Everyone is accountable for adequate and correct disclosure of the nature of the product they are selling. Unknowingly selling undisclosed synthetic diamonds as natural diamonds is the responsibility of the seller and can lead to commercial penalties as well as criminal charges. It is therefore essential that you ensure that no undisclosed synthetic diamonds enter your operations and that you constantly segregate them if they do. The following steps are designed to assist you in putting the right processes and procedures in place in your organisation to ensure your business is protected.

1. **MAP & IDENTIFY**

You should map your diamond supply chain, both internal and external, and aim to identify the risk areas for entrance of undisclosed synthetic diamonds into your project flow. These include your diamond suppliers of course, but also contractors used for repairs, customer returns and even internal risk of stone “switching”/mixing by employees or internal contractors.

For each identified area, try to assess the level of risk: low, medium and high. As an example, the risk level would be considered low if you purchase rough diamonds in marked tamper proof packaging from diamond mining companies that adhere to renowned standards. The risk level is considered medium if you purchase polished diamonds from an audited supplier. The risk level is deemed high if you purchase polished diamonds on the open market from an unknown supplier.

For more information and detail on how to map your supply chain and identify your risks, download ‘Standard Guidance: Undisclosed Synthetic Diamonds 2018’ by the De Beers Group.

If you operate, or sell to companies, in any of the following countries, please refer to the respective trade organisation’s guidelines to understand your legal responsibility and risk when it comes to selling undisclosed synthetic diamonds.

- United States: [Jewelers Vigilance Committee](#)
- India: [The Gem & Jewellery Export Promotion Council](#)

In the meantime, you will find below some high-level steps to managing the risk of synthetic diamonds unwillingly contaminating your natural diamond operation.

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2. MITIGATE RISKS

Once you have mapped and assessed your risks, you should aim to identify adequate mitigation procedures. The procedures should be tailored to address the specific risks that you have identified in your operations and can range from discontinuing a supplier for example, to implementing systematic verification of all incoming stones. Here follow examples of risk mitigation procedures:

1. Request Warranties from Suppliers
   Request written warranties from your suppliers guaranteeing that the diamonds they supply are natural. Ensure your suppliers have incorporated the following World Federation of Diamond Bourses warranty on every invoice and memo: “The diamonds herein invoiced/on memo are exclusively of natural origin and untreated based on personal knowledge and/or written guarantees provided by the supplier of these diamonds.”

2. Know Your Counterparties (KYC)
   Conduct thorough KYC due diligence for your suppliers, customers and partners. As an example, check if your counterparties are certified by the Responsible Jewellery Council. Furthermore, ensure that your company, and your counterparties, adhere to the World Diamond Council System of Warranties Guidelines which will add greater assurance of the integrity of your pipeline.

3. Tamper Proof Packaging
   Secure diamonds in marked tamper proof packaging. As this is especially important when the diamonds are transported; work together with reputable logistic companies that are experienced in transportation of high value goods and insist on the diamonds being sealed in marked tamper proof packaging.

4. Inventory Management System
   Wherever possible use an inventory management system that tracks individual stones/parcels and highlights any internal errors. By keeping track on where, and with whom, the individual diamonds are, you can easily make spot checks and investigate discrepancies. Implementation of an inventory management system often results in additional benefits, such as easier financial reporting and audit procedures.

5. Security System
   Install a security system to mitigate stone “switching”. Through implementation of security procedures for entrance and exit to your facilities, and systems that surveil your internal operations, you are minimising the risk of natural diamonds being switched to synthetic diamonds.

   Differentiate between product flows if you handle both diamonds and synthetic diamonds. For example, do not handle both products in the same room or with the same instruments.

7. Verify Your Diamonds
   Develop a test protocol that ensures your diamonds are tested and verified. As a rule of thumb; all diamonds should be verified after they enter and before they exit your operations. Testing can be conducted in-house by using relevant Diamond Verification Instruments or can be outsourced to a qualified gemmological laboratory.

   Read the Diamond Verification Instrument Selection Guide to learn more about how to select the instrument that works best for your operations. The instruments differ in terms of capabilities, capacity and performance. The ASSURE Directory provides objective and reliable information on the performance of a variety of commercially available instruments. The instruments have been tested against the Diamond Verification Instrument Standard by an independent third-party laboratory using verified test samples. Look for the ASSURE TESTED certification mark to find verified test results.

   For companies that handle melee sized goods, refer to De Beers Melee Assurance Protocol for guidance on test protocols and procedures.

8. Train and Communicate
   Communicate the procedures to your whole team and ensure the right tools and training are available.

9. Disclosure and Warranty
   Give your customers full disclosure and warranty of the nature of your goods. This means that you use terminology compliant with the Diamond Terminology Guideline (international version) and include the World Federation of Diamond Bourses warranty on every invoice and memo: “The diamonds herein invoiced/on memo are exclusively of natural origin and untreated based on personal knowledge and/or written guarantees provided by the supplier of these diamonds.”

10. Document and Audit
    Fully document all activities to ensure you can confidently warrant that there are no undisclosed synthetic diamonds in your operations. Investigate discrepancies. Audit regularly to ensure the processes work.
Join the Responsible Jewellery Council if you would like to ensure that your business practices adhere to the highest ethical, social and environmental standards. RJC is an international standard and certification agency that help build trust and accountability across the global diamond supply chain. RJC is a not-for-profit organisation has over 1,000 members throughout 70 countries covering more than 8,700 facilities and 445,000 employees.

3. REVIEW

Review your risk analysis and risk mitigation measurements regularly to make sure they are accurate and effective. Your risk profile can change if you e.g. engage a new supplier or if there are new synthetic diamonds on the market. Stay up to date on the latest developments in the production of synthetic diamonds and the detection thereof; in that way you can be sure that your mitigation procedures constantly remain effective.

Learn more about pipeline integrity through the following organisations:

ALROSA
De Beers Group
Gem & Jewellery Export Promotion Council
Jewellery Vigilance Committee
Responsible Jewellery Council
Signet Jewelers
World Diamond Council
World Federation of Diamond Bourses