

Changing expectations: Diamond traceability

By [Bruce Cleaver](#)

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In a world of fleeting connections and disposable luxury, diamonds must stand for enduring value that is grounded in confidence. Confidence that a diamond has been responsibly sourced, confidence in its value and confidence that it is the real thing.



Bruce Cleaver, CEO of the De Beers Group

But expectations about the meaning of confidence are evolving, and our future as an industry depends on our ability to understand this shift, embrace it, and meet the challenges it presents.

Now more than ever, consumers expect to know more about their luxury goods, the route they have travelled, their authenticity, and whether they have been a force for good in the world. Commercial players in the industry expect a modernised trading environment where goods can be bought, sold and shipped with increased trust and decreased cost. Retailers expect to have the tools and information necessary to trace the unique journey of a diamond. And lenders to the industry expect increased transparency from those to whom they lend.

To grow as an industry, these should not just be the expectations others have of us, but the expectations we have of ourselves. Indeed, these expectations must serve only as a starting point for an industry in which trust is part of the product's very proposition.

And at just the moment that these changing expectations are converging to shape our future, new technology is emerging that can enable the diamond industry to respond in ways that were previously unimaginable.

Blockchain platform

This is why I am excited to share with you that we are investing in a new platform that will provide a single, immutable record that traces a diamond's individual journey through the value chain. This diamond traceability platform is underpinned by blockchain technology, which allows for a highly secure digital register that creates a tamper-proof and permanent record of interactions – in this instance, a diamond's path through the value chain.

In a blockchain, each event or transaction is registered in a database backed by advanced information security technology. This chain maintains a record of the activities that have taken place, the order they occurred in, who they occurred between and what they involved.

However, and what is most unique about this project, is that the system is able to verify activity on the chain without needing to reveal sensitive details to the wider community. As a result, participants can be confident that a transaction occurred, but safe in the knowledge that the sensitive data remains between them and their counterparty.

Once established, the blockchain will operate as a shared platform, on top of which a range of solutions could be built. It can be thought of as akin to a smartphone and a range of apps – once the base blockchain technology is established, participants in the ecosystem can build applications for various uses, whether that's as a trading platform, financial assurance tool or consumer-facing solution.

As the first traceability platform to span the entire diamond value chain, the solution we are developing aims to provide unprecedented levels of confidence and assurance for all stakeholders. Imagine a world where the unique journey of a diamond, from its beginnings as an unpolished gift of nature to its ultimate purchase as a symbol of life's most meaningful moments, can be captured in a way that is as everlasting as the diamond itself.

We have made significant progress, and while we don't yet have all the answers, the vision and principles guiding our work are clear. The platform will be:

- Respectful of privacy: we understand the importance of privacy for anyone who participates in the blockchain, so the solution combines transparency with privacy of sensitive information.
- An immutable record of journey: consumers should be able to know there is an accurate register of a diamond's journey that provides assurance of its provenance and authenticity.
- A foundation for trust: industry participants should have complete confidence in their dealings with each other through an unchangeable register of interactions and improved visibility at all stages in the value chain.
- Open and independent: we can only build trust in one diamond if we build trust in all diamonds, and any traceability solution will only be effective if it is accessible for all.
- Collaborative: if the platform is to benefit all, then it must be developed through ongoing engagement with industry leaders willing to share their insights and perspectives.
- Secure: data security is paramount and protection of commercially-sensitive information must be upheld.

Most importantly, the traceability platform will be inclusive – a shared resource for registered members of the diamond industry, benefiting all those who expect to buy and sell with confidence.

More questions than answers

I am mindful that this news may spark more questions than it answers. This is new technology and this is a complex industry, so we have more work to do before we are ready to launch the platform.

In the months ahead, we will continue to work with leaders from across the industry and share our progress with you. In the

process we will no doubt make some mistakes, but we will continue to collaborate, learn and persevere. So while we may not yet have a fully-formed solution, I wanted to use this opportunity to share this vision, and update you on our progress to date and our commitment to deliver innovation that advances confidence in the diamond industry.

Unique, rare and finite, diamonds hold a story one billion years in the making. It is a story of nature, authenticity, craftsmanship and love. It is a story that predates us and will endure long after us. It is a story that has yet to be fully told, and we believe it is a story whose day has come.

ABOUT THE AUTHOR

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