

# Project Pipeline

*As an independent retailer, designer brand or pre-owned jewellery business it is vital to protect your pipeline against undisclosed laboratory-grown diamonds. Here, we share a guide to taking steps in the right direction.*



Image courtesy of Dominion Diamonds

'Maintaining pipeline integrity' – not something from a plumbing manual, but one of the most vital (and underdeveloped) facets of UK jewellery businesses. According to the Diamond Producers Association (DPA), business owners can take simple steps to ensure the products that end up in their windows or on their website are exactly what they believe them to be. Namely, natural diamonds.

Selling undisclosed synthetic diamonds as natural diamonds can lead to commercial penalties as well as criminal charges. It's therefore essential that you put the right processes and procedures in place to protect your organisation. If you're unsure where to start, here are some core steps recommended by the DPA:

## Step One: Be Aware of the Risks

Conduct overall due diligence on your diamond supply chain, in addition to analysing the route diamonds take to get to your business' premises and the route they take once in your company's hands. Armed with this, you'll be able to identify the risk areas where undisclosed synthetic diamonds could infiltrate your supply of natural diamonds. Don't be limited by your supply chain either; what about your external contractors who conduct repairs, or your internal staff who receive pieces from customers for bespoke orders? While purposeful tampering may be rare in these cases, mistakes and accidental mix-ups could be a factor.

For greater assurance of pipeline integrity, check if your counterparties are certified by the Responsible Jewellery Council or if they adhere to the World Diamond Council System of Warranties Guidelines.

## Step Two: Stay Separated and Secure

Some businesses sell both laboratory-grown and natural diamonds. In this instance, it is essential to create distinct routes that ensure separation (or perhaps go one step further and separate by site). Do you record stones entering your store via an inventory management system? Can you always pinpoint where and with whom and exact stone is within your premises? Tamper-proof packaging, meticulously organised storage solutions and an experienced logistics company are essential, especially if stones are leaving your premises and journeying to a third party. Other things you may wish to consider are camera surveillance to mitigate the risk of employees switching stones, and a returns' testing scheme to ensure stones have not been switched by the customer.

## Step Three: Commit to Testing

You're likely to have asked your suppliers how they test their diamonds and what they do to ensure their delivery to you is verified. For an additional layer of security, ask them what specific instruments they use to test their diamonds – are they included on the list of Diamond Verification Instruments in the ASSURE Directory. These synthetic diamond detection devices, from a range of

companies like De Beers, Presidium, GIA and Alrosa, have been independently tested for performance.

If you're a retailer or dealer, don't presume that a detection device in the ASSURE Directory is beyond the realms of possibility. Many have accessible prices for small- and medium-sized businesses and will help you to establish your own in-house testing protocol.

## Step Four: Prioritise Staff Training and Diligence

Ensure your whole team is on the same page and understands any new due diligence procedures inside-out and aware of the risks? Can they use verification instruments accurately? Are they using the correct terminology with customers around diamonds, laboratory-grown diamonds, and diamond simulants? Many reputable businesses, including De Beers Group Industry Services, offer laboratory-grown diamond workshops in the UK that your staff may benefit from.

## Step Five: Be the Business that Asks Questions

Finally, never be afraid to ask questions and demand answers. You may have worked with your existing suppliers for years, if not decades, but positive steps sometimes require change. If you experience problems or aren't satisfied by the results of your due diligence queries, act by notifying and reporting incidents to relevant organisations, including bourses, suppliers and trade organisations. This will in-turn support your peers who may not be as far along their 'pipeline protection' journey.

*For further information, visit the ASSURE Directory on the DPA website: [diamondproducers.com/ASSURE](http://diamondproducers.com/ASSURE)*

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