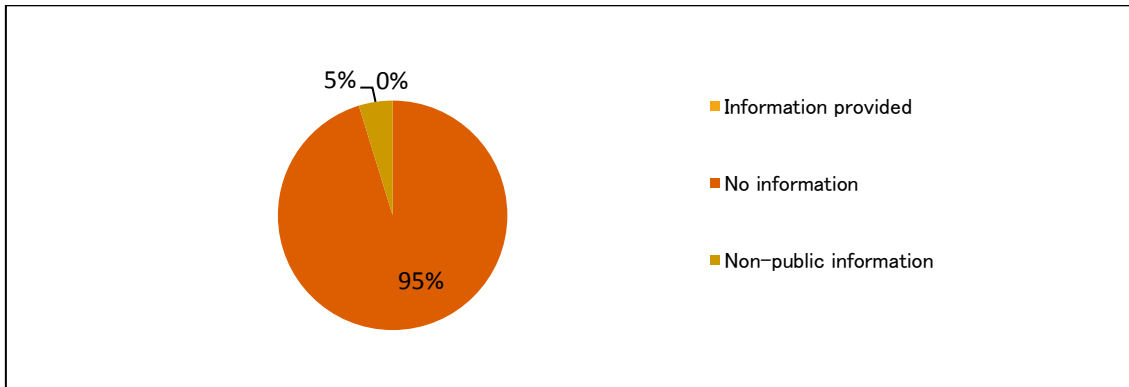
We asked about the name of diamond mines where the diamonds for the target products were mined, 95% answered 'Unknown', 5% answered 'Non-public information'.

Q3: Name of diamond mines for the target products (n=21)



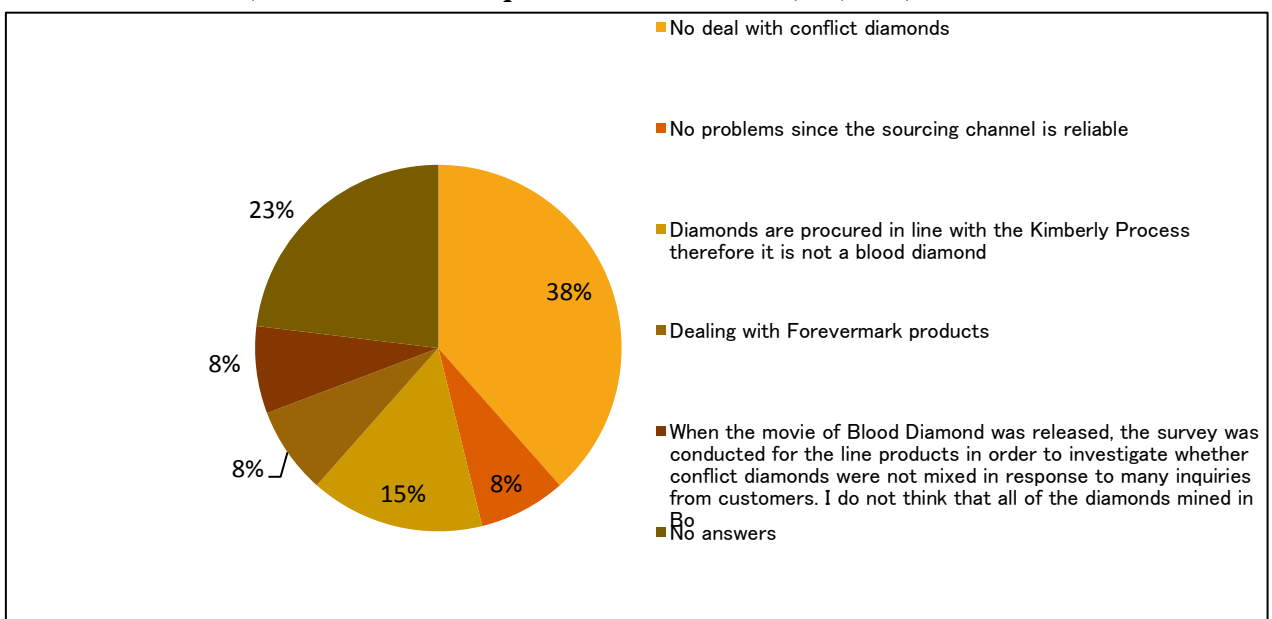
We also asked about the working environment in the diamond mines where the diamonds for the targeted products were mined, 95% answered ‘No information’ and 5% answered ‘Non-public information’.

**Q4: Working environment in the diamond mines
where the diamonds for the targeted products were mined (n=21)**



We told the respondents that we were concerned about the use of blood diamonds when buying the product, the responses were as follows; 38% answered ‘No deal with conflict diamonds’, 8% answered ‘No problems since the sourcing channel is reliable’, 15% answered ‘Diamonds are procured in line with the Kimberly Process therefore it is not a blood diamond’, 8% answered ‘Dealing with Forevermark⁵ diamonds’, 8% answered ‘When the movie of Blood Diamond was released, the survey was conducted for the line products in order to investigate whether conflict diamonds were not mixed in response to many inquiries from customers. I do not think that all of the diamonds mined in Botswana and South Africa are bad’, 23% gave no answers.

**Q5: Answers and their ratio to the question on immixture of blood diamonds
(The number of the question asked as 100%) (n=13)**

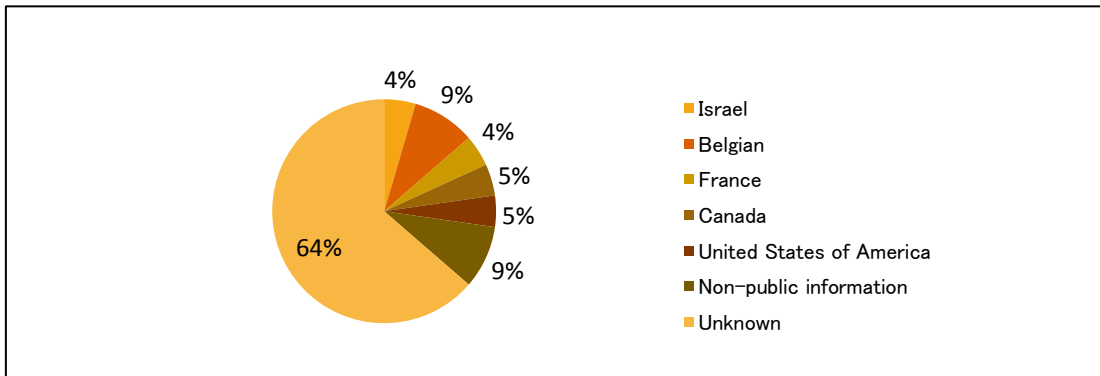


⁵ Forevermark is the diamond brand by the De Beers Group, which is applicable only to the diamonds that meet their own beauty and ethical standards.

2) Diamond Cutting Countries

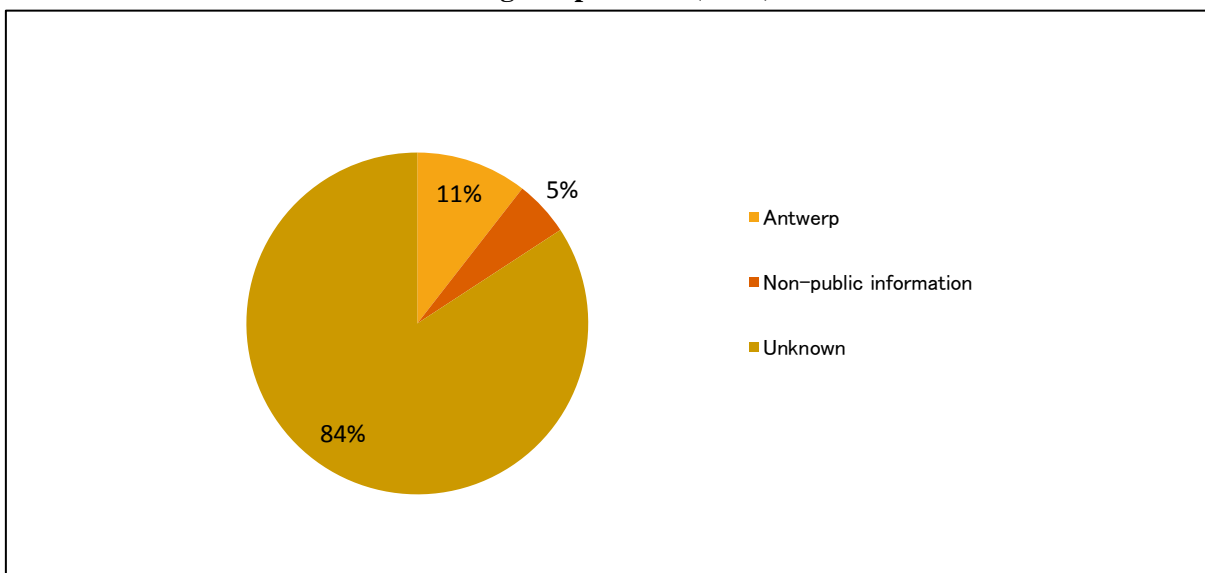
We asked about the countries where the diamonds for the targeted products were cut, 64% respondents answered 'Unknown', 4% answered 'Israel', 9% answered 'Belgian', 4% answered 'France', 5% answered 'Canada', 5% answered 'United States of America', 9% answered 'non-public information'.

Q6: Diamond cutting countries for the diamonds for the targeted products (n=22)



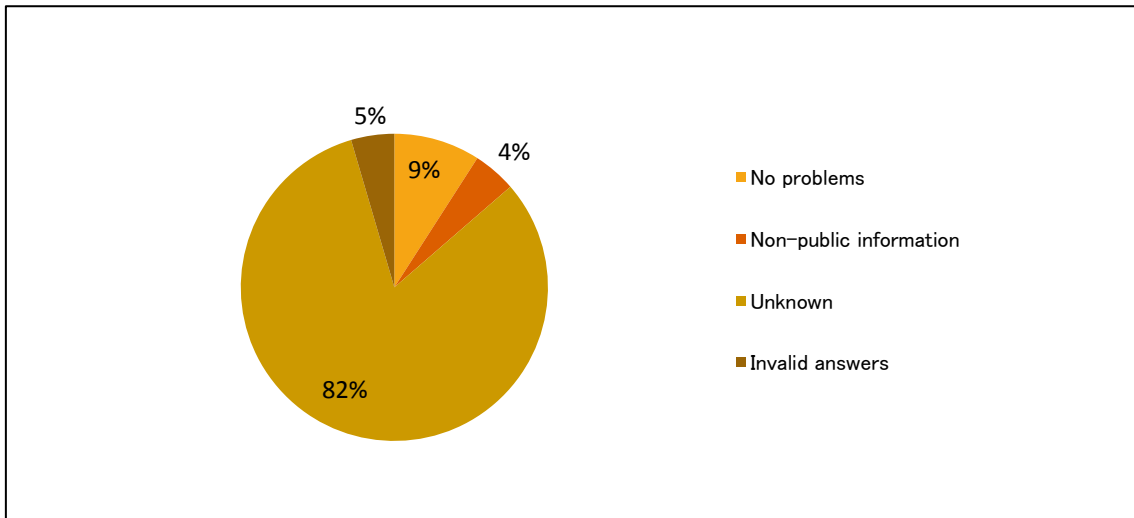
We also asked what was the name of the city in the diamond cutting countries for the target products, 84% answered 'Unknown', 11% answered 'Antwerp', 5% answered 'Non-public information'.

Q7: Name of the city in the diamond cutting countries for the diamonds for the targeted products (n=19)



We asked about the working conditions in the diamond cutting factories for the target products, 82% answered 'Unknown', 9% answered 'No problems', 4% answered 'Non-public information', 5% answered invalid answers.

Q8: Working environment in the diamond cutting factories for the target products (n=22)



Column: The Awareness of the Diamond Related Issues by Japanese University Students

This awareness survey was conducted with general consumers who are in their 20's or above and companies selling diamond jewelry. The question we wanted to get information about was "What is the level of awareness of the diamond related issues by Japanese university students?"

In order to explore the answer to that question, Diamonds for Peace conducted a questionnaire survey in the class at the university where the Director General of Diamonds for Peace gave a lecture, and the result is as follows.

1. The Target of the Survey

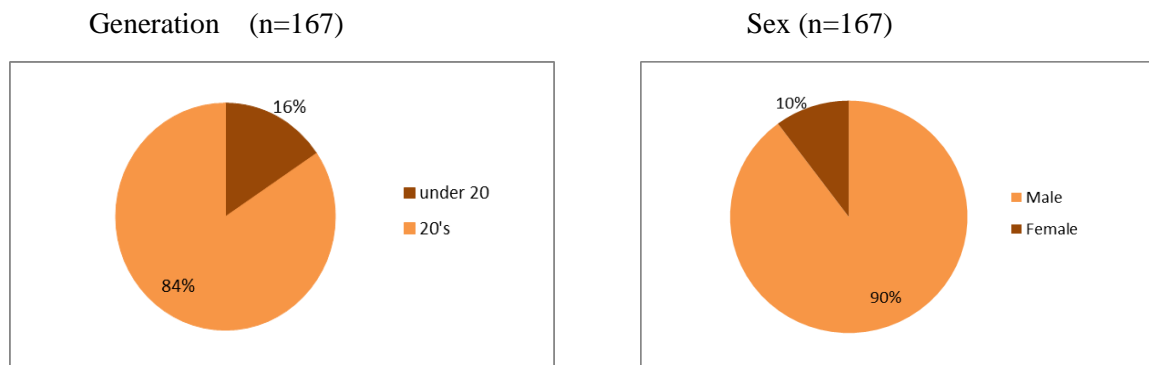
The target of the survey was 167 students who were freshman to junior and taking a class on sociology at Tokyo University of Technology located in Hachioji, Tokyo on the day of the survey.

2. Survey Date and Methodology

At the beginning of the sociology class on January 8, 2016, the Director General of Diamonds for Peace distributed questionnaires to be answered anonymously. All of the students who attended the class filled out the questionnaire and she collected them before the lecture started (recovery rate 100%).

3. Attributes of respondents

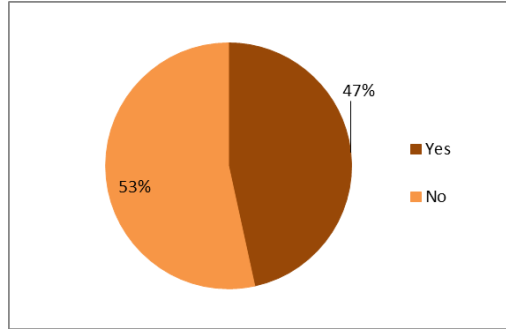
The age of respondents was 16% under 20 and 84% in their twenties. The sexes were 90% males and 10% females.



4. Results

When asked about humanitarian or environmental problems of diamonds, 47% answered "I do think there is" 53% said "I do not think there is."

Q1: Do you think diamonds have humanitarian or environmental problem? (n=161)



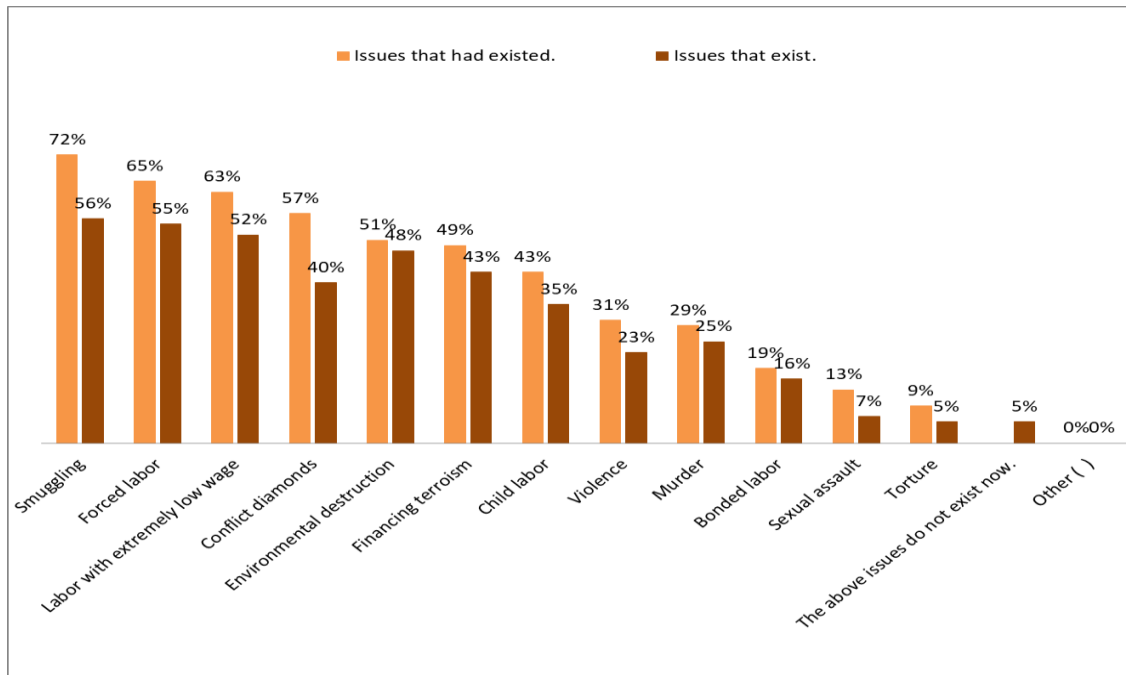
To those who answered “Yes” in Q1, we asked what kind of problems do you think exist (multiple answers allowed). 72% of them answered "Smuggling", 65% of them answered "Forced labor", 63% of them answered "Extremely low waged labor", 57% of them answered "Conflict diamonds", 51% of them answered "Environmental destruction", 49% of them answered "Funding sources for terrorist organizations". "Child labor" was 43%, "Violence" was 31%, "Murder" was 29%, "Debt worker" was 19%, "Sexual violence" was 13%, "Torture" was 9%.

Furthermore, among these problems, we asked them about the problems that they think actually are happening (multiple answers allowed), the most frequent answers are "Smuggling" 56%, "Forced labor" 55%, "Extreme low Waged labor" 52%, "Environmental destruction" 48%, "Funding sources of terrorist organizations" 43%, "Conflict diamonds" 40%, "Child labor" 35%, "Murder" 25%, "Violence" 23%, 16% for "Bonded labor", 7% for "Sexual violence", 5% for "Torture" and 5% "No such problem happening at present".

Q2 (1): Diamond related issues that students think had existed.

Q2 (2): Diamond related issues that students think are happening.

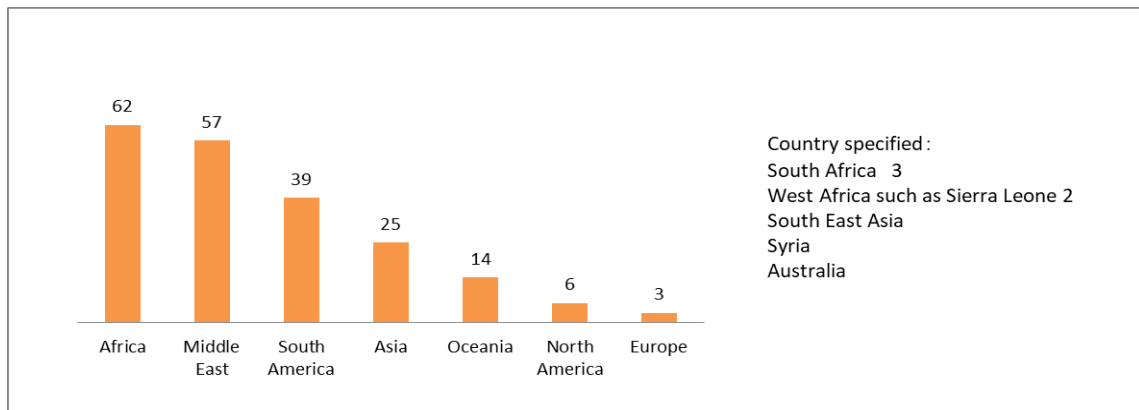
(Multiple answers allowed). (n=75)



We asked in which country the respondents think those issues are happening (multiple answers allowed). "Africa" is the most frequently answered by 83%, "Middle East" by 76%, "South America" by 52%, "Asia" was 33%, "Oceania" was 19%, "North America" was 8%, "Europe" was 4%.

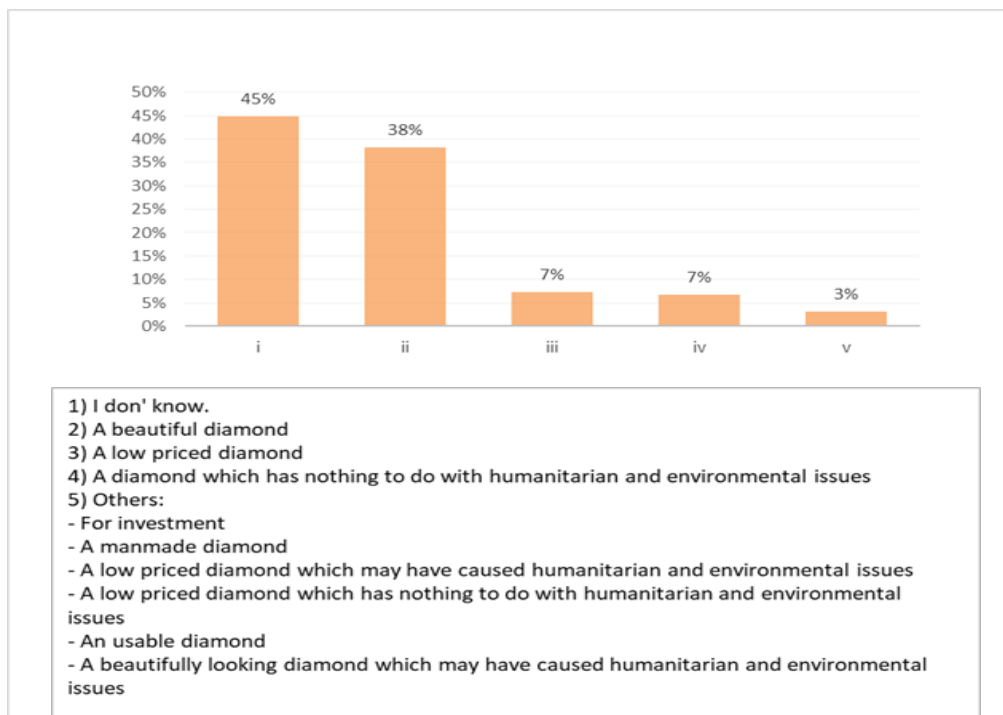
In addition, we asked them the name of the country where those issues are happening. Three responded "Republic of South Africa", two responded "West African countries such as Sierra Leone," and one responded "Southeast Asia", "Syria" and "Australia" respectively.

Q3: Where do you think the problem is happening now (multiple answers allowed) (n = 75)



We asked respondents if they buy a diamond in the future, what kind of diamond they would like to buy. 45% of respondents answered "I don't know", 38% answered "beautiful diamonds", 7% said "A low priced diamond", 7% said "A diamond which has nothing to do with humanitarian and environmental issues", and 3% answered "Others". Others answers include "For investment", "A manmade diamond", "A low priced diamond which may have caused humanitarian and environmental issues" "A low priced diamond which has nothing to do with humanitarian and environmental issues".

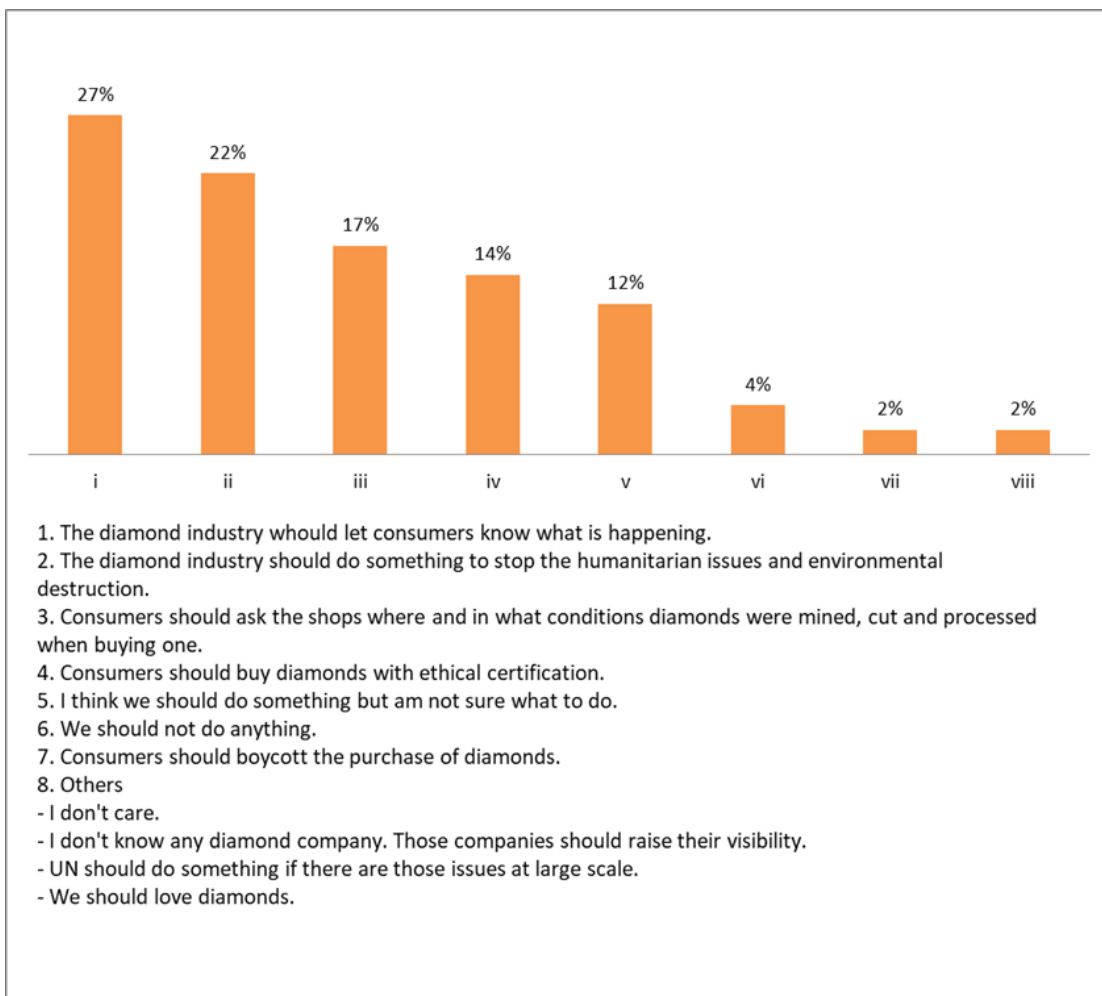
Q4: If they buy a diamond in the future, what kind of diamond they'd like to buy (n=165)



We asked if the diamond related issues raised in Q2 exist, what respondents think they should do (multiple answers allowed). 27% answered "The diamond industry should tell consumers honestly what is happening in the industry." 22% answered "The diamond industry should take measures to prevent humanitarian problems and environmental destruction," 17% answered "Consumers should ask the background of the diamonds when they purchase, where it's come from, where it's processed." 14% answered, "Consumers should purchase diamonds with certification indicating that they are ethical, such as fair trade labels, etc." 12 % answered "I think I should do something, but I don't really know what to do," 4% answered "Nothing should be done," 2% answered "Consumers should boycott diamonds," and 2% selected "Others."

Respondents who answered "others," their specific comments were "I don't care" "I think that diamond companies should raise their presence because I do not know any diamond related company" "If any problem is occurring on a global scale, the United Nations is in a better position to do something" "To love diamonds "and" There is no room I can do something".

**Q5: If the diamond related problems in Q2 exist, what do you think we should do?
(Multiple answers allowed) (n=167)**



4. Observation

4.1 The Level of the Awareness by Consumers and Retailers

Of the respondents in the questionnaire survey targeting consumers, 41% of them answered they think there are humanitarian and environmental concerns with diamond mining. On the other hand, respondents from the questionnaire survey targeting retailers, 70% of them answered they think there are humanitarian and environmental issues with the diamond mining industry. The retailers are in a position to obtain diamond related information which the survey team think influenced the ratio much higher than the ratio of consumers.

The most common diamond related issues that consumers believe existed/exist are smuggling, funding source of terrorism/conflicts, environmental destruction of the mines, extremely low waged labor, appalling working environment, and child labor. The issues retailers mentioned are funding source of terrorism/conflicts, smuggling, forced labor, child labor, and extremely low waged labor. The results show that consumers and retailers have similar recognition towards the issues.

Many consumers and retailers selected “Africa” as an area in which the issues raised above are happening. Both consumers and retailers have similar perception regarding where there are issues.

47.5% of respondents answered that they have bought diamonds. Among them, 17.2% of them answered that they had asked the clerks at the shops about the origin, human or environmental considerations in the mining or processing process. 78% of the responding companies answered that their customers rarely ask them about the traceability and ethics of diamonds. It is confirmed that consumers usually do not ask this kind of questions to the sales staff at the shops.

On the other hand, only 5.4% of the respondents (consumers) answered that nothing should be done about the issues if they really exist. It became clear that most of the respondents (consumers) believe that something needs to be done to solve the issues.

4.2 Kimberley Process Certification Scheme

The Kimberley Process Certification Scheme is an international certification process created to prevent the circulation of rough diamonds which fund conflicts into the formal market. This certification process was established by the initiative of the United Nations in 2003.

28% of responding companies selected the correct explanation about the Kimberley Process Certification Scheme. 43% selected the incorrect explanations such as “it is a scheme to prevent the circulation of the diamonds which fund conflicts and mined/cut with human rights violation” and “it is a scheme to prevent the circulation of any type of diamonds which fund conflicts.” 22%

answered that they didn't know what Kimberley Process Certification Scheme is.

57% of responding companies answered that they do deal in diamonds mined/cut/polished with humanitarian and environmental concerns. However, one of the reasons they answered this way is that they deal in diamonds which have been certified by the Kimberley Process. However, the Kimberley Process Certification Scheme has nothing to do with humanitarian and environmental problems and concerns. It would appear based on the survey that most diamond retailers in Japan do not know the facts about the Kimberley Process Certification. Therefore it is necessary for Diamond for Peace to raise awareness on Kimberley Process Certification Scheme targeting both retailers and consumers.

4.3 Traceability and its Evidence

Only one responding retailer out of 22 mystery shopping surveys answered that they knew the origin of the diamond being sold. All other respondents gave vague answers such as "I don't know," "will be checked when selling." The surveyors told 13 responding retailers that "I'm worried about the blood diamond (that fuels conflicts)," 38% of them said they didn't deal in blood diamonds, 8% of them said they had a legitimate channel of supply. However, none of them showed any evidence for their statements.

Some responding retailers during the mystery shopping survey told the surveyors that their diamonds are cut in Belgium, Israel, France, Canada, U.S.A. 64% answered that they didn't know. 72% of the diamonds in the world was cut/polished in India in 2014.⁶ It is interesting that no respondents answered India.

4.4 Conclusion

In general, more consumers want to know the details on the traceability of diamonds being purchased, such as the origin and manufacturing countries. Ethical consumption including purchasing fair trade products is prominent in Western countries. The number of ethical brands in Japan is increasing. With this trend, we expect that more consumers will buy ethical jewelry including diamonds, as their awareness rises.

It will be important for retailers and manufacturers dealing in diamonds to show the traceability of diamonds and prove there are no human rights violations and environmental destruction in order to gain consumers' confidence.

⁶ Statista, Distribution of diamond cutting and polishing worldwide by country in 2014. <https://www.statista.com/statistics/588958/diamond-cutting-and-polishing-global-distribution/> Accessed on 15th March 2018

5. Recommendations

Diamonds for Peace believes that the first step to realize our vision of “the world in which diamonds are mined, cut and processed with humanitarian and environmental considerations” is 1) increased awareness on the diamond related issues by consumers, 2) increase in consumers questioning the ethics at the retail shops, and 3) retailers’ correct understanding about the Kimberley Process Certification Scheme.

The findings directly related to the above three points in this survey are as follows.

1) Consumers’ awareness on the diamond related issues

41.8% of responding consumers answered that they have some kind of awareness on the diamond related issues.

2) Questions about ethics made at retail shops

17.2% of responding consumers answered that they have asked about either the country of origin, the location of cutting, and/or working conditions at mines and/or the cutting facility to salespeople at retail shops when buying diamond (jewelry).

3) Retailers’ understanding about Kimberley Process Certification Scheme

28% of responding retail/manufacturing companies picked the correct answer for the meaning of the Kimberley Process Certification Scheme.

Based on these results, Diamonds for Peace needs to devise creative ways for awareness raising activities to improve both consumers’ and retailers’ knowledge on the issues surrounding the diamond industry which will assist with changing behaviors especially in Japan. The survey team presents some examples below. Diamonds for Peace’s decision on exactly what type of activities and programs going forward will be made upon consideration of all the circumstances.

1) Activities to raise consumers’ awareness

Diamonds for Peace can develop a brochure/movie where consumers can learn about diamond issues “at a glance”. The brochure or movie can be distributed to schools, and lecture/seminar/event can be conducted using the brochure/movie.

2) Activities to increase the number consumers’ asking about ethics at the retail shops

Diamonds for Peace can develop a brochure which explains how a consumer can check the ethics of diamonds at retail shops. The brochure can be distributed to consumers shopping for diamonds, as well as used to conduct lecture/seminar/event.

3) Activities to raise retailers' awareness on the Kimberley Process Certification Scheme

Diamonds for Peace can develop a web page to explain the Kimberley Process Certification Scheme to targeted retailers. DFP may also develop a brochure that retailers can understand the scheme at a glance, which can also be used in informational lecture/seminar/events.

The Way Forward

The Diamonds for Peace survey described in this report primarily targeted the diamond consumers and manufacturers/retailers in Japan. Diamonds for Peace has plans to conduct this kind of survey periodically, also targeting diamond consumers and retailers in large cities in western countries with the purpose comparing levels of awareness among nationalities.